

The sustainability strategy challenges facing organizations business essay



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Arguably, sustainability is said to be the greatest challenge to the present and future management practices. Dimensions of economic, social and environmental raise the question of meeting present needs without compromise to future generations' ability in meeting their needs. For this reason, global environment presently challenge tackling require Non Governmental Organizations, corporate, private, individual, public, non-profit organizations and government sector commitment. Such sectors need to address issues such as environmental efficiency, seizing advantages of developments of renewable energy, satisfying green consumers and business sustainability among others. Every sector need to prioritize in network of global sustainability across multiple practices (Galea, 2004). Similarly, working with industrial associations and policy landscape intense understanding would be significant. Comprehensive models assist consumers establish strategies and appropriate practices which enable competitive advantages, thereby making business sustainability vital. In addition, the models assist modern managers to device strategies and policies for the environment to facilitate major changes.

However, in a bid to achieve sustainability, business communities encounter major challenges. For example, according to findings there are challenges that may be observed on business world, and therefore academic experts or modern managers should find common grounds for competitive reasons (Blcakburn, 2007). Organizations seem to be realizing that issues of sustainability are complex. Therefore, varied perspectives are required in production of innovative solutions. To begin with, one of the major challenges of sustainability is in assigning and measuring value of ecological

impacts of a firm. This involves ecological footprint where the question is raised on whether carbon footprint is final.

Despite firm's restless efforts, industrial operations have been observed to have a continued discharge and generation of enormous wastes. Pollution of the natural environment has therefore been inevitable. Such pollution has caused damages to households or other enterprises. For example, in an attempt to ensure sustainability in healthcare organizations the UK government is responsibly operating the state's healthcare system. Such operations enable the population to enjoy the benefits related to publically financed Healthcare. U. S government on the other hand provides majority of the privately funded programs. In provision of healthcare for everyone, different countries are now investing in sustainable healthcare because of the current impacts related to change in climate within our environment. Conventional drug use such as herbal drugs would facilitate clean and safe environment. With such, disposals of chemicals related to unavoidable wastages of drug substances via approaches such as burning could be lowered.

Consequently, systems of accounting do not ascribe such costs with their sources and neither is the record kept systematically. With an up-ward trend, companies and organizations are being compelled to internalize such environmental costs via stricter environmental regulations and procedures or via damages liability suffered by others. Accurate company's measurement of the true environmental related costs has been offering a huge range of benefits. Correct measurement helps the management to track performance relative to past performance. Similarly, such measurements can offer <https://assignbuster.com/the-sustainability-strategy-challenges-facing-organizations-business-essay/>

external investors benchmark who are concerned with performance of the environment by firms plus their finances. In addition, the measurements can evaluate the firm's exposure to the environment and financial risk originating from environmental performance. However, despite such measurement benefits, tools to adequately measure the cost are not available (Galea, 2004). For example, Trucost Ltd, a London research firm has created databases for estimating the externality costs for global largest corporations. Firm's emissions or wastes are measured with the use of individual information sources and each emission is given a monetary value through multiplication of its physical quantities by a speculated price. Nevertheless, results from such measurements are usually estimates hence actual measurements are never acquired.

Secondly, firms have been facing the challenge of building a sustainability corporate culture which is enduring. Questions are raised in this challenge on what next for the company after key sustainability leaders quit the company. Challenge is on where the firm should begin with such an occurrence. Normally, sustainability initiatives are always associated or linked to few key individuals within a firm, particularly those on leadership positions. When these individuals leave the company, the initiative of sustainability may begin to atrophy. Nevertheless, those firms whose culture of sustainability is strong, the initiatives of sustainability endure for long. Companies experience a challenge in maintaining such a culture and there is need therefore for the firm to consider several aspects. Firm's or company's structure need to learn something from safety movement which will act partly as the core culture of majority of manufacturing and extractive firms.

Companies must also evaluate the differences between its sustainability and that of other organizational cultures. Similarly, it's necessary to establish which practical tools and devices can be applied to embed culture like incentive systems or organizational designs.

Thirdly, firms are being challenged to promote and ensure supply chains sustainability. Argument here may involve whether suppliers from less developed countries should be treated differently from those in developed nations. For example, acting as intermediaries between tourism service providers and tourists, tour operators incorporate varieties of services which are tourism related. Such corporations form full holiday packages which are then marketed to clients via travel agents or directly. Generally, every package consists of accommodation and food provision, transport or even events and activities such as social activities or excursions. Since most of the products or services within the package are provided via supply chains of companies which are subcontracted, agents or organizations or tour operators are not in direct control at all times of the social or environmental effects of such goods. However, consumers always expect firms to always avail quality, environmental friendly and social sustainable products. Firms are therefore responsible for ensuring all inputs going into their products are sustained. For effective implementation of sustainability policies, tour operators offering products that are contracted should operate closely with suppliers. Sustainability performance will therefore be achieved all through the holiday package lifecycle. Establishment of such supply chains have been challenging for firms since it requires them to establish coherent company policies with management system in accompaniment. Management

systems should however set clear actions and targets for economic, social or environmental performance. Particularly, such challenges arises where management systems are not based on the existing internal processes to maintain implementation costs at lower levels plus promoting integration of all firm's operations.

Similarly, incorporating employee incentives into sustainability has posed a challenge to companies operations. Firms will always wonder whether existing incentive plans for employees would possibly be connected to goals of sustainability. Normally, only strong practices within organizations prevail. If organizational practices contradict its policies, there is a possibility of green washing. For this reason, firms therefore need to invoke structures and systems that ensure firm's practice sustainability. Managers of sustainability must know the employee incentive plan that can result in company's implementation of the organizational policy sustainability. Challenges faced by firms relate to ways of incorporating targets of sustainability into staff incentives (Blcakburn, 2007). Similarly, they are also challenged in knowledge of what extent context influence applicability or effectiveness of a particular approach towards incorporating the staff incentives to sustainability. Also, limitation comes in establishing what ways can an existing staff incentive plan be connected to the company's policy of sustainability.

Another challenge faced by firms involves identity of business risks which are associated with water shortage and quality. For example, poverty, climate change, malnutrition and water scarcity have posed the biggest challenges to Unilever. However, to address such issues, the company has <https://assignbuster.com/the-sustainability-strategy-challenges-facing-organizations-business-essay/>

improvised ways of reducing water use both to the company and their consumers. Similarly, the company has produced an overview of sustainable development in 2008. The publication explores the most material issues of the company such as nutrition, sustainable agricultural sourcing, hygiene and climate change among others. In the overview, an explanation has been offered on the ways of integrating sustainability to Unilever's business or brands. Through such integration, improved health, hygiene and nutrition is reached.

Companies may be limited in acquisition of tools or devices in risks evaluation in case of a climate change. According to report released by Global Equity Research group, investors and companies have been swift in identifying opportunities in water-related technologies or business. However, they are slow in identifying the increasing business risks associated with water supply pressures. Firms are limited in knowledge of their firm's risks in relation to water and their chain of supply. Similarly, companies have been constrained in acquisition of water conservation or supply contingency plans. Due to this challenge, San Francisco in California held a 2-day conference which widely featured on risk assessment, water conservation and water recycling. Similarly, Deloitte & Touché principal in presentation described anticipated water shortage in the future posed serious threats to businesses. Such threats were to face firms that have not developed water supply or conservation contingency plans in the future. Overall consensus revealed that business enterprises particularly those within water intensive industries headed for an increased risk level from supply of water issues globally. Consequently, managers who fail to plan water related risks will ultimately

be compelled to address the issues through supply disruptions, diminished quality and increased costs (Blcakburn, 2007). Primarily, business experience challenges or water risks in physical form through disruption or supply reduction. In addition, the limitation is in form of regulatory where firms do not have ability to obtain discharge or use permits. Reputation is also affected due to public perception of the firm's use of freshwater or wastewater creation. Industries such as mining, energy food or beverages have more water intensity than others. They are therefore exposed to more water related risks.

Another challenge facing the business operations in sustainability is identity of aboriginal perspective on sustainability of business. At the same time determination of the best approaches for engaging aboriginal communities constructively. Aboriginal groups maybe closely tied more to sustainable life ways, the question raised is whether they can offer any teaching to corporations. Aboriginal individuals act as an integral part of the organization. Normally, they form distinctive constituencies which assist in creation and improvement of public perception of firm's performance. Long-term good quality and secure supply of raw materials that are competitively priced has been the biggest challenge in organizations and its fundamental in a firms operation. Most company's decisions are based highly on aboriginal individual's needs and perspectives inclusive of resources and public lands. Aboriginal communities provide suppliers, employees, customers or contractors.

On the other hand, aboriginal businesses involve a growing business sector with high ability to avail services and goods for the firm's operations. Firms <https://assignbuster.com/the-sustainability-strategy-challenges-facing-organizations-business-essay/>

are usually limited in providing sound, strategic sense of business in support of aboriginal people involvement. In Canada for example, they have assisted in economic growth and encouraged a proactive work in building mutually beneficial relationships in business with the aboriginal individuals. Many firms have had very positive aboriginal groups' interactions and the parties experience symbiotic benefits. However, other business operations under similar regions have experienced negative interactions. Nevertheless, it's not clear over what approaches offer the most competitive edge. When firms build more robust understanding of sustainability based on aboriginal perspective, developer and aboriginal community relationship create mutual respect and trust hence positive engagement. Similarly, understanding of this perspective sustainability informs business operations or communities on new sustainability approaches and stakeholder engagement. Such approaches are both within and outside aboriginal communities. In this perspective, questions raised relate to what are the best or worst practices in working with aboriginal communities. Similarly, the perspective seeks to know whether the best practices differentiate by aboriginal group or by sectors and if so, how that happens (Galea, 2004).

Lastly, firms experience challenges in measurement of economic impact of NIMBY. Firms are always limited in knowing whether NIMBY claims are justifiable or whether they are valid. Compny's seek to know whether economic values can be assigned claims of NIMBY. NIMBY groups can impede substantially on the progress of a company' projects. Although companies maybe aware of the risks linked to NIMBY-ism, challenges exist since it has not been proved whether the claims of NIMBY are justified. Questions arise on

whether NIMBY-ism can generate any economic value and how evaluations would be made. Similarly, firms seek to know correlation between NIMBY activism and economic impacts that are subsequent, whether positive or negative.

In conclusion, we have evaluated the effectiveness of business sustainability and how the seven challenges have impacted on the implementation of such sustainability. Firms need to devise proper ways of tackling such challenges in ensuring proper flow of business operations. Challenges have been revealed to be continued discharge and generation of enormous wastes, incorporating employee incentives into sustainability and ability to sustain corporate culture which is enduring. Similarly, other challenges include promotion and ensuring supply chains sustainability, identity of business risks associated with water shortage and quality. Identity of aboriginal perspective on business sustainability and measurement of economic impact of NIMBY have also been associated with challenges facing sustainability.