

# Chapter 15

## Business Sustainability Indices

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### ABSTRACT

*Business sustainability models and indices are useful in theorizing and measuring organizational elements of sustainability. It is often the case that there are not many models and scales out there in the literature for theorizing business sustainability. Existing sustainability models from the published literature are reviewed. The review suggests that there is not much documented research in business sustainability typologies. There is a considerable amount of research required from the applied researchers working in this area to contextualize and re-specify the business sustainability typologies to differing industry clusters such as e-learning, agriculture, manufacturing, and healthcare. In addition to this, the chapter also reviews the existing indices available out there in the literature to measure sustainability. A summary of existing sustainability indices available to measure sustainability at country level and a number of business sustainability indices have been presented. This is followed by a discussion of future research directions.*

### INTRODUCTION

Sustainability indices are integral part of measuring the process level variables in an organism (i.e. county, region, city, industry, organization, business unit). The documented literature has less evidence for targeted indices developed for measuring specific industry clusters / organizational units. In fact, there are indices which are developed by researchers to measure the sustainability in a country or regional level (Böhringer & Jochem, 2007). These indices are meant to assess the sustainability at policy level applicable for countries and organizations in general. However, there is a considerable research gap in terms of indices which are developed for measuring the ICT Business Sustainability. This paper aims at reviewing the existing sustainability indices in the body of literature.

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## **BACKGROUND**

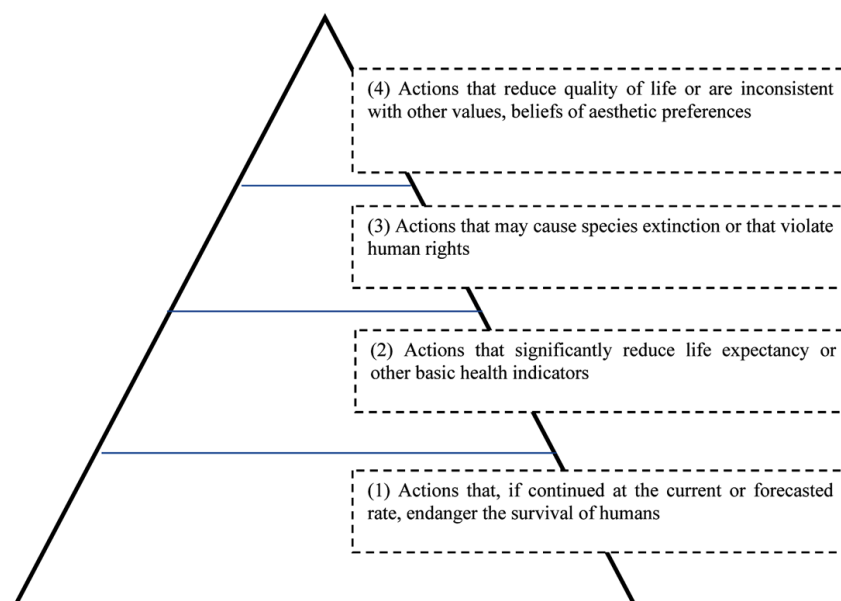
Business Sustainability research has been tremendously progressed. However, it is still a question as to how well the concept of business sustainability has been theorized. Theorizing business sustainability has a number of challenges to be tackled in terms of which aspects are critical for sustainability and which are not. Therefore, it is essential to have a theoretical model as the basis for theorizing business sustainability elements. This paper reviews the two types of theoretical models available in the business sustainability research namely the sustainability hierarchy and business sustainability typology. The relevance of the concept of sustainability to business domain is paramount.

## **THE SUSTAINABILITY HIERARCHY**

Four sustainability frameworks have been identified as ‘ambiguous with regard to what is being sustained’. The label ‘unsustainable’ has been categorized into four levels of actions which prevent sustainability of any kind. This led towards the development of a Sustainability hierarchy (Marshall & Toffel, 2005) which was constructed using several distinct but related concepts (refer to Figure 1).

The above hierarchy is an action centered hierarchy which looks at the sustainability from a hierarchical model as depicted above. The model is based on the hierarchy of needs theory propounded by Abraham Maslow. The needs theory indicates that the satisfaction of lower level needs leads towards the higher level need in the hierarchy. The same metaphor is applied here for environmental sustainability in this context. The achievement of a lower level environmental metric leads to the achievement of the higher level one in the hierarchy.

*Figure 1. Business sustainability hierarchy*



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