

Strategic Management of Corporate Sustainability: Value and Performance Based Sustainable Strategic Management Model

Ahmed Mezher ABED  [0000-0002-8737-4544](https://orcid.org/0000-0002-8737-4544)

Kastamonu University Finance and Banking , Türkiye

College of Basic Education, University of Wasit, amizhir@uowasit.edu.iq , Iraq.

Tolga ULUSOY  [0000-0002-4365-0877](https://orcid.org/0000-0002-4365-0877)

Kastamonu University Finance and Banking , tolgaulusoy06@yahoo.com, Türkiye

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Abstract

In recent years, sustainability has become a major factor in strategic management. Companies now focus on sustainable practices to ensure their operations are environmentally friendly and can continue operating in a cost-effective manner. Strategic management is a process of making decisions and taking action to achieve long-term goals. It involves setting goals, developing strategies and implementing plans to achieve those goals. Sustainability is an important consideration when conducting strategic planning because it helps to ensure that resources are used responsibly and efficiently. By incorporating sustainability into strategic management, companies can minimize their environmental impact while continuing to achieve the results they desire. In this study, an initial-level study on whether a model developed by Ulusoy et al., (2022) can be a strategic management model has been presented for discussion on the academic platform.

Keywords: Sustainability, Strategic Management, Modelling

1. Introduction

Sustainability and strategic management are two important elements of business operations today. As businesses become more aware of their impact on the environment, they must take steps to ensure their operations are sustainable and their strategies align with environmental factors.

Sustainability requires companies to consider their carbon footprint, climate risks and other environmental factors when making decisions. Strategic management involves understanding how these factors can affect a company's profitability and creating strategies that maximize profits while minimizing risks. Sustainable finance is also becoming increasingly important as companies look for ways to invest in green startups and reduce their environmental impact.

Sustainability and strategic management are two of the most important issues in today's business community. Companies need to be aware of their environmental impact and the risks posed by climate change, as well as how to manage their carbon footprint. They also have to take environmental factors into account when making decisions about their operations and finances. That's where sustainability and strategic management come in; they provide a framework for companies to ensure that their decisions align with both their long-term goals of profitability and protecting the environment. Sustainability and strategic management are two important concepts that organisations should consider when looking to the future. As climate risks, environmental factors and sustainable finance become increasingly important, organisations must be aware of the impact of carbon footprints and decisions on the environment. Strategic management is necessary to ensure sustainability goals are achieved while also taking into account other factors such as economic viability and customer satisfaction. This paper will explore how organizations can effectively manage sustainability and strategic management to create a more sustainable future. This chapter will focus on the importance of sustainability and strategic management when it comes to managing the environmental risks facing our environment. To prepare for climate change, it's crucial that you manage your carbon footprint, knowing how and where to strategically invest your finances. How How organisations can incorporate environmental factors into their decisions and strategies will be discussed, and



different approaches to sustainable finance will be analyzed. Finally, the potential consequences of not taking these matters seriously will be looked at. While all this is being done, a model proposal based on the concepts of Sustainable Strategic Management (SSY), Sustainable Strategic Planning (SSP) will be discussed in the evaluation portion of this study.

2. Sustainability-Strategic Management

Research on this issue shows that almost all of them, without distinction, are studies that make the most general statements on sustainability and ultimately don't really address the main elements of sustainable management very much. Primarily there will be talk of what the elements of management are, and the definitions will be linked to the most widely accepted shapes and the concept of sustainability.

The scientific world agrees when management of Drucker approaches, considered the father of management, are the best telling parts. According to Drucker

- Management is a key body of an organization
- Management takes place through a series of tasks.
- In management, setting goals, improving efficiency, organizing social impact and responsibilities are at the forefront
- Motivation for working in management is important.
- Components of management's purpose function include innovation, productivity, market position, financial resources, profitability, managerial performance and development, employee performance and social responsibility
- Setting Organizational objectives in management enhances management based on goals aligned with vision and mission.

Sustainability offers an approach to optimizing an institution's resource structure so that it can conveniently conduct its sustainability assessment. The original assessment here is a source code for closing deficits if there is management and for improvements to the sustainability roadmap. Planning is done by measuring key conditions in the sustainability approach and their objectives are determined by Hagggar and Samaha (2019) as follows:

- Setting a sustainability strategy for resources
- Setting performance criteria with what design support tools can be in production (service/product)
- Setting smart strategic goals
- Review strategic initiatives and action plans based on the day's correspondence.
- Realize a sustainable performance analysis and management in line with ecological development
- Ensuring continuity of steps

Communication is one of the main keys to sustainable strategic management. Civek and Bebas (2022) outlined the basic rules of communication as follows:

- Accurate Information (Right Knowledge-Right Intent): The sender has information they want to pass on to others.
- Correct Channel -Forwarding Shape (right Transmission): The sender transmits information through an accurate channel
- Right Return (Right Feedback): Sender's return that the recipient understands the information and is available information
- Accurate Meaning (Right Interpretation): Creating information that correctly meets the purpose of the sender and the purpose of the recipient following transmission.

Ulusoy et al (2022)., acts primarily because a company has to determine how much company value-based thinking is in how much company performance-based thinking is in it. It is necessary to determine WHAT the strategies for risk, human resources, marketing sales distribution, IT technologies may be. It is important that the cycle on how to implement strategies is determined within the governance plans. Table 1 is mainly used for switching between management and governance concepts. There has been talk of how value-based and activity-based intellectual processes will impact when discussing the distinguishability of what and how questions in management and governance. This study opened up the discussion of whether the model could be a model for the SSM of processes called FVBT and FPBT. Let us first talk about what the value and activity-based thinking model is Achieving viable results at this point will be possible by determining which digits to go through for sustainable strategic management, since value-based and performance-based thinking systems cannot be separated.

FVBT can be defined most generally by identifying strategies, creating long-term plans related to strategies, and making programs. This is where risk, HR, sales and marketing, IT is planned separately, creating innovation governance plans. FVBT represents the governance part. The FPBT section (Ulusoy et al., 2022) represents the administration. Sustainable Strategic Management combines economic and social angles to act as a bridge between the goal of non-perturbing the environmental cycle and achieving competitive advantage. Furthermore, the concept is about fulfilling the sensitivity to the ecological environment experienced by the community where businesses produce products and services. The concept, which has infiltrated processes ranging from establishing organizational visions and missions to goals and strategies, predates the objective of keeping the company's agile sensitivity in view of its implementation and evaluation processes (Stead and Stead, 2014).

Tablo 1: FVBT and FPBT Karşılaştırması

<i>Firm Value Based Thinking –FVBT</i>	<i>Firm Performance Based Thinking –FPBT</i>
WHAT will be the framework goals of human resource management in Company A?	HOW would it be for human resource management to achieve set goals?
WHAT is in the name of capturing the future of the IT technologies it embodies in Company A? doable	HOW should IT be done to help IT capture the future?
WHAT will be the marketing, sales and distribution strategies in Company A?	HOW will marketing, sales and distribution strategies be implemented?
In A Company, in risk management, in corporate governance, WHAT are the elements that make up the pool of risks?	How will risks be eliminated?
WHAT should be paid attention to improve efficiency in operations at company A?	HOW will the main issues of productivity improvement be implemented and disseminated?

Kaynak: Ulusoy et.al, 2022

The role of strategic management is looked at as processes that enable all processes in the business to proceed in competitive order, where the role and contributions of their stakeholders are almost certain to be determined, where the objectives and the business and transactions attached to these objectives are defined. Sustainability is a process for domestic and external stakeholders to live their lives with ease. So that inside, corporate partners, employees and people who are out there in debt/receivable relationships, those who are not in government and relationship but who are affected by the company's positive or negative communication with nature are involved in sustainability processes (Ulusoy,2019).

3. Literature

Kodama (2018)	This chapter discusses the “sustainable strategic innovation model” that achieves “external and internal congruence in capabilities” that lead to sustainable strategic innovation
Barbosa and Ayarza, (2020)	The objective of this research was to develop a management model called Sustainable Strategic Management - GES.
Carraher et.al., (2008)	This paper examines some of the major challenges in performing research on SSM with the concepts of alpha, beta and gamma change are introduced.
1987: Brundtland Report	Defines: Sustainable development is based on three fundamental pillars: social, economic and environmental.
Stead and Stead (2014)	Presenting an enterprise-strategy-based model of SSM designed to guide organisations as they attempt to integrate SSM at the corporate, competitive and functional strategy levels
Mozos et.al.,(2020)	Fill the gap in the social sciences and business management literature by providing a theoretical SSMM proposal for the Fourth Sector (4S), SMEs, Hotel companies (4S-SM-HCs),

Stead and Stead (2019)	Although Porter and Kramer's creating shared value (CSV) concept is a step toward SSM, it is still based on the unrealistic, neo-classical economic assumption of the economy as a closed system.
Baldasarre et. al. (2020)	Contribute to theory by connecting sustainable business model innovation with business experimentation and strategic design, two innovation approaches that leverage prototyping as a way to iteratively implement business ideas early on.
Vitari and David (2017)	This paper helps meet this challenge by exploring possible innovative management models that could help in pursuing sustainability by aligning enterprises with socio-ecological realities.

4. Method

Integrating sustainability into strategic management is a process that begins with recognizing the laws of the country on which the workplace depends. If the standards of sustainability are protected by laws and regulations, what is absolute will be the control of whether these laws and laws are enforced. Then a desk run for SSY on what strategic goals are at the point of compliance with the targets mentioned in yularu, and how sustainable strategic goals differ, will be useful. Transparency should be at the forefront of the SSP names, which make up SSY applications for all processes. It is essential that all loss-timelines are prepared, starting with the integration of the Occupational Safety and Health Processes at SSY. When setting standards of institutional compliance, it is essential that the human factor is not forgotten from points of compliance with the nature of the environment and compliance with the ecological system (Ulusoy and Civek, 2020). There is one aspect that is important in the Integration of Sustainability into Strategic Management, which is that the CEO and the Board of Directors adopt the processes of SSY and SSP. As the process progresses, adoption must be completed at the point of audit, compliance, decision-making, selection of projects suitable for purposes and objectives. It is important that stakeholders are included within the SSP if it is addressed more broadly here. The environmental performance, economic performance of the business can be combined with the profit and performance criteria addressed in the previous section. Thus, it can be determined how many times between performance and value will be included in the slice. On the other hand, where to be in the environmental performance and economic performance brackets can also be set among the objectives.



Figure 1: SSY Diagram

When environmental performance is matriculated into an economic performance value and activity-based thinking matrix with a clearer expression;

Value-based thinking percentage (fvbt%) + activity-based thinking percentage (fpbt%) = 100% is accepted.

En-va% is a measure that refers to the environmental performance of a value-based thinking business (market cap-to-share value) by the slice.

Eco-va% is a measure that refers to the economic performance of a value-based thinking business (market cap-to-share value) by a slice.

En-pe% is a measure that refers to the environmental performance of a business (profit-sales) based on performance.

Eco-pe% is a measure that refers to the economic performance of a business (profit-sales) based on operating performance by a percentage point.

	Environmental Performance	Economic Performance
Value Based Thinking – fvbt	En-va %	Eco-va %
Performance Based Thinking – fpbt	En-pe %	Eco-pe %

Figure 2: Value and Performance Based SSM Model

5. Result

From this point forward, the Value and Performance Based is how to calculate the 4 independent sensitivity percentages defined in the SSM Model debate, as well as the questions to ask and the scale to create.

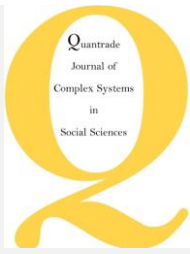
Looking at the value and performance-based sustainable strategic management model, it is clear that the business will receive a percentage in all four parts. It is unthinkable for the SSY that the business will only think value-based and not activity-based, but will place more emphasis on its economic performance. Moreover, it would not be a false hypothesis for businesses to say that they are value-based thinkers and think more about their economic performance. The accuracy of a hypothesis like this is an irrefutable fact, even though most non-institutional firms are now working. Of course such an approach would apply to businesses that have not made SSP or set off thinking SSY. If this model is to be used in the work that will take place thereafter, it can be said that businesses that care almost equally about their economic and environmental performance will act in accordance with the more exile strategic management model. Researchers can easily say that the midpoint or the equilibrium point may be as shown in Figure 3, but in reality, it may never be optimal for a business.

	Environmental Performance	Economic Performance
Value Based Thinking – fvbt	En-va % 25	Eco-va % 25
Performance Based Thinking – fpbt	En-pe % 25	Eco-pe % 25

Figure 3: Medium Sensitivity Point

Perhaps the acceptance of the most accurate should be this way: It is certain that differentiations can occur in every sector, in every region, but it is important to ensure that the business; it is most likely that giving its priority to continuity, not sustainability, will come across as a final outcome.

It should be debated which (qualitative or quantitative) techniques will be effective in developing or measuring the scale of the four sensitivity percentages (En-va, Eco-va, En-pe, Eco-pe) indicated in future studies.



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