

Measuring the Impact of Sustainable Management Practices on Organizational Performance

Chomsiri Yada Kurusatienkit¹

¹Institute of Business Administration of Chulalongkorn University, Thailand

*Corresponding Author: Chomsiri Yada Kurusatienkit

Abstract. *The effects of environmentally responsible administration on business effectiveness are the focus of this analysis. Combining quantitative poll data from 200 managers across sectors with qualitative case study analysis was the methodology we settled on. The poll responses were analyzed using descriptive statistics, and the premise that sustainable management techniques improve corporate performance was tested using inferential statistics. Case study analysis's anecdotal data added to our understanding of how sustainable management practices boost productivity in businesses. Sustainable management techniques were discovered to have a statistically substantial, favorable association with business success. Sustainable management techniques were found to have a positive effect on company success. By analyzing case studies qualitatively, we learned that sustainable management practices can boost corporate performance in a number of ways, including through increased employee involvement, strengthened partner relationships, and a more reputable brand. Our research suggests that ecological management techniques can have a major impact on business success. These results have substantial ramifications for managers and lawmakers alike, as sustainable management practices can be an effective means for businesses to boost performance and obtain an edge in the market. In order to better understand the connection between sustainable management practices and enhanced organizational performance, future studies will need to use a larger group and focus on the particular processes by which these practices work.*

Keywords: *Measuring, Impact, Sustainable, Management Practices*

Received: January 10, 2022

Received in Revised: February 9,
2022

Accepted: March, 13 2022

INTRODUCTION

According to Shi et al. (2019), sustainable management practices have become an increasingly essential component for businesses to implement in order to remain competitive in the modern global economy. Organizations are looking to sustainable management practices as a means to improve their performance and enhance their reputation in response to the growing pressure to minimize their negative effect on the environment and to conduct their business in a socially responsible fashion (Javeed et al., 2022). However, there is much disagreement regarding the efficacy of sustainable management techniques in terms of increasing organizational performance (Sá & Serpa, 2020). Some studies have found a positive correlation between environmentally responsible business practices and the profitability of organizations, while others have found either no substantial correlation or even a negative correlation (Malik & Hu, 2019).

As a result, the reason for conducting this research is to investigate the effect that environmentally responsible management practices have on the overall performance of an organization (Pimonenko et al., 2020). In particular, the purpose of this research is to investigate the degree to which sustainable management practices are linked to improvements in organizational performance, as well as the variables that may mitigate the strength of this

relationship (Della Corte et al., 2019). The mechanisms that sustainable management practices may use in order to influence organizational performance will also be investigated as part of this research. These mechanisms include things like increasing employee involvement and creativity, strengthening shareholder relations, and cutting expenses (Sargani et al., 2020).

This research is significant for a number of different reasons. To begin, it will provide novel observational evidence on the relationship between sustainable management practices and organizational performance, which will contribute to the existing body of literature on the topic of sustainable management practices and organizational performance (Zutshi et al., 2021). Second, it will provide insights into the factors that may influence the effectiveness of sustainable management practices, which can help organizations design and implement more effective strategies for sustainability. Third, it will provide a framework for integrating sustainability considerations into business operations (Zutshi et al., 2021). Thirdly, it will provide organizations that are looking to improve their sustainability performance and boost their reputation with assistance that can be implemented immediately (Cha et al., 2020).

Overall, the findings of this study will make a significant contribution to the field of sustainable management practices and organizational performance, and they will provide researchers and practitioners with insights that will be of great value in their respective fields.

METHODS

This study makes use of a quantitative research methodology, and the survey technique that was used was a cross-sectional survey. In a cross-sectional survey, data are gathered from a selection of participants at a specific moment in time, rather than continuously over the course of the study. We will be able to investigate the relationship between environmentally responsible management practices and organizational performance, in addition to the variables that may mitigate this relationship, in a fashion that is both efficient and cost-effective if we take this strategy.

The focus of the research is on organizations that have integrated environmentally responsible business practices into their daily activities. An approach known as "convenience sampling" will be used, in which businesses and organizations will be asked to take part in the research based on whether or not they are available and whether or not they are prepared to do so. The G*Power software will be used to establish the amount of the collection, and at least one hundred different organizations will take part in the investigation.

The information was gathered with the help of an online questionnaire survey, and it will be sent out to the participants in the study via email. The survey will be broken up into three parts: (1) information regarding demographics, (2) organizational performance, and (1) sustainable management practices. Using a Likert measure that ranges from 1 (not at all) to 5, the sustainable management practices portion will evaluate the degree to which organizations have incorporated sustainable management practices in their activities (to a great extent). The performance of organizations will be rated using a Likert measure that ranges from 1 (very poor) to 5 (outstanding), and the organizational performance division will be responsible for making these determinations (excellent). In the portion devoted to collecting biographical information, questions will be asked about the respondent's employment title and length of service, as well as the size, industry, and location of the organization they work for.

In order to provide a concise summary of the information obtained from the survey, descriptive statistics were utilized. These statistics included means, standard deviations, and occurrences. It is planned to make use of inferential statistics such as correlation analysis and regression analysis in order to investigate the connection between environmentally responsible management practices and organizational performance, as well as to test the moderating effects of a number of different factors. The SPSS software will be utilized in the process of carrying out the statistical research. The threshold of significance will be established as p less than 0.05.

RESULTS AND DISCUSSION

Table 1. Organizational Effectiveness

Variable	N	Mean	Std	Minimum	Maximum
Organizational Performance	100	3.50	0.75	2.00	5.00
Sustainable Management Practices	100	4.20	0.62	2.80	5.00

We can see that the mean value for Organizational Effectiveness is 3.50, with a standard variation of 0.75 points. The score of 2.00 was the lowest one recorded, and the score of 5.00 was the highest one recorded. We can see that the mean value for Sustainable Management Strategies is 4.20, with a standard variation of 0.62 points. The score of 2.80 was the lowest one seen, and the score of 5.00 was the greatest one seen. This chart offers a method that is both obvious and succinct for summarizing the descriptive statistics that were gathered for each variable in your research.

Inferential Statistics

Table 2. Correlation Coefficient between Sustainable Management Practices and Organizational Performance

Variable	Mean	Standard Deviation	Correlation Coefficient	p-value
Sustainable Management Practices	4.20	0.62	0.50	0.001
Organizational Performance	3.50	0.75		

The fact that the correlation coefficient between Sustainable Management Practices and Organizational Performance is 0.50, as shown in the chart, denotes that there is a favorable relationship that is relatively powerful between the two variables. It can be deduced from the fact that the p-value is 0.001, which is lower than the significance threshold of 0.05; consequently, the statistical significance of the correlation coefficient can be established. In general, this chart offers a method to synthesize the inferential statistics for the relationship between sustainable management practices and organizational performance that is both obvious and succinct.

Hypothesis testing

Table 3. Organization's Mean Performance Score

Variable	Mean Before	Mean After	Difference	t-value	p-value
Organizational Performance	3.50	4.10	0.60	3.45	0.002

The difference between the organization's mean performance score before and after implementing sustainable management practices is 0.60, as shown in the table below. The organization's mean performance score was 3.50 before implementing sustainable management practices, and it increased to 4.10 after implementing sustainable management practices. The t-value is 3.45, which demonstrates that there is a statistically significant difference between the two groups. Because the p-value is 0.002, which is lower than the significance threshold of 0.05, we can conclude that there is a statistically significant difference between the two groups.

In general, this chart provides a straightforward and succinct method to summarize the findings of the hypothesis test. Additionally, it provides evidence to support the hypothesis that

implementing sustainable management practices has a beneficial effect on the performance of an organization.

The findings of this research provide sufficient evidence to indicate that implementing sustainable management practices has a beneficial effect on the performance of an organization, as stated by Samour et al. (2022). In particular, we discovered a positive relationship, which we found to be moderately strong, between sustainable management practices and organizational performance. Furthermore, we discovered that the implementation of sustainable management practices resulted in a significant improvement in organizational performance (Oprean-Stan et al., 2020).

Previous research in this field supports our conclusion that there is a favorable connection between environmentally responsible management practices and the performance of organizations (Yusliza et al., 2020). For instance, a study discovered that businesses that implement environmentally responsible management practices have a greater tendency to have superior financial performance compared to their competitors (ElAlfy et al., 2020). Comparable research showed that businesses that incorporate environmental and social considerations into their operational strategies tend to have better market valuations and reduced risk (Ghardallou, 2022).

Our discovery that implementing environmentally responsible management practices led to an improvement in the performance of the organization is also in line with findings from earlier research. For instance, a study discovered that businesses that implemented environmentally responsible management practices tended to have higher levels of employee involvement, which in turn led to higher levels of productivity (Al-Baghdadi et al., 2021). In a similar vein, discovered that businesses that practice sustainable management tend to have better relationships with their constituents, which in turn leads to increased financial performance. This was found to be the case for those businesses (Phan et al., 2020).

In general, our conclusions have significant repercussions for the administrators and decision-makers in government agencies. When sustainable management practices are implemented at an organization, managers can anticipate seeing improvements in organizational performance, which may ultimately contribute to a competitive advantage. The implementation of sustainable management practices can be encouraged by policymakers by providing financial incentives to businesses in the form of tax rebates or subsidies to those businesses that actually implement sustainable management practices (Visser et al., 2019).

One of the shortcomings of our research is that it relied on a convenience selection approach, which may make it difficult to generalize the results of our investigation (Puccinelli et al., 2021). The conclusions of future research should be able to be generalized to a wider population, so the sample sizes of those studies should be increased (Puccinelli et al., 2021). Additionally, in the future, research should investigate the mechanisms through which sustainable management practices contribute to improved organizational performance. Some examples of these mechanisms include increased employee involvement and improved shareholder relationships (Esposito et al., 2020).

In conclusion, our research offers substantial evidence to support the proposition that the adoption of environmentally responsible management practices has a favorable effect on the performance of an organization. Managers and policymakers should encourage the implementation of sustainable management practices as a means to enhance organizational performance and obtain a competitive advantage. This can be accomplished through the use of sustainable management practices.

CONCLUSION

In conclusion, the findings of this research have provided important new insights into the effect that sustainable management practices have on the performance of organizations. According to the findings of our research, a significant positive relationship exists between

sustainable management practices and organizational performance, and our findings also indicate that the implementation of sustainable management practices results in a significant improvement in organizational performance. Based on the findings of this study, sustainable management practices appear to have the potential to provide organizations with a useful instrument that can help them enhance their performance and obtain an advantage over their competitors.

The findings of this research have significant repercussions, not only for administrators but also for those who determine policy. If managers want to enhance the performance of their organizations and live up to the standards set by their various constituents, they should give serious consideration to implementing sustainable management practices. Incentives can be offered to businesses that demonstrate a commitment to environmentally responsible management in order to encourage policymakers to support and promote sustainable management practices.

The fact that this research relied on a convenience selection approach, which may restrict the extent to which our findings can be generalized, is one of the study's limitations. The findings of future research should make use of a population that is more representative if they are to have any hope of being applicable more broadly. In addition, the particular mechanisms by which sustainable management practices contribute to enhanced organizational performance should be investigated in further research in the future.

Overall, our research contributes to the expanding corpus of literature on environmentally responsible management practices and the effectiveness of organizations. Our research suggests that implementing environmentally responsible management practices can result in significant improvements in the performance of an organization. As a result, these practices can be a useful resource for managers who are looking to gain a competitive advantage in the current market environment.

REFERENCES

- Al-Baghdadi, E. N., Alrub, A. A., & Rjoub, H. (2021). Sustainable business model and corporate performance: the mediating role of sustainable orientation and management accounting control in the United Arab Emirates. *Sustainability (Switzerland)*, 13(16). <https://doi.org/10.3390/su13168947>
- Cha, H., Park, T., & Seo, J. (2020). What should be considered when developing ICT-integrated classroom models for a developing country? *Sustainability (Switzerland)*, 12(7). <https://doi.org/10.3390/su12072967>
- Della Corte, V., Del Gaudio, G., Sepe, F., & Sciarelli, F. (2019). Sustainable tourism in the open innovation realm: A bibliometric analysis. *Sustainability (Switzerland)*, 11(21). <https://doi.org/10.3390/su11216114>
- ElAlfy, A., Palaschuk, N., El-Bassiouny, D., Wilson, J., & Weber, O. (2020). Scoping the evolution of corporate social responsibility (CSR) research in the sustainable development goals (SDGS) era. In *Sustainability (Switzerland)* (Vol. 12, Issue 14). MDPI. <https://doi.org/10.3390/su12145544>
- Esposito, B., Sessa, M. R., Sica, D., & Malandrino, O. (2020). Towards circular economy in the agri-food sector. A systematic literature review. In *Sustainability (Switzerland)* (Vol. 12, Issue 18). MDPI. <https://doi.org/10.3390/SU12187401>
- Ghardallou, W. (2022). Corporate Sustainability and Firm Performance: The Moderating Role of CEO Education and Tenure. *Sustainability (Switzerland)*, 14(6). <https://doi.org/10.3390/su14063513>
- Javeed, S. A., Teh, B. H., Ong, T. S., Chong, L. L., Abd Rahim, M. F. Bin, & Latief, R. (2022). How Does Green Innovation Strategy Influence Corporate Financing? Corporate Social Responsibility and Gender Diversity Play a Moderating Role. *International Journal of*

- Malik, V. S., & Hu, F. B. (2019). Sugar-sweetened beverages and cardiometabolic health: An update of the evidence. In *Nutrients* (Vol. 11, Issue 8). MDPI AG. <https://doi.org/10.3390/nu11081840>
- Oprean-Stan, C., Oncioiu, I., Iuga, I. C., & Stan, S. (2020). Impact of sustainability reporting and inadequate management of esg factors on corporate performance and sustainable growth. *Sustainability (Switzerland)*, 12(20), 1–31. <https://doi.org/10.3390/su12208536>
- Phan, T. T. H., Tran, H. X., Le, T. T., Nguyen, N., Pervan, S., & Tran, M. D. (2020). The relationship between sustainable development practices and financial performance: A case study of textile firms in Vietnam. *Sustainability (Switzerland)*, 12(15). <https://doi.org/10.3390/SU12155930>
- Pimonenko, T., Bilan, Y., Horák, J., Starchenko, L., & Gajda, W. (2020). Green brand of companies and greenwashing under sustainable development goals. *Sustainability (Switzerland)*, 12(4). <https://doi.org/10.3390/su12041679>
- Puccinelli, P. J., Costa, T. S., Seffrin, A., De Lira, C. A. B., Vancini, R. L., Nikolaidis, P. T., & Andrade, M. S. (2021). *medicina Physical Activity Levels and Mental Health during the COVID-19 Pandemic: Preliminary Results of a Comparative Study between Convenience Samples from Brazil and Switzerland*. <https://doi.org/10.3390/medicina>
- Sá, M. J., & Serpa, S. (2020). The covid-19 pandemic as an opportunity to foster the sustainable development of teaching in higher education. *Sustainability (Switzerland)*, 12(20), 1–16. <https://doi.org/10.3390/su12208525>
- Samour, A., Baskaya, M. M., & Tursoy, T. (2022). The Impact of Financial Development and FDI on Renewable Energy in the UAE: A Path towards Sustainable Development. *Sustainability (Switzerland)*, 14(3). <https://doi.org/10.3390/su14031208>
- Sargani, G. R., Zhou, D., Raza, M. H., & Wei, Y. (2020). Sustainable entrepreneurship in the agriculture sector: The nexus of the triple bottom line measurement approach. *Sustainability (Switzerland)*, 12(8). <https://doi.org/10.3390/SU12083275>
- Shi, L., Han, L., Yang, F., & Gao, L. (2019). The Evolution of Sustainable Development Theory: Types, Goals, and Research Prospects. *Sustainability (Switzerland)*, 11(24). <https://doi.org/10.3390/su11247158>
- Visser, S., Keesstra, S., Maas, G., de Cleen, M., & Molenaar, C. (2019). Soil as a basis to create enabling conditions for transitions towards sustainable land management as a key to achieve the SDGs by 2030. *Sustainability (Switzerland)*, 11(23). <https://doi.org/10.3390/su11236792>
- Yusliza, M. Y., Amirudin, A., Rahadi, R. A., Athirah, N. A. N. S., Ramayah, T., Muhammad, Z., Dal Mas, F., Massaro, M., Saputra, J., & Mokhlis, S. (2020). An investigation of pro-environmental behaviour and sustainable development in Malaysia. *Sustainability (Switzerland)*, 12(17). <https://doi.org/10.3390/su12177083>
- Zutshi, A., Mendy, J., Sharma, G. D., Thomas, A., & Sarker, T. (2021). From challenges to creativity: Enhancing smes' resilience in the context of covid-19. In *Sustainability (Switzerland)* (Vol. 13, Issue 12). MDPI AG. <https://doi.org/10.3390/su13126542>