

A Study on the Innovative Environmental Sustainability Approaches for Business Sustainability

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Abstract: *In the coming years, the social and environmental issues that companies face in modern business will pose a significant challenge to all economies. Environmental protection has become an essential component of proactive company management and a prerequisite for gaining a sustainable competitive advantage. New propensities in organizations have critical effect on the need for building more grounded connections and associations with all partners which makes the complex element, with the shared objective of accomplishing a worldwide effect on all parts of human existence. This paper presents findings from research conducted in Serbia and Russia. It is about perspectives of employees over the business' avocation of execution of the ecological exercises inside the new business plan called "maintainability". The structured questionnaires were used to collect the data, and the SEM (Structural Equation Modeling) methodology was used to analyze the data. According to the findings, environmental activities that are implemented as part of sustainable management have a positive impact on the success parameters of businesses.*

Keywords: sustainability, company success, and environmental protection.

I. INTRODUCTION

Relationships in modern business are infused with social security, justice, and equality principles, as well as a permanent desire for a high level of welfare

[1]. However, society imposes these commitments on businesses in some way because the foundation of economic development is closely linked to people and the environment. Many businesses strive to make money and believe that by improving people's well-being, they fulfill their responsibilities to society and the environment. Nonetheless, acting thusly isn't really environmentally sound and doesn't ensure business outcome over the long haul. Environmental damage is on the rise due to the depletion of essential natural resources, the rapid consumption of goods, and the limited success of efforts to interrupt energy and material flow cycles

[2]. The issue of sustainability is one that links conscious awareness of the need for long-term economic growth to controlled influence on people and the environment. Workers, customers, suppliers, shareholders, the community, and other groups are all examples of "the people." that have a significant impact on a company's capacity to function both now and in the future. The term "the environment" refers to a planet's climate systems, living conditions and habitats, energy systems

[3] resource depletion, availability, and consumption in a way that promotes economic prosperity and the well-being of the planet as a whole.

II. MODEL ASSUMPTIONS

There are numerous interpretations and definitions of sustainable development

Sustainability also defines a business model that encompasses many elements of a company's performance with a contribution to environmental and social progress

The most common elements are meeting the needs of stakeholders without jeopardizing the future, achieving economic goals, preserving the environment, and contributing to society. Manageability is set as a multidimensional idea most

exact characterized by the Unified Countries that is carried out throughtaking in concern the three principal support points - ecological, social, financial

The three pillars of this fundamental definition are shared by all other definitions

Environmental protection plays a crucial role in ensuring a company's sustainability. In general, environmental sustainability should consider the long term, taking into account the development of business systems and feedback, the need to be adaptable and flexible, constant attention to local and global conditions, and respect for living nature and biological diversity

In the new business agenda, sustainability is becoming the new strategic direction for many businesses. Additionally, it appears to be a growing trend among managers to incorporate sustainability into decision-making

This is because of the arising need for vital dealing with the associations with stakeholders and more extreme requests from encompassing concerning the natural issues. Additionally, numerous international organizations and governments emphasize that environmental preservation is a necessary precondition for the aforementioned economic growth and social justice

In this way, there are numerous indications of the organizations' ability to surpass the edges of their standardizing obligations and to proactively put the endeavors towards working on natural circumstances. The commitment of a company to environmental protection frequently extends beyond what is required by law or even to resolving issues brought on by the company itself. Environmental sustainability becomes an essential component of strategic planning through voluntary implementation of activities aimed at protecting and enhancing the natural environment. In order to achieve benefits from the development of new cleaner sustainable technologies and production, environmental sustainability combines economic growth with environmental protection in the form of investments in resource conservation and natural capital preservation. The proposed parameters for the evaluation of environmental sustainability can differ depending on institutions or scholars, and many authors who dealt with this topic pointed out that in addition to financial benefits

Intangible performances derived from spending financial resources for environment protection ultimately make the efforts worthwhile

The following specific company activities were selected for evaluation in this study: the use of renewable energy sources, product and process lifecycle assessments, energy performance

Preserving the integrity of ecosystems through effective resource management etc. The creation impacts the climate because of the use of different natural resources, unused buildups and waste. Companies plan to optimize all stages of the product lifecycle, including transportation and electricity generation, to reduce operations' impact on the environment.

Lifecycle appraisal expects remembering all stages from material extraction to removal and in the terms of manageability, the ecological effect and possibilities for enhancements in plan and assembling that diminishes it.

Considering the theoretical structure following speculation can be characterized: H1: Companies that care about the environment use more measures to reduce their impact on the environment. Some authors don't think that managing the effects of operations on the environment and meeting society's needs is the best way to make sustainable businesses successful.

Others assert that sustainability is an effective strategy that boosts the company's competitiveness.

Businesses that promote environmental responsibility are more favored as business partners because they generate more value for various stakeholders and earn a higher profit. Additionally, the company's image is improving, which has led to a favorable market response to the company's environmental performance

The implementation of environmentally responsible initiatives frequently results in a shift in demand and pricing for products. Customers' opinions of the company's environmental performance were found to be positively correlated in the studies

The need to control the impact on the environment frequently leads to investments in new innovations that result in cleaner processes and products that customers find more appealing. Customers often prefer "green products" because they are thought to be of higher quality

As a result, demand depends on how manufacturing is done and, despite the fact that this aspect is often overlooked, how the sustainable supply chain is modelled. Additionally, the company's delivered value is increased and costs are

decreased when resources are utilized more effectively and the product is placed prior to competitors. Developing eco-friendly products, optimizing the production process with renewable energy sources, and using recyclable materials to create value for all stakeholders can raise awareness of the company's environmental responsibility, particularly among customers, and influence their decision about whether or not to remain a customer.

The following hypotheses have been established in contradiction to previous statements: **H2**: The company's success and sustainability are positively impacted by the implementation of environmental impact measurements. Figure 1 is a model that was suggested based on a review of the relevant literature in order to address the aforementioned questions and evaluate the hypothesis. 12 research items served as the basis for the development of the theoretical model, which was used to evaluate the three constructs and their known connections.

III. METHODOLOGY

Employees from Serbia and Russia participated in this survey, which was carried out between December 2016 and March 2018. A structured questionnaire with a five-point Likert scale was used to assess given statements, with 1 representing absolutely disagree and 5 representing absolutely agree. They were asked to evaluate the companies' stated commitment to environmental responsibility. In addition, the company's environmental impact mitigation efforts were evaluated, and some indicators of the company's long-term performance were rated. The subsequent analyses were carried out with SPSS v.17 and AMOS v.18 following the collection of the data, and the following outcomes were obtained

IV. RESULTS

There were 353 correctly filled out questionnaires in the analyzed data pool. Of those, 169 (49.9%) were from Russia and 184 (52.1%) were from Serbia. Age was one of the sample's descriptive characteristics. With 42.2% of respondents, the most common age group was 26-35 years old, followed by 46-55 years old (20.1%) and 36-45 years old (18.1%). Taking gender into account, 61.5 percent of respondents were women and 38.5% were men. When it comes to the size of the company an employee works for, 27.2% of respondents worked for companies with more than 1,000 employees, 21.8 percent worked for companies with 11-50 employees, and 13.3% worked for companies with 51-100 employees. During the information assortment, it was taken care of that respondents have a place with various business areas to accomplish greater heterogeneity of the sample and in this manner better representativeness of information. Cronbach's alpha has been calculated so that scales' reliability can be checked. For Devotion to environmental assurance, the worth of scale dependability is .792. Measures for reducing environmental impact have a reliability value of .871 and sustainability parameters have a reliability value of .846. Because the values of Cronbach's alpha are very high, all of the scales have a lot of reliability. Anderson and Gerbing (1981) recommended a two-phase method for this analysis.

Utilizing confirmatory factor analysis (CFA), an acceptable measurement model with an acceptable fit to the data is developed in the first phase. The analysis moves on to the second phase, where the theoretical model and hypotheses are tested to determine whether certain latent constructs predict other latent constructs. This occurs after the tested measurement model demonstrates that indicator variables effectively measure constructs of interest. The maximum likelihood approach was used to estimate the measurement model. First, the overall fit of the model to the data was checked by observing χ^2 and χ^2 / df ratio. With 50 degrees of freedom and a ratio of $\chi^2 / df = 2.55$, the proposed model has a value of χ^2 of 127.696. Schermelleh-Engel and Moosbrugger (2003) expressed that this proportion demonstrates solid match when it produces χ^2 or a small value while it shows a worth when it creates a worth. There is no widespread agreement which files give the best impression of model fit. Instead, common practice involves detailing somewhere around three decency of-fit files, no less than one outright index, one miserliness record and one steady record.

A **CFI (Comparative Fit Index)** value of .90 to .94 indicates a good fit, whereas values greater than .94 are more ideal. On account of the proposed model worth of CFI is 0.961. The RMSEA (Root Mean Square Mistake of Approximation) value is .066 while values somewhere in the range of .055 and .08 recommend fair model fit. A value of less than .08 for the RMR (Root Mean Square Residual) is generally regarded as a good fit.

The RMR value for the tested model is .079. The IFI (Incremental Fit Index) has a value of .961, while the cutoff value for models that fit well should be .95. The standard for the TLI (Tucker-Lewis Index) is greater than 0.90 for acceptable

and greater than 0.95 for excellent fit. TLI for the noticed model has esteem .948. As can be seen the introduced values give a decent sign that the general construction of the model fits the information.

Following that, the standardized factor loadings and their corresponding t values were observed. The standardized factor loadings range from .61 to .85, and their high t values in range 5.951 - 12.116 with factual importance $p < .001$ for each. Prior to tolerating the model as the last model, evaluating unwavering quality and legitimacy of develops was performed. The composite unwavering quality (CR) for build Commitment to ecological assurance is .79, for construct Estimations for diminishing the natural effect is .87 and for develop Parameters of manageability, the worth.

Composite reliabilities for all builds surpass the required value as insignificantly satisfactory level and even reach over the .80 as ideal level. According to Fornell and Larson (1981), constructs should have variance extracted estimates greater than 0.50.

The variance extracted estimates for the three studied constructs all exceed the .50 threshold, with values of 0.56 for dedication to environmental protection, 0.63 for measures of reducing environmental impact, and 0.52 for sustainability parameters. The factors' average variance estimate (AVE) is .57. The factor loadings' t-tests can be used to estimate convergent validity. The convergent validity of those indicators is inferred from the fact that all factor loadings for the indicators measuring the same construct are statistically significant [28]. If both extracted estimates of the variance for the two factors of interest are greater than the squared correlation between them, discriminant validity has been established.

Discriminant validity is demonstrated for each and every factor in the study. The measurement model can be considered to have an acceptable fit if all conditions are met. The second stage is a determination of connections among factors and testing the proposed theoretical model by performing SEM (Underlying Condition Displaying). The evaluation of the theoretical model's fitting was the first step, and the resulting indices of fitting were in line with the recommended values ($\chi^2=128.19$, $2/df=2.51$, $CFI=0.96$, $RMSEA=0.066$, $TLI=0.95$, $RMR=0.082$). provides a summary of the path analysis and hypothesis testing.

As a result of businesses' commitment to environmental protection, the **Hypothesis 1 (H1)** examines increased measurement implementation to reduce environmental impact. The hypothesis H1 is supported by the path's positive coefficient of .641 and high level of significance ($t=8.723$, $p.001$). With a positive coefficient of .477 and a significance level of $t=6.876$, $p.001$, the path for hypothesis 2, which represents the implementation of measurements for decreasing the environmental impact that positively influences the company's success and sustainability, is also confirmed.

V. DISCUSSION

The primary objective of this paper was to investigate how environmental commitment of businesses affects business sustainability. There is a widespread belief that businesses perform better in business when they consider the effects and consequences of their actions on the environment. Through the validation of both hypotheses using the proposed theoretical model, the findings of this paper demonstrate the same. The workers from Russia and Serbia are in arrangement that communicated and demonstrated commitment of the organization to save and not hurt the climate trigger more speculations in environmental exercises which is demonstrated with speculation 1.

The hypothesis demonstrates that environmental efforts play a significant role in numerous aspects of a company's success and sustainability. This is because they are easily seen by workers and improve product quality, working conditions, and life. It is demonstrated that all partners see the advancement in the business framework and thus the organizations are urged to act in a decent way toward nature and society. By examining the individual effects of certain items and their constructs, it is possible to draw the conclusion that the observed variable "We participate in activities related to the protection and improvement of our natural environment" has the greatest influence on the latent variable "Dedication to environmental protection." This suggests that the demonstrated, not just declared, dedication of businesses to environmental issues plays a significant role in employees' perceptions. The most significant activity on the factor

Measurements for reducing the impact on the environment, which included the various actions that the company takes to protect the environment, is: "The board of environmental system" which is in agreement to the way that representatives better see the exercises that are under their impact or straightforwardly effects on them

VI. CONCLUSION

The new business model known as sustainability successfully combines social and environmental concerns with limited financial resources. Mechanisms were developed by various stakeholders to compel businesses to take into account all three sustainability pillars when making decisions. In addition, the company's performance measurement has been altered by moving away from financial performance metrics and toward more nuanced metrics. The company's environmental commitment and its repercussions were the subject of this paper. The findings of the SEM analysis indicate that employees in Russian and Serbian businesses are very aware of their companies' efforts to address environmental issues. The positive relationship between the execution of harmless to the ecosystem exercises of the organization and the organization's outcomes is also been affirmed. The summarized results demonstrate the justification for putting pressure on businesses because, in the long run, pursuing environmental sustainability ultimately results in better financial results and other preferable outcomes.

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