

# Involving Stakeholders of a Business for Building Sustainable Business Practices

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**Abstract: Purpose:** This paper serves the purpose of studying the involvement or engagement of stakeholders of businesses for building sustainable business practices.

**Methodology:** For the making of this research paper the methodology opted by the author of this paper is Desk Research or Secondary Research Method, for this method author relies on already existing data.

**Findings:** After thorough research and review of articles the findings of this paper were that involvement or engagement of stakeholders of businesses for building sustainable business practices leads to a better and more efficient sustainable strategies. The stakeholders can act as a catalyst in the process of building sustainable business or management practices.

**Practical Implication:** When practically implied involvement or engagement of stakeholders of businesses for building sustainable business practices helps organization to build a brand image and also triple A line gets positively affected.

**Originality/value:** The value added to this paper was studying the role of stakeholders in an organization then analyzing it with regards to sustainable business management practices.

**Keywords:** Building, Consumers, Environment, Organization, Practices, Stakeholders, Sustainable.

## 1. Introduction

There is a paradigm shift from the traditional management practices to modern business practices. Now profit is not the only main concern of any business. Concepts like, Sustainability, Corporate Social Responsibility (CSR), Environmental Social and Governance (ESG) ratings, etc. have made it clear that for business to prosper and to achieve its organisational goals, organisations are supposed to identify and address the social problems, try to find a solution and making sure that before making any decision whatsoever in a business they have to consider its 'Sustainability'. Consumers are now more aware than they used to be, now consumers know the amount of change an organisation can bring when they manage their businesses sustainably.

The question is, what is the important of sustainability for any business?

The answer to this question is, besides consumer, investors, shareholders and other stakeholders of an organisation are now not only interested in how the company is doing in terms of profit or monetary earnings, but also, they care about the social responsibility or sustainability or environmental and social

governance as a metrics to study any organisations standing in the market. Investors don't want the companies monetary standing like profits, equity or debt, but they also analyse things like, social development efforts, carbon footprint and diversity in any organisation. Companies having high ESG ratings doesn't have higher equity and debt. Every step taken by a business towards improving its sustainability is going to show them improved financial performance.

## 2. Literature Review

1. Pîrvu C. (2021) *Emotional Intelligence – A catalyst for sustainability in modern business*. JSTOR. In this paper the author thoroughly studied the progress made by emotional intelligence in the world of researchers. The paper later studies the influence of EI on leadership and stakeholders of the business. In this paper the author implies that EI has a scope for increasing the sustainability of organisations. The paper studied the ways EI could be conceptualize. The paper studied the significance of workplace and EI relation.
2. (Loannou L. et al., 2019) *Yes, Sustainability can be a strategy*. Harvard Business Review. In this article the author studies the long-term implication of adoption of sustainability as a strategy. In this article there is critical analysis of what sustainability can offer to an organisation and what we have seen it achieve over the years. The findings of the article were that sustainability can be a necessity and a differentiator, both. The article studies both sides arguments on sustainability being a strategy and otherwise, concluding that both of these arguments relate to the article written in 1996 by Michael Porter "What is strategy?"
3. Spiliakos A. (2018) *What does sustainability mean in business?* Harvard Business School. In this article the author studies the meaning of sustainability concerning businesses. The article also deals with the question about importance of sustainability in business. The article suggests various ways to for businesses to create more sustainable strategy.
4. (Leal Filho W. et al., 2016). *Engaging stakeholders for sustainable development*. Springer. This purpose of this paper was to study the role of stakeholders in sustainable development. The paper critically analyses the engagement

of stakeholders for sustainable development. The paper studies the problem that may arise due to the role played by the stakeholders when they are involved in sustainable business practises. The conclusion given by the paper was that keeping aside the obstacles and challenges faced by business with the involvement of stakeholders, the engagement might be worth it. The paper also suggested some of the different ways in which stakeholders can be involved.

5. (Adebanjo, D. et al., 2016). *The impact of external pressure and sustainable management practices on manufacturing performance and environmental outcomes. Emerald.* This paper studies the environmental outcomes of external pressure and sustainable management practices. This paper discussed that there is a lack of combined study between external pressure sustainable management and environmental outcomes. The study is based on India, China and Malaysia. The paper also studies the impact of sustainable management initiatives. The data for this paper were collected from International Manufacturing Strategy Survey (IMSS) (The International Manufacturing Strategy Survey, 2014).

### 3. Research Methodology

The Methodology opted by the author of this paper is Desk Research or Secondary Research Method, for this method author relies on already existing data.

### 4. Research Objectives

The main objective of this research paper is to study the Involvement of stakeholders of a business for building sustainable business practises.

1. To study the factor contributing to sustainable brand image of an organisation.
2. To study the role of all stakeholder in building a sustainable brand image for a business.
3. To provide effective strategy to enhance sustainability of business.

### 5. Research Question

Is it effective to involve all stakeholders in business to create a sustainable brand image?

### 6. Findings

One thing that should be discussed in the start is GREEN and SUSTAINABILITY are two different concepts. Researchers believe that environmental concern among people started in late 19<sup>th</sup> century, but the focus on bringing a change or a necessity for change in our way of living started in early 20<sup>th</sup> century. With the advancements and growth in technology and mindsets of our surroundings, by using the more developed resources we can act more precisely on sustainability. The VUCA (short for *volatility, uncertainty, complexity and ambiguity*.) changes that we witnessed with a world hit by covid-19, we saw people showing concerns and taking sustainability more seriously. People use sustainability and green as interchangeable words,

because both of them intend to take initiatives towards environment protection and betterment of the society. According to the definition given by Webster's Dictionary green means something "concerned with or supporting environmentalism" this definition is vague and doesn't comment on the criteria for being 'green' or even being classified as that. In today's world we see businesses using the 'green' wherever possible. Whereas definition given by Webster's Dictionary conveys 'sustainable' as "of, relating to, or being a method of harvesting or using a resource so that the resource is not depleted or permanently damaged." A definition of this sort clearly signifies the criteria or how and why something can be termed as sustainable.

Sustainability in management practises is concerned with adopting measures to mitigate the overall harm that any organisation can possibly carry out to harm the environment. Taking initiatives that cause zero to minimal negative impact on the community or society. Before making any decision, businesses should really check the effect that decision will make on our environment and society. Consumers and other stakeholders of the organisation realise that the amount of concern showed by any organisation towards the safeguarding of our planet, positively affects the brand image of that firm. Researchers, investors, business enthusiasts, marketeers, consumers etc. know understand the need for any business to adapt to the VUCA changes and take initiatives for giving back to the community. When we study the strategies implemented by various businesses, we see that never can two strategies be exactly similar to the other one. Because sustainability is not limited to environmental factors such as global warming or pollution, some of the other factors of sustainability are economic factor, social factor etc.

Before making any decision, businesses should make sure their goal are "SMART"—specific, measurable, achievable, relevant, and time-bound (Spiliakos A., 2018). Measures that can be undertaken for creating strategies that are more sustainable are:

1. Find out what sustainability means for the business' stakeholder, make separate groups of stakeholders of your organisation and see what they think are the steps that the business should take, on priority basis.
2. After finding out what necessary steps should be taken according to the stakeholders, manifest the mission that the company has regarding sustainability. This the most important step when it comes to creating a brand image.
3. Pursue your strategy once your mission is all set. This is the step where you provide your organisation with a sustainable business strategy. At this step the decisions you make are being made while keeping in mind the *triple bottom line* which refers to how a company's actions impact profit, people, and the planet. (Elkington J., 2018)
4. This is the final step where you analyse the results after implementing the strategies. This is the final stage where you get to see the difference between your plan and actual achievements your strategies make. There

are no good results or bad results until and unless the strategies you made, the step you take, the mission you want to achieve or the goals pursue have some ulterior non-environmental motives. Every step no matter how big or small can be make a difference when those steps are concerned towards sustainability of the society.

### 7. Discussion

Business models were not always concerned about the stakeholders when it comes to traditional models of business, they were concerned about shareholders' well-being more than anything else. Sometimes these businesses were so focused on maintaining and increasing the value of shareholders that the expenditure for this were incurred by the stakeholders. We needed a system that created value for environment, society, nature also employees, investors and planet, for this need sustainable business models came to rescue, they redesigned the entire corporate ecosystem. "Creating shared value" this is one of the ideas that were instigated by Michel Porter, the idea is concerned about the psychology that by investigating social problems and finding a solution for them which is intersecting with their business model or system, by doing something like this they can create an opportunity to solve the social problems but can also create some value for their business. Involvement of stakeholders in business were not considered to be a great methodology but research shows that engaging stakeholders in practises like sustainable management can help you achieve your sustainable goals at whole another level.

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