



## A COMPARATIVE EVALUATION ON PREVAILING MODELS FOR MEASURING SUSTAINABLE PERFORMANCE

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### ABSTRACT

In the twenty first century the term ‘sustainability’ is recognized unanimously as an inherent and important strategy for an organization to operate and achieve long-term competitive edge. Accordingly sustainable key performance indicators (KPI) are identified by manufacturers and introduced for adoption and application in different operational activities. However, the dimensions of the sustainability models adopted by different enterprises are quite diverse as revealed through this investigation. The organizations are found to focus on varieties of strategic aspects rather than adopting identical or uniform strategies when dealing with sustainability issues. This paper aims at reviewing the various models prevailing in the contemporary research papers along with presentation of an in-depth analysis exposing the similar and dissimilar aspects. The contribution of this review is twofold: various models for sustainable performance (SP) are critically analyzed followed by a comparative evaluation with a view to proposing a general model suitable for adoption by manufacturing enterprises. The unified model as proposed in this paper comprises of three major components related to the social, financial and environmental domains.

**Keywords:** sustainability, performance, contemporary, model, evaluation.

### INTRODUCTION

Nowadays, more and more companies are emphasizing the context of sustainability as an opportunity and a source of competitive advantage that must be developed in core business processes [1]. Sustainability is one of the important strategies for the sustainable performance [9]. According to Norazlan *et al.* (2014a) [9], performance measurement can assist an organization to monitor their progress using options that are available, understand its current situation, move towards its goals and address any key issues that are hindering the goal-achievement process. The current unpredictable economic context has made the issue of sustainability more crucial for organizations across all sectors [8]. According to Zharfpeykan (2014) [14], the concept of sustainability is generally considered to be a key topic in many countries. However, even though the term corporate sustainability has gained increased attention over the past few years, there is no universal definition for the concept [11]. The importance of the sustainability areas has been significantly growing which increases the need to measure organizations’ effects in this regard. The ultimate goal or purpose of this paper is to demonstrate the different models that researchers adopt to measure the sustainability in the manufacturing organizations. It may be mentioned here that sustainable development (SD) does not focus solely on the environmental issues; rather it encompasses the three general policy areas namely economy, environment and society [5]. Upon carrying out a critical evaluation of the contemporary models, a general multi-dimensional approach for SP is to be introduced. The paper starts with a discussion on the importance of sustainability, provides an overview of the four models on

sustainable performance and proposes a model for SP with the significant concerns or dimensions.

### LITERATURE REVIEW

Successful organizations have to maintain their performance over time, not just for the short term or through good economic periods [8]. Sustainability generally refers to a firm’s economic, environmental and social initiatives in ensuring the future [10]. Isik (2009) [4] states that effective performance measurement will help employees carry out their tasks efficiently, work under control, ensure customer satisfaction, and achieve goals. An operations-based strategy, such as lean manufacturing (LM), can provide the basis for a sustainable competitive advantage and overall excellence [6]. Issues of sustainability are likely to encourage the growth of niche or “craft” producers who can take advantage of market proximity to obviate or preclude environmental impact of long supply chains. Sustainable manufacturing is a growing area [7] and consequently various models have been proposed in recent times with the address of the important dimensions.

### CONTEMPORARY MODELS FOR SUSTAINABILITY

The four models proposed in recent literatures to illustrate the main pillars of organizational sustainability are briefly discussed. The pillars are the vital elements which are to enable an organization to manage the operations on the long run. As depicted in Figure-1, though the vital components or pillars of the four models appear to be dissimilar due to the use of different terminologies, but there is some commonality among them