

# A Proposed Framework for Integrating Sustainability Into Corporate Business Practices

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This study introduces a virtual framework that facilitates the integration of sustainability into the organizations' practices in Saudi businesses. This framework has developed guidelines that reflect how to apply sustainability into daily practices within organizations. The study simplifies the complex relationships and challenges between the need to raise profit on one hand, and the responsibility towards the environment and society on the other. Data is collected through questionnaires which focus on the actual practices of sustainability within business organizations in Saudi Arabia. The analysis highlights the importance of the social factors and the environmental conditions in achieving economic growth of those organizations and stresses the absence of integrating sustainability into their business practices. Findings would present guidelines in order to make clear and conspicuous disclosure to the business sector in order to equip them with the necessary knowledge to enclose the concept of sustainability into their business practices.

**Key words:** *Corporate Sustainability; Sustainable Business Practices; Business Environment; Saudi Arabia.*

## INTRODUCTION

In recent times, the use of the term sustainability and sustainable development have escalated in the business world. As per the World Commission on Environment and Development (WCED), sustainability is defined as the development which meets the present development need without causing an adverse effect on the future generations to need (Garbie, 2016). From the business perspective, sustainability is considered a business approach that acts as a value creator for the stakeholders in the long run by exploiting business opportunities and managing risk in an effective manner in terms of economic, social as well as environmental dimensions



(Dyllick, & Muff, 2016). The proliferation of the term has surpassed the record of previous time due to the occurrence of modern challenges such as the extinction of natural resources, lack of energy sources, environmental disasters and global warming. The challenges depict that business which is profit-oriented and considered the environment as a marginal issue are generally ineffective. Therefore, adopting a sustainable approach at the level of global or institutional activity is necessary under these prevailing circumstances (Dinu, 2010). These sustainable activities emerge from its three pillars; namely, economy, environment, and community (Bonini, 2006).

“Corporate sustainability” is recognized as the advanced approach towards organizational development and a means to overcome organizational inadequacy and form consistent with the present needs of the stakeholder (including groups, employees, suppliers, etc.). Starik & Kanashiro (2013) show that this developmental strategy infuses healthy and productive social and environmental practices into the mission, vision, and culture of the organization. Therefore, the adaptation of these practices would lead to the creation of economic value and consequently the long-term growth of the organization. However, the behavior change of an organization is difficult, which necessitates the provision of the holistic view to understand the relationship between economic growth and social and environmental issues and the need change their vision towards protecting the environment and the society on the long run (Montabon, Pagell, & Wu, 2016).

In light of this concept, the management of the organization’s board must consider expanding its focus from the growth in profit margin, or cost reduction to focus on sustainable developments in organizations and the surrounding environment. The continual increase in the business and competitive market has instigated the interest of various scholars for introducing effective and guideline for incorporating sustainable practices (He et al., 2018; Karimi, & Zandieh, 2016). Though, various companies apply sustainability as a separate function from company strategies and performances assessment (George et al., 2016). Therefore, the main challenge for the organization is not the adoption of the sustainable practice but its execution concerning the reduction of non-monetary risk as well as maximization of the long-term financial value (Golini, Longoni, & Cagliano, 2014).

The organizational board management is vital to enable the establishment of sustainable activities along with the organization economic and social development. Scherer, Palazzo, & Seidl (2013) highlight that unsustainable management which neglects the social and environmental issues will impede the sustainability of organizations. One of the main contributors to the sustainable practices and economic and social development of the countries are manufacturing Small and medium-sized enterprises (SMEs), notably for the developing countries (Garbie, 2016). These enterprises assist in resolving the socio-economic problems in the economic countries, contributing to the development of the country’s gross domestic product (GDP), despite these being vulnerable to uncertain market situations. An increased number of SMEs is observed in Saudi Arabia, where these accounts for 1.97 million SMEs

comprising of about 90 percent of the overall business enterprises, contributing 33 percent to the overall GDP (Jeddah Economic Gateway, 2016).

Previous researches have acknowledged that various sustainable frameworks have been established till date (Garbie, 2016; Tan et al., 2015); however, their adaptation by SMEs is either too complex or too difficult in terms of practicality (Tan et al., 2015). In order to fill this void, a simple and effective sustainable practice framework is necessary that balances the SMEs need in terms of manageability as well as practicality. Therefore, the study provides an integrated framework that acts as a driver for SMEs to establish sustainability initiatives at a national level. Despite the fact that the world witnesses an increase in the number of periodicals that publish research on the efforts of the organizations to integrate sustainable business practices, most of these cases are based on the economic and social parameters of the developed countries. It is, therefore, logical and useful to study the practices of organizations that are located in the Arab environment, with special attention to Saudi Arabia. In this context, the objective of this study is twofold:

- To describe the followed approach in applying sustainability to Saudi business organizations.
- To reach a practical framework that can be used in the Saudi business environment to help these organizations to integrate sustainability into business practices and guide them in their application of the sustainability principles.

## RESEARCH HYPOTHESIS

*H1 There is an insignificant difference between the categories of the study regarding their understanding of the concept of sustainability.*

*H2 There is an insignificant relationship between the dimensions of applying sustainability in the organization.*

*H3 There is an insignificant difference between the study categories regarding the obstacles to integrating sustainability into their organization's strategies.*

## LITERATURE REVIEW

Several researches have explored the impact of sustainable practices on the working of the organizations. Eccles, Ioannou, & Serafeim (2014) examined the impact of integrating social and environmental issues into organizations' processes and performance. The study used a sample of 180 US companies and found that companies that voluntarily adopt sustainability policies from 1993 are described as high sustainability companies. They show distinguished organizational processes by 2009 among the companies that had adopted sustainable practices



and those that did not. The study demonstrates that the boards of high sustainability companies are officially responsible for sustainability. Further, incentives are also offered to executives who are associated with the achievement of sustainable goals. Moreover, high sustainability companies are keen to develop stakeholder mechanisms and are longer-term oriented.

Similarly, evidence has been provided that illustrates that high sustainability companies, in the long run, outperformed their peers, both in the stock market (by persuading investors in the long term to invest in their securities) or in terms of their performance in accounting. For instance, the study of Abid (2013) intended to explain whether sustainability practices pose a positive impact on the company's performance, using a questionnaire. Abid's study demonstrated the impact of incorporating sustainability into corporate strategies and functions. AHP (analytic hierarchy process) program is used to analyze to which extent sustainability dimensions are integrated into business processes and how organizations can execute the sustainability approaches. Results have supported the integration between sustainability and business processes in the long-term. It guarantees corporate efficiency and risk reduction. Further, the general indicator of the integration of sustainability of companies with business processes showed significant statistical differences between the services sector and the manufacturing sector, where the majority of the sustainable practices were in the former sector.

Petrini, & Pozzebon (2010) offered a theoretical model to facilitate sustainability into business practices based on Latin America's company experience (especially, in Brazil) which have outperformed their sustainability initiatives. It constitutes of five leading companies in sustainability practices using the "grounded theory" method which has helped to understand how sustainability can be integrated into business practices. The proposed framework consolidates and integrates sustainable elements from previous studies in the company's vision for sustainability, structure, and mechanisms coherently and innovatively. In the same sense, Paraschiv et al. (2012) present the main drivers of sustainability in institutions. The study performed a comprehensive literature review and established the link between the firm sustainability practices (which is a necessity in the current globalized environment) and the innovation environment; the organizational culture as well as change. Accordingly, the study also performed an analysis of the Romanian Company's sustainable practices. The results of the survey demonstrated the importance of relying on visionary management in the implementation of the sustainability of the companies' research focus.

Danciu (2013) focuses on the sustainability strategies that are needed to raise the contribution of organizations for future sustainable development. The study analyzes the critical perspectives of sustainability and explains how companies can achieve sustainability by integrating practical steps. These steps included signing the standards of the United Nations Global Compact of Responsible Conduct and submitting an annual sustainability report on its performance. It presents the current practices of companies in sustainability performance around the world. Moreover, it also proposes four strategies for organizations to design,

implement, and reach even better sustainability performance in the future. First, sustainability management includes leaders' commitment, stakeholders' participation, mechanisms for implementation and coordination as well as supervision between all units in the organization. Second, sustainable innovation depends heavily on workforce, stakeholders' management systems along with their value chains, and the interactions between in economy, the state, and civil society. Overall findings summarize that sustainable innovation consists of three main parts; namely, goals, mechanisms, and impacts. Third, environmental efficiency is achieved by meeting customer needs and increasing productive resources, waste reduction and finally environmentally friendly certificates. Fourth, it allows achieving a sustainable competitive advantage, in the long run, positioning it as an integral part of the organization's strategy.

Earlier research of Stone's (2006) also investigated the sustainable practices among the business firms in New Zealand. The study is divided into two sections, where, initially, evaluation of multiple companies that targeted clean production (CP) and prevention of pollution (PP) practices are investigated. The first section gives an overview of the project and the methods of evaluation. It discusses further shortcomings, specifically related to leadership, support, communication, and participation from businesses, and suggested that pollution prevention programs can be designed in a manner consistent with the needs, activities, and culture of each organization, as well as significant changes in organizational content. The second section compares the extent to which the development areas are covered in traditional PP / CP programs with shared change management's models. The study suggested a framework that is likely to be used to overcome the shortcomings discussed. The framework directs the need to manage change in PP / CP to create a serious and stimulating learning cycle. The proposed framework includes a diagnosis stage (to enable the program customization), a vision (to engage all employees), a replication of this vision (to motivate and inspire leaders on continuous development), distinct tasks and skills (to enhance participation), the participation in the program design (to promote loyalty, commitment, progress and support). This framework is presented as an alternative proposal for traditional forms of change management of (PP / CP). The framework is not intended to be mandatory but rather is intended to motivate shareholders to adopt more strategic approaches in their work with organizations.

Advisors (2010) study explored the criteria and the motives of social responsibility in the Kingdom of Saudi Arabia. It identified the priorities related to the social issues in which the Saudi business sector can contribute, influence, evaluate and analyze for responding to the community and environmental issues. It also identifies the gaps and challenges facing CSR (Corporate Social Responsibility) to play an effective role in achieving development goals. The study's sample includes 100 Saudi companies and is complemented by thorough interviews with the CEOs of 32 companies at eight different sectors. The study concluded the failure to track Saudi companies' contributions in social responsibilities. Moreover, it illustrates that the motives of social responsibility for the Saudi business sector are related to the interest of local people in business in local development and that their work motives are more associated with

the work strategies. Further, the study pointed out that the market derives of social responsibilities is weak in Saudi Arabia as well as the institutional organization's role in social responsibility in its early stages. The study proves the lack of any social responsibilities' evaluation or reports.

Tamkeen (2014) aims at understanding the comprehension of the concept of social responsibility in organizations and its limitations. The study included a sample of 47 Saudi companies which have a consistent social responsibility strategy and programs. The study draws several conclusions demonstrating that only a few companies consider national development priorities when defining CSR strategies and programs. Also, Saudi leaders assert that the absence of the effective role of the government and the media which is an important reason that limits the impact of programs in society. It showed that most Saudi companies believed that the concept of CSR remains unclear to consumers and society. Whereas, majority of companies believe that government regulations and procedures are one of the challenges facing the implementation of CSR programs. It highlights that Saudi companies recognize that the global economic recession could have been avoided if companies have been more responsible.

### **Sustainability and Social Responsibility**

Brundtland Commission's report (1987) presented the prevailing definition of sustainable development, stating it as the "development that forms the consistency of the present and future needs without hindering the future generation's developmental ability" (Geissdoerfer et al., 2017). Therefore, the sustainability strategy is not only important for sustainable development, but also for guiding the companies to succeed by complying with the sustainable practices in terms of social, environmental and economic requirements and the competitive market conditions. Quarshie, Salmi, & Leuschner (2016) and Strand, Freeman, & Hockerts (2015) noted that the two terms - sustainability and social responsibility - are gradually converging to the present and both include similar dimensions and they are often used synonymously. In 2002, corporate social responsibility (CSR) as per the definition of European Commission was a concept in which businesses assimilated the concerns related to social and environmental practices into its processes along with voluntary interaction with stakeholders. However, Gareis Huemann, & Martinuzzi. (2011) define sustainability as company capacity to meet every need of immediate and indirect stakeholders (e.g., shareholders, employees, customers, and communities) without hindering future stakeholder's ability to meet their needs. If there are differences in the definition of sustainability, there seems to be consensus on the dimensions of sustainable development (Abid, 2013; Strand, Freeman, & Hockerts, 2015).

Danciu (2013) asserts that sustainability is the interaction between economic, environmental and social dimensions. Environmental sustainability is the ability of business people to use natural resources in a way that ensures sustainable existence as well as the ability of a business to reduce the adverse effect of business practices on the environment. Considering the social



sustainability, it aims at enhancing behavioral relationships and values among people as well as maintaining social peace among them. Economic sustainability is the organization's ability to make profits, and it should be linked to social and environmental consequences for the organization's growth in the long run.

Sustainability and social responsibility, therefore, are associated with three distinctive overlapping areas; such as environmental, social, and economic fields. Such as the economic field is not confined to short-term performance indicators, but expands to the long-term financial success, such as reputation and relationships of a company with others. Therefore, sustainability management and social responsibility need to form an equilibrium between short- and long-term considerations, as well as the balance between the stakeholder's interest than traditional management (Petrini, & Pozzebon, 2010). Sustainability is achieved only if the organization succeeds in achieving economic efficiency, social justice and environmental conservation (Danciu, 2013). However, the present study defined sustainability as the ability of the organization to sustain its activities and concerning the economic, social and environmental dimensions.

### **Incorporating Sustainability into Business Practices**

Sustainability is considered as a vital dimension of the organizations' plan where numerous organizations, in the present times, are perpetuating their efforts to monitor and overcome the adverse social and environmental impacts of their operations (Lyneis, & Sterman, 2016). However, the effective integration of sustainability with business practices faces serious obstacles that need further research. With the integration of the sustainable business practices, sustainability is inherent in daily operations as a long-term organizational goal, and it should be seen as a part of everyone's mission, from the board, and down to the lower levels (Azua, 2013). Recently, a shift is observed among the organization's operations where the sustainable business practices are adopted to explore the opportunities as well as the competitive edge that it gives. Evidence from the recent researches have shown that factors that lead to the effective integration of sustainable activities are being explored (Abid, 2013; Lyneis, & Sterman, 2016). The findings of these studies highlight that leadership as a primary factor which supports the commitment of the organizations as a whole. Abid (2013) believes that the leaders should conduct social and environmental activities to gain a competitive advantage, to provide organizations with opportunities to reduce risks and to reduce future costs. Petrini & Pozzebon (2010) argue that leaders' commitment is the key driver for the adaptation of sustainable business practices. It also supports a clear visualization of sustainability, as well as another stakeholder's adherence to it.

Paraschiv et al. (2012) point out that the leaders and the organizational culture are crucial to sustainable performance and organizational success. The senior board supports the integration of sustainability into the organization's strategy and operations. Danciu (2013) considers sustainability as a clear strategic commitment by senior management. In addition, sustainability

strategies need skillful leaders who can guarantee the fulfillment of both short- and long-term goals. The followed communication and training mechanisms along with other factors are believed to support sustainability initiatives (Paraschiv et al., 2012; Danciu, 2013). Stone (2006) believes that in order to achieve a high degree of sustainability, clear communication and training plans should be developed to be the key factors in supporting the common understanding of sustainable practices. Abid (2013) argues that the continuous development of new knowledge supports the organization's long-term growth. Paraschiv et al. (2012) and Petrini & Pozzebon (2010) report that measuring and disclosing the results of sustainability through the implementation of the monitoring and the evaluation system (M&E) and the communication with various stakeholders will lead to sustainable performance.

However, Eccles, Ioannou, & Serafeim (2013) take a different approach in this regard reporting sustainability as a means of communication with stakeholders. Whereas, Stone (2006) argues that sustainability reports are tools for maintaining transparent communication and effective source of information. Petrini & Pozzebon (2010) adds that it is the mechanisms which should be initiated at all levels, and not only at the operational level, while also encouraging employees to undertake sustainability initiatives. Studies have established that knowledge management and planning for sustainability, management focus, employee development, integration of objectives with processes, and environmental and social attention all lead to performance improvement (Quarshie, Salmi, & Leuschner, 2016; Garbie, 2016). Thus, the present study adds to the knowledge spectrum and provides a deeper understanding of sustainability integration and its relevance with organizational performance. Danciu (2013) points out that an organization must integrate sustainability into its strategies in response to external forces as (climate change, energy challenges, population growth, etc.) to ensure long-term development. Stone (2006) and Petrini & Pozzebon (2010) point out that in order to incorporate a higher level of sustainability vision at all organizational levels, a vision is required that could lead to changes in the organizational structure. Danciu (2013) points out that alteration in structure, processes, and vision of the organization must be made to support sustainability.

Petrini & Pozzebon (2010) highlight the significance of organizational structure in facilitating the integration of sustainability with the organization's strategy. It states the adaptation of the governance structure in the form of a governance tool which allows management of the sustainability initiatives. According to Paraschiv et al. (2012), the organization cannot declare itself truly sustainable unless it achieves the highest standards of corporate governance. This includes involving stakeholders through rules and procedures with the organizational behavior, the transparency of public reports, and staff development to assure their satisfaction and motivation. Eccles, Ioannou, & Serafeim (2013) study has found that companies that integrate sustainability with their strategies and processes, follow distinct governance mechanisms, involve the senior board in sustainability's issues and objectives, confirm a higher stakeholders' engagement, and guarantee higher level of transparency and disclosure of non-financial and high financial performance. It is clear from the review of previous studies that

although researchers have attempted to identify the factors that impact the integration of sustainability in organizational strategy and processes, a unified vision of these factors has been presented only in few studies (Petrini & Pozzebon, 2010; Paraschiv et al., 2012).

Despite the fact that the study of Danciu (2013) and Paraschiv et al. (2012) have identified the factors that influence the organization's adoption of sustainability principles, the studies fail to form a comprehensive understanding of the factors that interact and correlate. Petrini & Pozzebon (2010) have found the correlation between macro and micro components which helps to understand these factors better, but they have not addressed the factors that affect the organization's adoption of sustainability principles. The majority of these studies have included major companies in developed countries and show different results from one country to another. Given this, the present study explores the sustainable practices in the developing country of Saudi Arabia.

### **Integrated Framework**

The study proposes a framework for integrating the sustainable business. The framework denotes the key outcome of the study. It outlines a set of organizational factors that represent driving forces or facilitators of this integration. It constitutes five key elements, i.e., motivation, stakeholder participation, organization's vision for sustainability, organizational structure, and organizational mechanisms. Several partial elements are identified within each factor, and the relationship between them is also determined. The implementation of sustainability requires time to reach maturity, which is generally dependent upon the leaders, the training as well as the organizational capacity to integrate sustainability into their organization's core operations. It requires careful planning and perhaps a long-term commitment to developing appropriate capacities that enable organizations to achieve optimal performance. The description of the factors is provided below:

### **Motivation**

The external environment of the organization is considered the most significant deriving force for change. The external environment is the set of factors that affect and influence the organization and its strategy in one way or another. The environmental factors refer to the general and private variables which are presented through political, legal, social, technological challenges as well as cultural challenges. These variables are difficult for the organization to control and can influence business operations. Other factors are associated with the organization itself such as suppliers, customers, competitors, intermediaries, government, and financiers. These factors can affect the organization in varying proportions. Thus, the organization must integrate sustainability into its strategies in response to trends and behavior produced by external forces such as energy challenges, customer pressures, government systems, and environment. It is evident from the environmental change which occurs as a

response to the environmental change, which possesses a direct impact on the organization's vision, strategy, leadership, and culture.

### **Stakeholder Participation**

A successful leader possesses the ability to communicate effectively with stakeholders seeking their participation, which in return facilitates sustainability. This element identifies the key stakeholders who represent groups and individuals that can influence and can be affected by the organization's actions. The sustainability department should prepare a description of these groups' needs and expectations. This action should be determined based on their current and future needs and expectations in order to achieve sustainable relationships with stakeholders. Continuous engagement and effective communication with stakeholders are essential for the success of sustainability in the organization. This effective involvement of stakeholders should be based on the organization's ability to establish such relationships with key stakeholders in the long term. On the other hand, building good relationships with stakeholders as part of the organization's strategy requires involvement in a dialogue to understand their needs and expectations and to provide the governing body with the stakeholders' feedback and other major departments within the organization for devising decisions to sustain connectivity. A variety of communication approaches are to be followed, such as the establishment of an annual Stakeholder Council meeting, encouraging organizational initiatives, or public reports and disclosures.

Consequently, relations with stakeholders are carried out through four stages, namely, awareness, knowledge, and recognition. At the awareness stage, the organization will communicate with the stakeholders by providing them comprehensive information and insights so that they can appreciate the organization's vision and values. While in the stage of knowledge, stakeholders understand the organization's mission and how their interests are being integrated with this mission. During this phase, the organization provides stakeholders with relevant information to make decisions. Lastly, in the recognition stage, stakeholders have gained knowledge about the organization; they need to develop confidence. This is the stage where stakeholders will be committed to develop the organization.

### **Developing the organization's vision**

The commitment of senior boards is the first step to legalizing and formally recognize the company's sustainability. Such commitment is based on the fact that economic growth needs an environment that provides workers and citizens with a quality integrated life in general as well as preserves the environment and included natural resources. The development of such a vision undergoes two stages: First: the reformulation of the vision consists of two elements, i.e., the commitment of senior boards and external participants. It is because effective external participation cannot occur without the strong commitment of senior management and external



participation of stakeholders. By involving these two elements, the organization can crystallize a new vision for a sustainable project.

Second: The codification of the new sustainable vision requires reforming the organization's overall vision which cannot be based on management commitment and external participation. The second stage involves building strong internal support for the new vision through staff participation and mechanisms implementation. Implementing a sustainability strategy requires individuals' behavior change by participation and beliefs. Consequently, any possible confrontation to refrain from changing is avoided. Employees need to understand the reasons for change and recognize what they have to do to contribute to it.

The development of the vision is instigated by the commitment of the senior management which then follows a process of top-down decision-making. The process is required as it facilitates the disciplined implementation mechanisms that enable the new vision to emerge. This step consists of a set of practices and procedures that enable the organization to implement a vision that is consistent and durable. The commitment of the senior board creates the right conditions to help to implement sustainability at all levels, thus, to help in creating the necessary sustainability conditions need to be present in the daily practices of workers. It is essential for the organization to ensure that staff is truly aware of what the governing council wants in that regard and to enable individuals to communicate concepts throughout the organization, to facilitate their adoption the daily activities. The commitment of senior management board provides a powerful deriving force for employees' participation because they believe that their leaders to consider their contributions.

### **The organization' structure**

The organization must interact with its environment and to adapt to new economic, environmental and social conditions. The organizational structure must deal with both the internal and the external environment of the organization to ensure the stability and growth of the organization. Environmental conditions affect the organization structure. Therefore, the ideal organizational structure is tracked from its concern with local conditions and its positive response towards those changes. Also, a top to down change monitoring process should be initiated for offering a sustainable vision, as well as from bottom to top to encourage the participation of all staff. Further, the organization needs to establish a formal structure that facilitates the application of the principles of sustainability and aims to reduce the inconsistencies that may result from the absence of coordination and aims at reconciling the commitment to the operational level and the Organization's practices. The organizational structure of the organization must be adapted to a formal sustainability unit, and its governance should allow utilization of the governance tools to manage sustainability initiatives and assimilate it into organizational strategy and organizational practices.



## Improving Government Structure

An ideal government seeks to integrate the values of transparency, integrity, accountability, and responsibility into each organization's strategy and daily operations. Accountability is a prerequisite for integrating sustainability into business processes and is the key factor in the organization's ability to make progress towards sustainability. Thus, the government's vision and the organization's vision should be consistent. Consequently, sustainability aims to develop and improve the corporate government to guarantee the continuity of sustainable values existence in the long run for all stakeholders. Shareholders' values achievement represents a long-term growth, and thus it requires a shift in thinking from focusing on maximizing shareholders' values to focusing on a wide range of stakeholders as part of the organization's strategy. Moreover, to change the way decisions are implemented require more cooperative thinking involving stakeholders in the decision-making process to ensure sustainability. It also involves expansion of the strategic process of decision-making and policy evaluation to include various economic, social and environmental sustainability variables. With sustainable business practices, the board members can be trained to adopt the concept of sustainability in their organizations, giving them the experience to become more proactive in risk management and to manage relationships with stakeholders. It also facilitates the adoption of creative management techniques that require inspiring, non-dominant leadership and that activates innovative ideas.

By implementing sustainable practices, a vertical control is achieved that expands from the highest administrative levels to the lower administrative ones; as well as horizontal control which ensure the mutual relations between the board of directors, shareholders, and stakeholders in the organization. It also assigns full official responsibility to the Board of Directors for sustainability issues while also aligning the financial and administrative incentives for senior and executive management team to ensure the achievement of sustainability goals. It integrates environmental and social information into financial reports to ensure that the organization is responsible for the environment and society impacts. Furthermore, it considers the accuracy and transparency in preparing the sustainability report to reflect the social and environmental performance honestly.

The above initiative is aligned with the international guidelines (GRIs) or Global Reporting Initiatives to prepare a sustainability report in accordance with the international guidelines developed by these initiatives. The objective of the Sustainability Report is to verify that sustainability measures to assure that they have been implemented correctly. This new value is an effective means of achieving the interests of different stakeholders, assessing the performance of senior management, enhancing accountability and raising the confidence among different parties involved in the process. Organizations with sound governance will succeed in achieving sustainability and its operations, but governance should be seen as a process of supervision and as control over the work of organizations while avoiding obstruction

or slowing down their administrative and operational processes. This represents the most important aspect of the development of governance practices. The establishment of an official sustainability unit to be managed by the Board of Directors.

Incorporating the organizational structure into a formal sustainability unit enables the director of sustainability together with the board of directors in the organization to assure the integration between sustainability goals and business strategies. The sustainability unit serves as an advisory body that provides administrative units with information for effective sustainable business processes as well as products. It supports the organization by aligning sustainability plans across all FAO activities to play a strong guidance role when acting as an auditor to monitor processes and practices and when requiring justifications if objectives are not met. Consequently, the sustainability unit could perform in a larger advisory body, which enables integration of sustainability practices into daily activities.

### **Management Strategies**

Management Strategies that promote the integration of sustainability with daily practices can be carried out through understanding of sustainability and identifying the role it plays in the organizational vision. For this, each department in the organization should believe in sustainability and its benefits as part of the organizational vision. The concept of sustainability should be an integral part of the organization's strategy and objectives. In addition, senior management board should understand their role to identify needs and priorities, as well as their role in assessment and reporting. Without understanding sustainability, leaders cannot formulate objectives and plans that can be implemented realistically.

According, the management should focus on employee training to enhance and to assure sustainability internally and externally. It is because training is often the starting point to direct the organization's efforts towards sustainability. This requires new operational strategies as well as adopting creative thinking, accelerating the firm transition towards more sustainability. Organizations that promote training are able to integrate sustainability successfully because they embrace new ideas, changing values and practices of organizations and thus alternate the organizational culture. Staff training helps to achieve a higher degree of organizational commitment. Training is seen as a means of spreading sustainability across all departments of the organization and integrating it into the daily work of its staff. Accordingly, organizations must take advantage of their employees' potential by providing opportunities for self-development, continuous education and acquiring new skills. This will ensure the change of attitudes and transform environmental and social activities into sustainable practices. Sustainability development can be derived from analyzing and adopting peer successes or attending accredited training programs or workshops.

The findings of the study emphasize that the awareness of conducting businesses in an economic, social and environmentally sustainable manner must be established in all

departments of the organization. This involves promoting sustainability awareness among employees towards peer learning (horizontal communication). They should exchange innovative ideas and instead of being involved in internal conflicts. The creation of understanding throughout the organization leads to synergy and innovation. It also stresses the implementation of a strategy for monitoring and evaluation of the sustainable practices for assuring communication with various stakeholders. Monitoring programs should be established to assess whether progress is being made in achieving the targets in accordance with timelines and within the allocated budget. The management board ensures monitoring and advice in a consistent manner that copes with the organizational objectives. Periodically, it is advisable that the monitoring is evaluated by an external agency. Moreover, sustainability initiatives should be recognized and honored to encourage employees to undertake sustainability goals. Adopting incentive tools to reward employees for their performance in the context of sustainability practices is essential.

## **METHODOLOGY**

The method used to achieve the objectives of this study is a pilot approach based on a questionnaire for data collection. The data are analyzed and the results are discussed accordingly. A framework for integrating sustainability into Saudi business organizations will be proposed with some elements derived from analyzing the results of the questionnaire, and from other elements derived from previous studies.

### **Study Design**

A cross-sectional study design is adopted for achieving the determined objective of the study. A quantitative approach is utilized which helps in effective and efficient collection of data. Further, it also makes the analysis easier to provide its representation in tabular and graphical form.

### **Sample Selection**

The researcher selected a random sample of 70 individuals from 29 Saudi business organizations in the Eastern Region. The region is selected as it is characterized by high commercial traffic. The collected forms were 51 which made a response of 72.85%. The researcher believes that they represent all the subjects. Therefore, these results were generally applicable to these organizations and other organizations in the Saudi environment.

### **Data Collection**

A quantitative study is conducted in order to reach the goal of the research based on the guidance of questionnaires that target employees. The items of the questionnaire were based on Likert scale. Table 1 describes the demographic details of the study sample.

Study categories		Frequency (N)	Percentage
Qualification	Non-university or non-school level	6	11.8
	Graduate	38	74.5
	Postgraduate	7	13.7
Occupation	Accounting jobs	15	29.4
	Administrative Jobs	21	41.2
	Technical Jobs	15	29.4
Experience	Less than five years	14	27.5
	From 5 to less than ten years	18	35.3
	More than ten years	19	37.3

### Data Analysis

The Statistical Program (SPSS) is used to conduct the statistical analysis study data. The Alpha coefficient is calculated for the survey questions (the so-called reliability coefficient) to examine the extent of validity to which the results of the field study are based on as well as the coefficient of reliability is calculated. Moreover, the collected data was analyzed for the mean and the standard deviation (S.D) for illustrating average and divergence of views on the elements of the questionnaire. Spearman's correlation coefficient is followed to measure the relationship between the dimensions of the application of the sustainability concept in the organization.

### Results and Discussion

After encoding and uploading data, the Alpha-Cronbach stability factor (Alpha) is calculated for the study (survey form). Table 2 shows the reliability and consistency of the survey questions. The survey list includes five key questions that take the form of Lycert pentagram and that consist of more than one element. The value of the stability coefficient ranged from (0.654) for the first question "sustainability concept" and (0.974). The third question, Dimensions of the application of the concept of sustainability in the organization. The value of the truth coefficient ranged between (0.809) for the first question and (0.987) for the third question (where the value of the truth coefficient is the square root of the stability coefficient values). Thus, it achieves the objectives of the research, and it is reliable regarding the dissemination of the outputs that represent the community as a whole.

Question	Statement	Validity (Alpha)*	Reliability
1	The concept of sustainability	0.654	0.809
2	The management's board of the organization is motivated to adopt the concept of sustainability	0.731	0.855
3	Dimensions of the application of the concept of sustainability in the organization	0.974	0.987
4	The approach to achieve comprehensive sustainability in the Organization	0.696	0.834
5	Obstacles that face the integration of sustainability with the organization's policies	0.878	0.937

Table 3 presents descriptive statistics of the sample of the study on the motives of the organization's management to adopt the concept of sustainability with an average of (4, 57) with a standard deviation (57). Most views range from OK to strongly agree. The most important motives can be arranged according to the arithmetic mean as

- Sustainability improves the image and reputation of the organization.
- Sustainability is a way to attract and retain the most efficient distinguished staff.
- Sustainability is a competitive advantage.
- Sustainability achieves long-term goals.
- Moral behaviors are adopted by the management's board in organizations.

Motives	Mean	SD
Sustainability is a competitive advantage.	4.41	.73
Sustainability is a way to attract and retain the most efficient staff	4.43	.67
Sustainability improves the image and reputation of the organization	4.57	.57
Moral behaviors are adopted by the management's board in organizations.	4.31	.74
Sustainability is a means of reducing cost	3.90	.90
Sustainability achieves long-term goals	4.39	.69

Table 4 shows the high average opinion of the sample of the study (3.82) on the component "Organization's policies must include sustainability concepts in all its actions" with a standard deviation (.85). Most other views tend to be OK. The most important elements can be arranged according to the arithmetic means as "The organization policies should include sustainability concepts in its actions" (3.82), "The organization should have a coherent and comprehensive sustainability strategy" (3.74) and "Organization has systems that form a link between the firm's economic success, environmental and social values with its competitive edge in the future." (3.74). Employees should have sufficient knowledge to achieve sustainable business processes (3.62) and "The organization possesses a measurement system which highlights the significance of the social as well as environmental standards" (3.60).

<b>Elements</b>	<b>Mean</b>	<b>SD</b>
The Organization has a coherent and comprehensive strategy for sustainability to cover all its actions.	<b>3.74</b>	<b>.85</b>
Organization's policies include sustainability concepts.	3.82	.85
The organization has systems that form a link between the firm's economic success, environmental and social values with its competitive edge in the future.	<b>3.74</b>	<b>1.05</b>
The organization possesses a measurement system which highlights the significance of the social as well as environmental standards.	3.60	1.11
The organization has an organizational unit that is responsible for sustainability.	<b>3.32</b>	<b>.98</b>
The organization has a dedicated team responsible for planning, following up and implementing sustainability programs.	3.56	1.03
The organization has a plan to address the social, environmental and economic aspects in an integrated manner.	<b>3.52</b>	<b>1.01</b>
Employees have sufficient knowledge to achieve sustainable business processes.	3.62	.94

### Hypothesis Testing

The first hypothesis states: "There is no significant difference between the views of the study groups on their understanding of the concept of sustainability." To test that, certain classifications are taken into account as their schooling degrees. It is clear from the table 5 that the number of employees with a non-university degree has increased on the component "The organization is being initiatives in the social responsibility framework," on average (4.50) with a standard deviation (.84). The average opinions of staff with university and postgraduate qualifications have increased around the element "maintaining the organization's management of resources"; with an average deviation of (4.00), a standard deviation of (.81) for those with non-university qualifications and an average of (4.43), a standard deviation of (.53) for those with university qualifications. The decrease in standard deviation indicates a low variance between the opinions of each class of study.

**Table 5:** employees' perception of the concept of sustainability

	<b>School level/no university</b>		<b>University Graduate</b>		<b>Post-Graduate</b>	
	<b>Mean</b>	<b>S.D</b>	<b>Mean</b>	<b>S.D</b>	<b>Mean</b>	<b>S.D</b>
Organization management & environmental issues.	<b>3.00</b>	<b>.89</b>	<b>3.24</b>	<b>1.17</b>	<b>2.86</b>	<b>1.35</b>
The integration of the organization's management with environmental, social, economic issues & their policies.	3.17	1.17	3.53	1.22	3.43	1.27
Maintaining the organization's management of resources.	<b>4.17</b>	<b>.98</b>	<b>4.00</b>	<b>.81</b>	<b>4.43</b>	<b>.53</b>
The organization is being initiatives in the social responsibility framework.	4.50	.84	3.68	1.12	4.00	.82

The Kruskal Wallis test (one of the non-parametric tests used to test the difference between the two averages) examines the difference between the views of all the study groups on the employees' understanding of the concept of sustainability from their point of view (Table 6). It is clear from the results of Table (7) that all the elements are insignificant at a level of 5%. It shows that the p-value is higher than the moderate level of morale, depicting no substantial

difference between the average views of the study groups on their understanding of the concept of sustainability according to their educational qualifications.

Concepts	Chi-Square	P-value	Abstract/Real
Organization management & environmental issues.	.850	.654	real
The integration of the organization’s management with environmental, social, economic issues & their policies.	<b>.433</b>	<b>.806</b>	<b>real</b>
Maintaining the organization’s management of resources.	1.702	.427	real
The organization is being initiatives in the social responsibility framework.	<b>3.431</b>	<b>.180</b>	<b>real</b>

	School level/no university		University Graduate		Post-Graduate	
	Mean	S.D	Mean	S.D	Mean	S.D
Organization management & environmental issues.	<b>3.27</b>	<b>.80</b>	<b>3.43</b>	<b>1.21</b>	<b>2.67</b>	<b>1.29</b>
The integration of the organization’s management with environmental, social, economic issues & their policies.	3.60	1.30	3.71	1.19	3.00	1.07
Maintaining the organization’s management of resources.	<b>4.07</b>	<b>.59</b>	<b>4.14</b>	<b>.91</b>	<b>4.00</b>	<b>.85</b>
The organization is being initiatives in the social responsibility framework.	<b>3.87</b>	<b>.92</b>	<b>3.90</b>	<b>1.26</b>	<b>3.67</b>	<b>.98</b>

The results of Table 8 show that the significance of all the elements is at a level of 5%. It shows that there is no impact on the average views on the study groups and their understanding of the concept of sustainability according to their job title.

Concepts	Chi-Square	P-value	Abstract/Real
Organization management & environmental issues.	3.484	.175	real
The integration of the organization’s management with environmental, social, economic issues & their policies.	<b>3.547</b>	<b>.170</b>	<b>real</b>
Maintaining the organization’s management of resources.	.307	.307	real
The organization is being initiatives in the social responsibility framework.	<b>1.084</b>	<b>1.084</b>	<b>real</b>

Table (9) presents the employees’ perceptions of the concept of sustainability concerning their experience. The table shows the agreement between the first and third categories of the study about the element “maintaining the organization’s management of resources” at an average of (4.00) and by the standard deviation (.88) for those with less than five years’ experience. Whereas, (78) for those with ten years of experience and above. The element “The organization is being initiatives in the social responsibility framework” reflects the interest for those with 5 -10 years of experience, with an average of 4.28 and a standard deviation (.77). The difference between the mean and the mean of the subjects of the study is used to compare the average of the views of the study groups.

**Table 9**  
**Employees' perceptions of sustainability with respect to their experience**

	School level/no university		University Graduate		Post-Graduate	
	Mean	S.D	Mean	S.D	Mean	S.D
Organization management & environmental issues.	3.00	1.18	3.22	1.17	3.21	1.18
The integration of the organization's management with environmental, social, economic issues & their policies.	<b>2.93</b>	<b>1.21</b>	<b>3.78</b>	<b>1.17</b>	<b>3.58</b>	<b>1.17</b>
Maintaining the organization's management of resources.	4.00	.88	4.17	.79	4.05	.78
The organization is being initiatives in the social responsibility framework.	<b>3.57</b>	<b>1.34</b>	<b>4.28</b>	<b>1.02</b>	<b>3.58</b>	<b>.77</b>

The Kruskal – Wallis test (one of the non-parametric tests used to test the difference between the two averages), an alternative test for ANOVA, (Analysis of Variance). The results of Table (10) show that most of the elements are not significant at 5% level. P-Value values are greater than the level of morale, indicating that there is no significant difference between the average views of the study groups on their understanding of the concept of sustainability according to their years of experience. Thus, the analysis supports the existence of the first hypothesis: “There is no significant difference between the categories of the study on their understanding of the concept of sustainability.”

**Table 10**  
**The Kruskal – Wallis test result**

Concepts	Chi-Square	P-value	Abstract/Real
Organization management & environmental issues.	.582	.747	real
The integration of the organization's management with environmental, social, economic issues & their policies.	<b>3.872</b>	<b>.144</b>	<b>real</b>
Maintaining the organization's management of resources.	.344	.842	real
The organization is being initiatives in the social responsibility framework.	<b>6.945</b>	<b>.031</b>	<b>abstract</b>

The correlation matrix between the dimensions of the application of the concept of sustainability in the organization is presented in table (11). The table shows a strong correlation between the social dimension and the economic dimension. The correlation coefficient (.663) is significant at a level of 1%. There is also a strong correlation between the social dimension and the environmental dimension. There is a link between the three dimensions (socio-economic and environmental) in terms of the application of the concept of sustainable development, but there is a direct correlation between the sub-dimensions of the economic dimension (shareholders and competitor suppliers) and between the social and environmental dimensions. The lowest value of correlation coefficients (4.18) between competitors and the social dimension. This proves that there is a strong correlation between competitors and the social dimension. The analysis demonstrates the importance of the integration between the three dimensions in applying sustainability.

**Table 11**  
**Spearman's Spatial Matrix between the dimensions of applying the concept of sustainability in the organization**

	Social dimension	Economic dimension	Shareholder	Customers	Rivals/competitor	Suppliers	Environmental dimension
Social dimension	<b>1.000</b>						
Economic dimension	.663**	1.000					
Shareholders	<b>.649**</b>	<b>.892**</b>	<b>1.000</b>				
customers	.577**	.862**	.742**	1.000			
Rivals/competitors	<b>.418**</b>	<b>.780**</b>	<b>.633**</b>	<b>.607**</b>	<b>1.000</b>		
suppliers	.638**	.823**	.699**	.606**	.479**	1.000	
Environmental dimension	<b>.692**</b>	<b>.684**</b>	<b>.602**</b>	<b>.692**</b>	<b>.448**</b>	<b>.631**</b>	<b>1.000</b>

\*\* Moral transactions at the level of 1%

From the above, the second hypothesis is invalid, and the validity of the alternative hypothesis is: "There is a significant relationship between the dimensions when applying sustainability in the organization." The third hypothesis states: "There is no significant difference between the categories of the study when facing the obstacles that hurdle the integration of sustainability with the policies of the organization." In order to test this hypothesis, the following classifications were taken into account:

### Qualification

Table 12 presents the obstacles that abide the integration of sustainability with the policies of the organization, from the point of view of the categories of the study by their educational degrees (non -university degree, university degree and post graduate degree). The table shows the rise in interest between the employees in organizations with a non-university degree on the element "there is no clear understanding of what sustainability means to the organization" with an average (4.17) and a standard deviation (.98). The element "The organization is unaware of how employees are motivated to take sustainability initiatives" is with an average of (3.92); and a standard deviation (.94) for those with a postgraduate degree. Whereas, the two elements: "The organization has a problem in disclosing its information" and "There is a need to improve guidelines for the involvement of stakeholders" are with an average (3.14).

Obstacles	School level/no university		University Graduate		Post-Graduate	
	Mean	S.D	Mean	S.D	Mean	S.D
The organization has difficulty in predicting opportunities and threats.	3.20	.45	3.84	.95	2.71	.95
The organization has a problem with disclosing information about it.	3.20	.45	3.82	.90	3.14	1.21
The organization is unaware of how employees are motivated to take sustainability initiatives.	4.00	.71	3.95	.87	2.86	.90
Sustainability is not entirely consistent with the business situation.	2.80	1.10	3.63	.85	2.71	.76
There is a need to improve guidelines for the involvement of key stakeholders.	3.20	1.30	3.92	.94	3.14	.90
The organization has difficulty in balancing economic, social and environmental demands.	3.00	.00	3.66	1.10	2.71	.76
The organization management lacks sufficient information on sustainability.	3.00	.00	3.61	1.13	2.57	.79
There is no clear understanding of what sustainability means to an organization.	4.17	.98	3.61	1.03	2.43	.98
There are cultural challenges due to the lack of a common understanding and a language for sustainability	3.33	1.51	3.66	1.07	2.71	1.11

The results of Table (13) show that most of the obstacles that have been faced are at the level of 5% and 10%. The values of P-Value are lower than the level of significance. This indicates a significant difference between the averages of the study groups when facing the obstacles that hurdle the integration of sustainability with the organization's policies according to their qualifications.

Obstacles	Chi-Square	P-Value	Abstract/Real
The organization has difficulty in predicting opportunities and threats on the horizon.	9.187	.010	abstract
The organization has a problem with disclosing information about it.	<b>4.330</b>	<b>.115</b>	<b>real</b>
The organization is unaware of how employees are motivated to take sustainability initiatives.	7.137	.028	abstract
Sustainability is not entirely consistent with the business situation.	<b>8.991</b>	<b>.011</b>	<b>abstract</b>
There is a need to improve guidelines for the involvement of key stakeholders.	4.943	.084	Abstract*
The organization has difficulty in balancing economic, social and environmental demands.	<b>5.755</b>	<b>.056</b>	<b>Abstract*</b>
The organization management lacks sufficient information on sustainability.	6.192	.045	abstract
There is no clear understanding of what sustainability means to an organization.	<b>8.272</b>	<b>.016</b>	<b>abstract</b>
There are cultural challenges due to the lack of a common understanding and a language for sustainability	3.696	.158	real

(\* ) This sign means Significant at a level of 10%.

## Job Title

Table 14 illustrates the relationship between the job title of the study group and the way they face the obstacles which prevent the integration of sustainability with the policies of the organization. The table shows the agreement between the accounting and the technical staff on the element “the organization is unaware of how to motivate employees to be sustainability initiatives.” For the employees in the accounting department, they are with an average of (3.73) and a standard deviation of (1.10). Whereas, the employees in the technical department are of an average of (3.93), and a standard deviation of (.88). The staffs with administrative functions are with an average (3.85), and a standard deviation of (.99). To test the difference between the mean and the average of the subjects, The Kruskal – Wallis test is used (one of the non-parametric tests used to test the difference between the two averages). ANOVA is used to test the differences between the views of the study groups according to their job titles on the obstacles facing the integration between sustainability and the policies of the organization.

Obstacles	School level/no university		University Graduate		Post-Graduate	
	Mean	S.D	Mean	S.D	Mean	S.D
The organization has difficulty in predicting opportunities and threats.	3.60	1.18	3.70	.80	3.53	1.06
The organization has a problem with disclosing information about it.	3.60	1.24	3.60	.82	3.80	.77
The organization is unaware of how employees are motivated to take sustainability initiatives.	3.73	1.10	3.75	.85	3.93	.88
Sustainability is not entirely consistent with the business situation.	3.27	1.16	3.35	.88	3.67	.72
There is a need to improve guidelines for the involvement of key stakeholders.	3.60	1.24	3.85	.99	3.73	.80
The organization has difficulty in balancing economic, social and environmental demands.	3.67	1.29	3.25	.85	3.53	1.06
The organization management lacks sufficient information on sustainability.	3.47	1.19	3.29	.96	3.47	1.19
There is no clear understanding of what sustainability means to an organization.	3.40	1.12	3.76	1.09	3.27	1.10
There are cultural challenges due to the lack of a common understanding and a language for sustainability.	3.13	1.19	3.76	1.26	3.47	.92

The results of Table (15) show that all the elements are insignificant at a level of 5%. The values of P-Value are greater than the level of morale, indicating that there is no significant difference between the average views of the study groups regarding the obstacles that face the integration between sustainability and the policies of the organization.

<b>Obstacles</b>	<b>Chi-Square</b>	<b>P-Value</b>	<b>Abstract/Real</b>
The organization has difficulty in predicting opportunities and threats on the horizon.	.076	.963	real
The organization has a problem with disclosing information about it.	.295	.863	real
The organization is unaware of how employees are motivated to take sustainability initiatives.	.420	.811	real
Sustainability is not entirely consistent with the business situation.	1.533	.465	real
There is a need to improve guidelines for the involvement of key stakeholders.	.410	.815	real
The organization has difficulty in balancing economic, social and environmental demands.	1.253	.534	real
The organization management lacks sufficient information on sustainability.	.247	.884	real
There is no clear understanding of what sustainability means to an organization.	2.400	.301	real
There are cultural challenges due to the lack of a common understanding and a language for sustainability	2.988	.225	real

### By Years of Experience

Table (16) illustrates the relationship between the years of experience of the study group and the way they face the obstacles which prevent the integration of sustainability with the policies of the organization. The results show an average of 4.08 and with a standard deviation of (.86) for those with less than five years' experience. Further, the results show an average of (3.94) and a standard deviation (.87) for those with 5 - 10 years' experience. Those with years of experience of 10 years or more are concerned with the element "The organization has difficulty in predicting future opportunities and threats." When applying ANOVA, an average of 3.86 and a standard deviation of 1.25 is tracked, that is to say, most of them tend to be OK.

<b>Obstacles</b>	<b>Less than five years</b>		<b>5- 10 years</b>		<b>More than ten years</b>	
	<b>Mean</b>	<b>S.D</b>	<b>Mean</b>	<b>S.D</b>	<b>Mean</b>	<b>S.D</b>
The organization is unaware of how employees are motivated to take sustainability initiatives.	3.62	.96	3.56	.70	3.68	1.25
Sustainability is not entirely consistent with the business situation.	3.69	.85	3.72	1.02	3.58	.96
There is a need to improve guidelines for the involvement of key stakeholders.	4.08	.86	3.94	.87	3.47	.96
ORGANIZATION has difficulty balancing economic, social and environmental demands.	3.08	1.12	3.67	.77	3.42	.90
ORGANIZATION management lacks sufficient information on sustainability.	3.62	1.39	3.93	.73	3.63	.96
There is no clear understanding of what sustainability means to an organization	3.92	1.19	3.28	1.02	3.32	.95
There are cultural challenges due to the lack of a common understanding and a language for sustainability	3.79	.97	3.00	1.19	3.47	.96
The organization is unaware of how employees are motivated to take sustainability initiatives.	3.50	.76	3.50	1.42	3.53	1.02

Sustainability is not entirely consistent with the business situation.	3.50	1.29	3.44	1.25	3.53	1.02
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The results of Table (17) show that most of the elements are insignificant at a level of 5%. The p-values demonstrate no significant difference between the study group's average views on the obstacles that face integrating sustainability into the policies of the organization.

<b>Table 17</b>			
<b>The Kruskal – Wallis test result</b>			
<b>Obstacles</b>	<b>Chi-Square</b>	<b>P-Value</b>	<b>Abstract/Real</b>
The organization is unaware of how employees are motivated to take sustainability initiatives.	.608	.738	real
Sustainability is not entirely consistent with the business situation.	.174	.917	real
There is a need to improve guidelines for the involvement of key stakeholders.	4.110	.128	real
The organization has difficulty balancing economic, social and environmental demands.	1.959	.375	real
The organization management lacks sufficient information on sustainability.	1.158	.561	real
There is no clear understanding of what sustainability means to an organization	3.084	.214	real
There are cultural challenges due to the lack of a common understanding and a language for sustainability	5.085	.079	abstract
The organization is unaware of how employees are motivated to take sustainability initiatives.	.007	.997	real
Sustainability is not entirely consistent with the business situation.	.103	.950	real

(\*) this sign means a significant level of 10%

From the above table, the validity of the third hypothesis “There prevails insignificant difference between the categories of the study when facing the obstacles that hurdle the integration between sustainability with the policies of the organization” is precise. The validity of an alternative hypothesis is found to be, “There is a significant difference between the categories of the study when facing the obstacles that hurdle the integration between sustainability with the policies of the organization.”

## DISCUSSION

The results of the survey confirm that there is no significant difference between the categories of the study on their understanding of the concept of sustainability. The result of the study shows that 88% of the employees define “sustainability” as the conservation of resources by the organization and therefore they attach the concept of sustainability from their point of view with the environment. The reaction of the sample of the study resembles the results that have been found in Paraschiv et al., (2012), Petrini, & Pozzebon (2010), Stone (2006) and Danciu (2013). It is clear that most employees do not thoroughly understand the concept of sustainability. The results clearly indicate that the concept of sustainability is not an integral part of the Saudi SMEs organizational strategy and objectives. On the other hand, the results reflect that the organization's motivation in achieving sustainability focuses on improving the image and reputation of the organization. The sample of the study shows an interest regarding



this element with an average of 91%. This is regarded as a means to attract the most efficient employees with an average of 88%. Paraschiv et al. (2012) and Eccles, Ioannou, & Serafeim (2013) have found similar results and stated that the motive to implement sustainability is to achieve a competitive advantage for the organization.

The results revealed that the most important approach to achieve comprehensive sustainability in business organizations is to the adaptation to the concept of sustainability in all policies. T shows that the organization that has a coherent and comprehensive strategy for sustainability to cover all its activities is likely to reach an average of 74%. The study proves that most of the research organizations do not have systems for accurate monitoring of sustainability outcomes, and these results are consistent with the outcomes that have been illustrated by Paraschiv et al. (2012) outcomes. In contrast, Eccles, Ioannou, & Serafeim (2013) has found that 54% of organizations adopt sustainability measurement systems. Petrini, & Pozzebon (2010) adds to the findings and note that the sustainability initiatives which are shown by the organization must be continuously monitored. A clear assessment of the results asserts the absence of indications as to whether the sustainability goals have been met or not or whether the measures that are taken are effective in the short as well as long term.

Further, the study indicates that most of the business organizations in question do not have a separate unit which is responsible for sustainability; however, these results conflict with the study findings of Eccles, Ioannou, & Serafeim (2013) and Petrini, & Pozzebon et al. (2010). Their studies reflect the importance of having an official sustainability unit, which is a subordinate to the management board and which is an effective means of integrating sustainability. The results assert the significant relationship between the dimensions of sustainability in the organization. This illustrates the importance of the integration between the three dimensions in the application of the principles of sustainability when it is taken into account. This point of view is strongly supported by many researchers such as Paraschiv et al. (2012), Petrini, & Pozzebon et al. (2010) and Stone (2006). In addition, Danciu (2013) assert that economic, social and environmental aspects should be considered simultaneously and in an integrated manner, demonstrating the sustainability of companies as an effective link between the economic growth and the social and the environmental issues.

The study concludes that there is only a significant difference between the categories of study when facing the obstacles that hurdle the integration between sustainability and the policies of the organization when considering their educational qualifications. The analysis asserts that there is no clear understanding of what sustainability means to an organization. Accordingly, it shows that SMEs in Saudi Arabia are unaware of how employees are motivated to introduce sustainable initiatives. Similarly, it highlights that there are cultural challenges due to the lack of a common understanding of sustainability. The results of this section confirm the research's expectations that the majority of Saudi business organizations do not integrate sustainability into their strategies and operations. Besides, there is no clear understanding of what



sustainability means to the organization, and thus the leaders cannot formulate goals and plans that can be implemented realistically.

In addition, cultural challenges affect the common misconception of “sustainability.” This indicates that senior management board has not adopted the concept of sustainability or establishing principles by integrating a clear vision of sustainability and enabling other stakeholders to adhere to them. Orientation approach, reinforced by the commitment of senior management and then disseminated among staff, is the way to guarantee that the concept will be widely shared among all members of the organization. The adoption of the principles of institutional sustainability takes place through the publication of sustainability reports, performance appraisal, and training of staff that can be the new core values to become an integral part of organizational culture. If leaders adopt sustainability-related values, this will motivate staff to take sustainability initiatives.

## CONCLUSION

The study analyzed the Saudi companies, particularly in the Eastern Province, in terms of their sustainability practices. This study is characterized by novelty and originality in its quest to present an integrated method to implement sustainable activities with business practices. With regard to the existing literature, the proposed framework synthesizes, consolidates as well as integrates elements from previous studies coherently and innovatively. Eight of the ten characteristics that are included in the framework are derived from the previous studies and two of which are innovative: corporate a vision for sustainability, organizational structure, management strategies, stakeholder participation, and motivation. Overall, the proposed framework facilitates a better understanding of the relationships between the macro components that include a better understanding of these relationships that appears to be a prerequisite for integrating sustainability values with business practices.

Furthermore, the study focuses the attention on the Saudi environment due to the scarcity of studies on sustainability and CSR in the Arab environment. This study explores the extent to which sustainability has been incorporated into the business practices of Saudi business organizations. The results showed that most of the Saudi business organizations do not integrate sustainability into their strategies and operations but rather consider sustainability as a separate entity from the organization’s strategy and evaluation. The applicability of the proposed framework in terms of the practical contributions of this research is a point of strength.



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