

Sustainable Strategic Management for a Sustainable Future

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Abstract

The imbalance that has been caused by mass scale production, societies are looking towards the corporate to adopt the sustainable strategies. The organizations very objective of producing goods in bulk and to operate on economies of scale has left environment unnoticed. Sustainable Strategies are financially sound, socially responsible and in balance with the environment. The importance of sustainable strategies cannot be overemphasized for the societies and companies. Successfully implementing the sustainable strategic management practices will require transformational change processes that allow organizations to examine and redefine their core values and assumption as well as the nature of their work and the role of their employees. The idea of Green world can be achieved only when the corporates incorporate sustainability strategies in their working This research paper discusses the need and relevance of sustainable strategic management for today's corporate and also discusses in brief the process of sustainable strategic Management.

Keywords: Sustainability, future, economy, management, corporate, businesses, global

Introduction

Sustainability as typically defined as providing a high quality life for present and future generations is a global issue which involves all people and all business organizations. Sustainability is more a global vision of the future than a specific state of being and is usually portrayed as having three interdependent dimensions: the economy, the society and the natural environment. The interactions among these dimensions are complex and many of these interactions lie outside the realm of traditional business models.

Sustainability has grown from an unnoticed issue in 1970 to a worldwide issue in the global consciousness today. Corporate are redefining their business goals in terms of sustainability. Business leaders should seriously address sustainability in the similar manner as any other strategic threat or opportunity.

First came the concept of growth and then of development. Growth means increase in flow of goods and services (quantitative) without any attention to qualitative changes. Development is broader term which includes and encompasses in itself both the qualitative and quantitative changes. The new concept is of Sustainable Economic Development which definitely speaks about development with due consideration for future generation also.

Till 1980 s fulfilling the obligation towards environment was not taken that much serious as is considered as today. But with the increase in mass scale pollution and carbon emission the organizations are showing their legal concerns towards the environment.

Earth now is a small planet and home to around 7.7 billion human beings. The needs and wants of people are unlimited while the resources are limited. In a quest to satisfy the unlimited needs of people the companies have till date ruthlessly exploited the resources and the nature has paid a heavy price for that. Social costs are the costs paid by the society for the economic activities of business. Social cost of production has been high and is continuously increasing. The decrease in natural resources and day to day climatic changes and weather conditions are seriously posing a big question for corporate in the manner they are working. The economies have started realizing that if these races of economic activities are not covered with the blanket of sustainability then the very survival of future generations will be at stake.

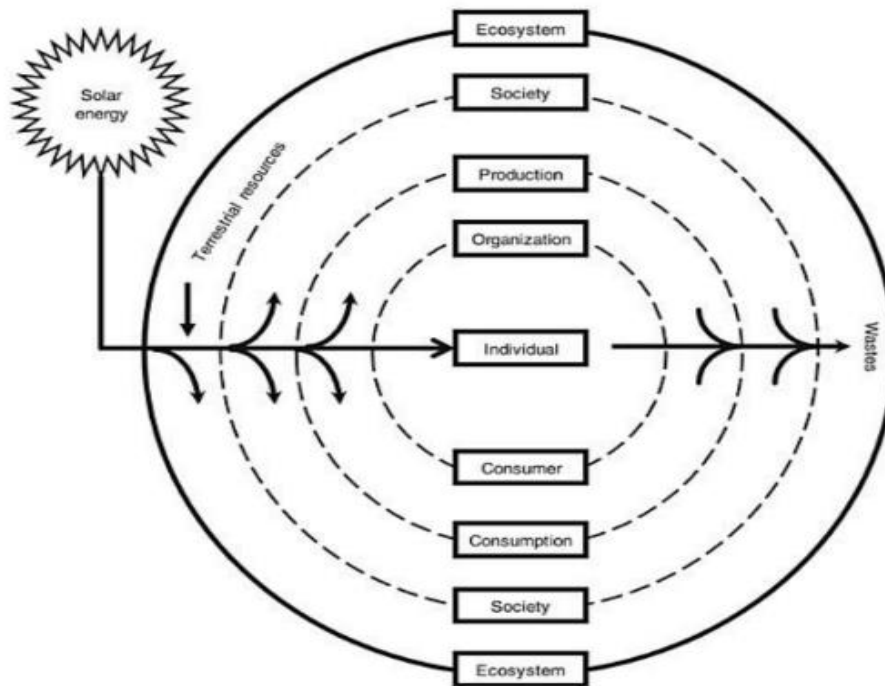
Sustainability today is not just a local or national issue. It is in fact now a global issue. The key partners of sustainability are the people, the businesses and the governments.

The Sustainable Circular Flow Model of Economy

Even since when industrialization started in Great Britain the Businesses have been engaged in increasing their market share at the cost of depleting the environment. Human Beings have been using their intellect and genius to force mother earth to yield its secrets. In his rapid pace of progression he has forgotten that the rich water that he drinks, plenty of resources that he uses and the goods that he consumes could one time get exhausted. The approach of produce and consume is now losing grounds as environmental problems are posing serious threats to both Businesses and societies.

Businesses and societies are the two entities of the circular flow model of the economy. Production, Consumption and exchange are the key activities of the circular flow model. This model is based on the assumption that income for one is the expenditure for other. And in this manner the model remains in equilibrium. Factors of production are provided by the society to the business which in turn provides finished goods to the society.

Till now we have been considering a closed model of the economy which depicts only two major activities i.e. Production and consumption. The firms accept services of factors and in return provide wages and salaries which is a source of income for the factors. Thus the emphasis on environment and sustainability is nowhere seen. By following this traditional model of Circular flow, organizations have failed to offer value to the societies in terms of Green production and consumption. This close model of economy often ignores the issues of environment and sustainability.



The Sustainable Living System Economy

Source: Stead & Stead 1996

To religiously implement the sustainability virtues and standards it is very much essential to understand sustainable model of economy. The new sustainability model of economy provides due consideration to nature, environment and surroundings which are affected by the activities of Business. The new economic model is in accordance to the nature and environment (the traditional economic model wasn't). In the present scenario the economic activities can best be performed only when the firms considers the aspects of environment and sustainability. Resources and individuals are an important element and judicious use of the resources without harming the environment is very much required from the side of organizations. As we are aware that in this finite world resources are limited and are regularly being depleted by the enormous amount of economic activities being performed by human beings.

The Firms can remain economically healthy and socially viable only when the chemistry of environment is understood and sustainable strategies are formulated.

Role of strategic Managers in Sustainable Strategic Management

Strategic managers are the people who are entrusted with the responsibility of designing and framing the policies for the organization. The task of strategists cannot be underestimated. These are those people who not only decide about the course of activities undertaken by the business but their actions and philosophies have a deep impact both on environment and Businesses. The strategists can act as a catalyst of change by establishing in their organizations, high values and principles of sustainable strategic management.

The strategists or strategic managers are the people who would decide about a) what is to be produced, b) what quantity to be produced, c) how is to be produced and for d) whom is to be produced. The decision of what is to be produced and in what quantity is produced was previously never decided by

considering the environmental factors. The sole decisive factor always used to be profit and wealth maximization of the firm. Also the problem of “How is to produced” tells about the technology to be implemented. It is an important task of the strategic Managers to implement better technology which is very much environmental friendly.

Sustainable change that we are talking about will start from the strategist who can make every best effort to change the organizational culture and systems and redefining them in terms of sustainability. Values, norms, principles etc. are the basis of any culture in an organization. Organizational culture depicts the shared values and principles. They are also shaped up by corporate thinking and philosophies. Since sustainability is a sort of new approach for dynamic businesses the platform of discussion and communication should always remain open for any constructive suggestions and feedback. It's a continuous process which will finally lead to emergence of sustainable corporate policies for the firm.

Strategic Intent for a sustainable future

Strategic Management is a process which involves stems from framing the vision, mission, and long term objectives for the firm.

The wisdom and vision of strategist has a pivotal role to play in configuring the goals of the enterprise with the aspects of sustainability. Though certain Corporate Stalwarts around the globe have started taking the initiative of infusing in their corporate policies the seeds of sustainability.

The vision and mission statement forms the very purpose of an organization and acts as a base for the formulation of the strategic goals or targets. Goals are the ends or the targets which every organization strives to achieve. Every firm sets sales and profit realization targets which may benefit only the organizations and thus remain away from the realistic goals of environment balance and sustainability. Sustainability can become the philosophy of an organization only when it is translated and dictated in the specific performance targets. For example an organization may set the target of producing cost effective and eco friendly products for the next five years.

Strategies are the ways or the methods by which the targets are achieved. Strategies formulated for the corporate level are the corporate strategies while those formulated at Business level are Business level strategies. Business level strategies are meant for specific SBUs. Every SBU in particular also have the functional level strategies. Besides this there are emergent and intended strategies. Whereas the emergent strategies emerge because of the spontaneous reaction of firms to certain events the intended strategies can form the basis of sustainability strategies.

Benefits of sustainable strategies

Sustainable strategies are those strategies which will make an organization core competent and thus develop those strengths and synergies which will be difficult for the competitors to copy and imitate. Sustainable strategic firms will act as benchmark in market for other competitors. The credibility of firm will enhance and its market acceptance will be wide. The domestic firms after adopting their sustainable strategies will be highly recognized and in long term emerge as global sustainable firms.

Conclusion

If the corporates want to position themselves as global sustainability leaders then they need to bring about a change in their structures and systems. Strategists & Governments have a vital role in deciding the fortunes of business and also the future of societies. Sustainability is simply not a method or

technique; it is in fact an ideology a philosophy a noble idea and culture which if properly followed and implemented will not only lead to a win-win situation but will also make this planet a better place to live and prosper.

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