

## Sustainable Business Development: an Irish Perspective

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### Abstract

*This research investigates the current status of sustainable business development practises in Ireland using qualitative analysis on data obtained from semi-structured interviews. The thirteen interviewees were chosen to represent a wide spectrum of influential organisations in Irish society and included private businesses, charity organisations, faith-based organisations, farmer associations, and government representatives. Analysis of the findings confirmed that the three well established key elements that must be considered if businesses are to be developed in a sustainable way, namely Profit, People, and Planet are still valid. However, this research also found that there were other elements important for developing sustainable business. To this end, a unique sustainable business development theory emerged from the research findings of this study. This theoretical model identifies four specific key components that are essential inputs to developing sustainable business. These four input components were deemed by the research subjects as essential key elements in the ethos and policies of their businesses in order to maintain sustainability. They included a for-profit ethos, a not-for-profit ethos, an ethical/moral/spiritual ethos and government policy. The research found that business leaders guided by a robust moral/ethical compass who incorporate the input components of this model into their business strategy, will maintain a strong focus on sustainable business development.*

**Keywords:** Sustainable business development, Ireland, corporate social responsibility, sustainability, triple-bottom-line, grounded theory

### 1. Introduction

The area of sustainability appears to have gathered pace, with particular focus on how businesses can be managed and marketed in a sustainable manner. Although some academic research has explored the characteristics and dynamics of sustainable business development, little has been carried out in an Irish context. This qualitative study aims to fill the gap and make a contribution to knowledge in this area. The literature review uncovered a plethora of non-European based articles, for example Eweje (2011). The main contribution of this paper is to assess the efforts and perceptions of sustainability in the context of businesses operating currently in Ireland. The initial literature review is followed by a justification of the preferred methodology. The next section presents the findings after which the findings are analysed. A discussion section is followed by conclusions and finally a number of suggestions are made in order to guide future research in this important area.

### 2. Literature Review

There has been much written on the topic of sustainability in business over the years. It was found that many papers are rhetorical and opinion based but some research-based material was uncovered. Much of the literature on sustainable business development appears to focus on three key areas, economic, environmental, and human aspects within an organisation. Of significance, it was also noted that prominent among the literature surrounding sustainability issues were government/organisational reviews and publications. It would appear that the extent to which these global organisational reports/studies have impacted on sustainability in business is somewhat questionable. A definition of sustainability that is often referenced in literature is one from the Brundland Commission Report of 1987 which states:

*'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.*

This definition emerged from the Brundtland Commission which was set up by the United Nations (<http://www.un.org>) in 1983. Their mission was to direct sustainable development on a global level. This process of globalisation would open up new unprecedented opportunities of large scale redistribution of wealth and in such actions, humanity itself would become increasingly interconnected. Whether or not their mission has been realised is far from clear.

## 2.1 Global Context

Among the most pertinent publications on sustainability launched at the start of this new millennium has been the United Nations Global Compact (<http://www.unglobalcompact.org>) initiative which included over 12,000 signatories and based in 145 countries. Those corporations that sign up to this pact must adhere to principles in the four main areas of Human Rights, Labour, Environment, and Anti-Corruption. Companies who wish their operations and strategic sustainability efforts to be voluntary aligned to this international movement can do so with this United Nations Global Compact. Following on from this, a Global Corporate Sustainability Report (2013) was issued. This report assessed the state of corporate sustainability, looking at policies and practices put in place by companies across the range of issues that define a comprehensive approach to responsible business today. Four key findings from this study emerged, briefly described as follows:

- (i) Companies are moving away from good intentions to significant actions,
- (ii) Large companies still lead the way,
- (iii) Supply chains are a road block to improved performance,
- (iv) Companies see the big sustainability picture.

The findings point to a clear gap between the “say” and “do” steps of the Global Compact Management Model. In particular, small and medium sized enterprises (SME) find the move from commitment to action more challenging than the large companies. Large companies increasingly view sustainability as a strategic issue and are using the Global Compact principles to help prioritise their responsibility efforts. They are making financial and human resource investments in sustainability. SME cite lack of financial resources and lack of knowledge as top barriers to sustainability progress.

Also in the Global Corporate Sustainability Report (2013), companies in the Global Compact initiative were asked to rank the top global sustainability challenges and they cited the following:

- (i) Education (63% of respondents)
- (ii) Poverty eradication (52% of respondents)
- (iii) Climate Change (52% of respondents)
- (iv) Growth and Employment (49% of respondents)

We can see from the responses that companies believe that climate change and CO<sub>2</sub> emissions reduction is not the only sustainability issue today. Other issues such as business growth and employment issues were also highlighted as important global challenges by the respondents. The employment issue was seen as having a major effect on human dignity and self-esteem which would appear to concur with the UN Millennium Declaration (2000) which laid the ground-work for an unparalleled global effort to advance the principles of human dignity, equality, and equity everywhere. More recently Panzaru and Dragomir (2012) also declare that business must be aware of the components that make-up sustainable practices as it is thought that their activities have influence at local, national and global level. In relation to the Global Corporate Sustainability Report (2013) it should be noted that the response rate to the on-line anonymous survey (main methodology) was just 25%. Questions could be asked of the commitment of the 75% of businesses who did not respond and indeed the validity of this much quoted report could be questioned.

## 2.2 Economic Aspect of Sustainability

Economist Milton Friedman (1970) famously said that a business has one and only one social responsibility namely ‘to use its resources and engage in activities designed to increase its profits’. Shaw (1988) supports Friedman and claims that he was wrongly criticised in subsequent literature and agrees that it is not the role of businesses to solve social problems such as inflation, unemployment, and pollution. These problems demand national consensus solutions and those solutions should be hammered out by publicly elected and accountable officials. In the moral/spiritual sphere, the Roman Catholic Church appears to agree with Shaw (1988).

In *Deus Caritas Est* (2006) it is claimed that the formation of just structures with regard to the state and society is not directly the duty of the Catholic Church, but belongs to the world of politics, the sphere of the autonomous use of reason. However, the Catholic Church does claim to have an indirect duty to contribute to the purification of reason and to the reawakening of those moral forces without which just structures are neither established nor prove effective in the long run (Benedict XVI, 2006). The two spheres of rite and reason are uniquely distinct, yet always inter-related. So from this perspective therefore, it can be claimed that faith and moral reasoning may indeed become a foundation upon which businesses and people can grow and develop.

Entrepreneurship in business is also identified in the literature as an important component of economic sustainability (Sautet, 2013). One of the sub-sets of entrepreneurship is the term 'social entrepreneurship', which means people engaging in business activity where the higher priority is given to promoting social values and development rather than capturing economic value. Social entrepreneurship is the topic of a working paper by Mair and Marti (2005), where the authors claim that the concept of social entrepreneurship is poorly defined and its boundaries to other fields of study are still fuzzy. The authors claim that it is difficult if not impossible to quantify socio-economic, environmental and social effects and major efforts are needed to correct this deficiency. Indeed in a discussion paper on social entrepreneurship highlighting ethical issues, Zahra *et al* (2009) suggest that the motives of some social entrepreneurs are questionable, and they often apply new and untested organisational models, which raises concerns about the accountability of the individuals involved. They claim that social entrepreneurs share many of the same characteristics as their for-profit cohorts i.e. *risk-taking*, *proactiveness*, and *independence* and that egoism can drive them to follow unethical practises (Zahra *et al*, 2009).

### 2.3 Environmental Aspect of Sustainability

Many companies nowadays seek to protect the natural environment by making their energy usage more effective and efficient as Ireland attempts to reach national government targets that must be met with regard to greenhouse gas emission levels. It is argued by many scientists that human activity is contributing to the phenomenon of *global warming* (Intergovernmental Panel on Climate Change, 2013). It is claimed that by reducing our dependence on burning fossil fuels in traditional electricity generation plants, and increasing our renewable energy options, we are reducing the amount of CO<sub>2</sub> emitted into the atmosphere. This it is hoped will help to slow down the phenomenon of global warming and protect the natural environment (Baquer, 2011). As a result of greater energy awareness and much publicity of the alternative energy options, many companies are including corporate social responsibility (CSR) as a strategic issue within their organisations. A major strand to CSR appears to be measuring and reducing the Carbon footprint of the business due to its energy consumption. However, a case study by Kealy (2014) suggested that the benefits of installing alternative energy systems may not be as effective as promised, and requires further investigation. Sweeney (2009) carried out a study of CSR activities in a range of large, and Small-Medium Enterprises (SME) in Ireland. The author concluded by claiming that companies who take their social responsibility seriously have a number of advantages, among which are:

- (i) Strong social reputation,
- (ii) Good employee attraction,
- (iii) Positive motivation and employee retention,
- (iv) Easier to attract consumers,
- (v) Increased loyalty among customers.

This research found that the main barrier to CSR activity by SME's operating in Ireland is *time*, followed by *cost*, and *lack of human resources*. It should be noted that this study was carried out at the start of the downturn in the Irish economy and many of the findings may have reflected extreme business operating conditions at that time.

### 2.4 Human Aspect of Sustainability

Maslow (1954) attempted to formulate a positive theory of motivation. He claimed that human needs arrange themselves in hierarchies. Only when a need is satisfied will the person move up to the next level in the hierarchy. Maslow claims that the needs are arranged as follows, beginning with the lowest level needs:

- (i) The physiological needs,
- (ii) The safety and security needs,
- (iii) The social and belongingness needs,
- (iv) The ego, status, and self esteem needs,
- (v) The need for self-actualisation.

The idea of 'needs' figure prominently in the Bruntland (1987) definition of sustainability. The need for people to have the opportunity to work has long been established in literature (Gersick *et al*, 2000). Sison and Fontrodona (2013) claim that work is not a mere commodity or factor of production, but that it is an important opportunity for the person to develop, not just their craftsmanship, but also their moral and intellectual virtues. When the needs of each employee are met, it helps to contribute to the common good of the firm. The employees are 'stakeholders', of the company, as are shareholders, customers, suppliers, competitors, the government, and the community. In comparison with 'shareholder' theory (or a purely financial theory of the firm), Sison and Fontrodona (2013) claim that 'stakeholder' theory presents a broader and more realistic view of the corporation as a socially embedded institution. Sandelands and Hoffman (2008) in an opinion piece argue that businesses progression towards a sustainable future has been limited to date. Sustainability is a well-intentioned and burgeoning movement but the movement lacks the resolve and authority needed to bring the economy, the environment and society into sustainable relations. The authors claim that the reason for this lack of progress is that we focus too narrowly on what academics, policy-makers and business executives can do with market forces and/or government regulations to promote sustainable development, and in doing so, we concede too much to private interests. Sandelands and Hoffman (2008) do not condemn private interests in the marketplace, but they argue that in order for a true idea of sustainability to be conceived or achieved, economic reasoning and governmental policy must be inspired and informed by faith. A similar view is expressed by Tucker and Grim (2007) in an existential reflection piece.

## 2.5 Measuring Sustainable Development Practises

Even if businesses are operating in an ethical fashion, it appears from the literature that there is a difficulty in measuring sustainable development in their organisations (Mair and Marti, 2005). A comment often made with regard to management theory is "if you can't measure it, you can't manage it". Elkington (1997) did attempt to propose a new framework to measure sustainability in American corporations. The concept was called the 'Triple Bottom Line' (TBL) accounting framework and undertook to measure not just the traditional measures of profit, but also included environmental and social dimensions as well. The three interrelated dimensions are sometimes referred to as the 3P's, profit, people, and planet. Elkington (1994) considered some of the ways in which businesses are developing what he terms as 'win-win-win' strategies to simultaneously benefit the company, its customers, and the environment. Subsequent critique of the work of Elkington (1997) was conducted by Milne and Gray (2013). The authors questioned the TBL concept and its ability to contribute to a sustainable future, even suggesting that it may be acting against the sustainable development of organisations.

The motives for businesses adopting sustainable practises have been questioned, as history has taught us that not all business activity appears to have been used as a tool to help to bring equity to the world. The Irish banking industry in the first decade of the third millennium is a case in point. An article by Pelozo *et al*, (2012) discusses how getting a high rating from a global sustainability index might be used solely to give the firm a competitive advantage. It should be noted that the article by Pelozo *et al*, (2012) is limited in that it only commented on large American Multi-National firms like Wal-Mart, Disney, Ford and IBM among others and concludes that the public have a homogenous perception of the sustainability efforts in the firms. Corporations have problems positioning themselves differently in the environmental arena from their competitors. They all look the same. An example of a global sustainability initiative is the Global Reporting Initiative (GRI) and this is intended to provide a generally accepted framework for reporting on an organisations economic, environmental, and social performance. Commenting on this initiative, Milne and Grey (2013) argue that the GRI provides conditions that reinforce business-as-usual and greater levels of un-sustainability. The GRI is an independent institution and some of the strongest critics of its development have been its apparent reluctance to provide a definition of sustainability and sustainable development (Wackernagel, 2002). It must be pointed out that Mathis Wackernagel, along with William Rees, developed a way to measure the ecological footprint of nations based on similar criteria to the elements used in the GRI framework so the motives for its criticism may be questionable.

In conclusion therefore, there is much written regarding sustainability development initiatives and many pieces of research in this area. It should be noted that many publications are American-based, with minimal Irish-based research. It appears that key components of economic, environmental, and human aspects of sustainable business development have drawn much discussion and investigation.

### **3. Methodology**

The initial step in this research project was to identify the area of interest as being the sustainability efforts and perceptions within Irish businesses today. A grounded theory approach to the data analysis (as identified by Glaser and Strauss, 1967) was adopted. It was hoped that a verifiable theory that would be generalisable and testable would emerge from the data using this grounded theory approach. Theoretical sampling took place using the semi-structured interview technique, and the data was analysed throughout the research process. The interview consisted of the researcher asking eleven pre-determined questions (see Appendix for list of questions) and taking notes of the responses. It was decided to interview a wide range of businesses operating in Ireland. As the initial business data collection/analysis developed, it became clear that it would be beneficial to have input from other non-business but influential organisations (GAA, IFA, Roman Catholic Church, Trade Unions, Charity organisations) because it was felt that they contribute to the debate on sustainable business development, which appears to have an influence in financial, environmental, and human spheres. At the end of this inductive process, a theory emerged as an outcome to the research based on the rich data obtained as a result of the wide-ranging organisations who took part in the project. Each participant in the research project held a middle- or top-management role within their organisations and included the following, with initials used for confidentiality purposes:

- (i) EC, Senior Manager, Department of Communications, Energy, and Natural Resources (DCENR),
- (ii) TE, Franchise Owner, Spar Supermarket, Dublin,
- (iii) NO'C, Director, Think-tank for Action on Social Change, TASC, (Not-for-profit Ltd Company), Dublin 2,
- (iv) EB, Facilities Officer, Croke Park (Gaelic Athletic Association),
- (v) EM, Senior Personnel, Roman Catholic Church,
- (vi) KK, Head of Engineering Department, Dublin Institute of Technology,
- (vii) GO, General Manager, Geith International, Meath,
- (viii) KM, Programmes Policy Officer, Gorta, NGO Charity Organisation,
- (ix) CB, Corporate Social Responsibility and Funding Officer, Stobart Group (PLC), UK,
- (x) ED, Senior position, Irish Farmers Association,
- (xi) DB, Senior position, Irish Congress of Trade Unions (ICTU),
- (xii) PL, Duty Manager, Buswells Hotel, Dublin,
- (xiii) MH, Partner, Atlantic Bridge (Ventures), Dublin.

#### **3.1 Ethical Issues**

Many of the participants in this study are well known members of Irish business/organisations/society, their names instantly recognisable. It should be noted while agreeing to take part in this research, the participants specifically requested that the researcher state in his completed work that the opinions expressed by each respondent were their own personal views and may not reflect the official view of their organisations. The researcher assured the participants that this fact would be made clear in the research.

#### **3.2 Validity and Reliability**

Every effort was made to reduce bias in this study. The questions were reviewed by a number of experts and were constructed in such a manner as to motivate the respondents to answer as completely and honestly as possible.

#### **3.3 Data Analysis**

Data analysis was conducted in the grounded theory approach. Firstly, it was necessary to develop specific categories from emerging concepts within the findings. To this end the researcher had to immerse himself in the data being aware and cognisant of the fact that any preconceived interpretations from the literature review must not be used to form these categories. Concepts and themes should be seen to emerge from this data only, even though the literature review had an important role of sensitising the researcher to the data he is collecting and analysing but it must not influence the analysis.

During the analysis phase the researcher was conscious of concurrently collecting and analysing the data at the same time. Coding of the data was conducted initially in an open format in order to generate initial concepts. Following on from this an axial coding process was adopted in order to develop and link these concepts into categories. Eventually a theory then subsequently emerged from these categories.

During the coding process the researcher constantly revisited the data clarifying what was being said and which category it may indicate. This painstaking task was constantly documented during this process with memo writing where hypotheses and ideas were jotted down in a fixed manner but in a dynamic way that they could be revisited and altered as the process progressed. Eventually following saturation point it became clear that five categories emerged. These included (i) the varied perceptions of the concept of sustainability (ii) regulation compliance (iii) organisational leadership in sustainability (iv) marketing (v) human aspects. Indeed a core category in this research appeared to emerge, that being the varied perception among the participants as to their understanding of business sustainability.

#### **4. Research Findings**

From the outset, it was clear that certain concepts and categories were emerging from the data. These were narrowed down to five main categories. These included:

- (i) Varied Perceptions of the Concept of Sustainability,
- (ii) Regulation Compliance,
- (iii) Organisational Leadership in Sustainability,
- (iv) Marketing,
- (v) Human Aspects.

##### **4.1 Varied Perceptions of the Concept of Sustainability**

*(Italics below indicate direct quotes from the interviewees)*

There appears to be a wide-ranging understanding of the concept of sustainability in business. Because of the wide-ranging use of the term, it was necessary to pin-point the focus of the research questions to each participant organisation at the outset. This core category links the four concepts of social equality, energy, food, and ethics/morals.

##### **4.1.1 Sustainability (Social Equality)**

One of the participant organisations very aware of the societal equality connotation of the sustainability term was the not-for-profit organisation, TASC, which claimed to operate as an ‘independent, progressive think-tank dedicated to promoting equality, democracy, and sustainability in Ireland through evidence-based policy recommendations’. Their Director, NO’C, declared *‘we have a mission to bring about a more equal society, full employment, pay decent wages and have a good quality of life in the workplace. We are a sustainable organisation but very importantly, the charitable mission must be sustainable as well. Over the period of our eleven year existence, we have seen our reputation increase, we have received more media exposure, and we are being invited to policy-making meetings’*. This organisation was aware that they must have a sound financial structure but it appears to be very mission-driven with employees cognisant of the human and environmental aspects as well. Indeed, when the interview took place, concern was expressed that the external funds, mostly provided by an American-based philanthropist, were expected to reduce over the next couple of years and they hope to continue with their mission on a tighter budget. All organisations in this research appear to be operating on a tighter budget because of the challenging economic times but nevertheless the findings showed that there was unanimous agreement that businesses must be profitable to be sustainable.

##### **4.1.2 Sustainability (Energy)**

Many of the interviewees perceived sustainability as dealing mainly with energy efficiency within their organisations. Climate change and global warming were among the two most frequent answers given when asked about the current most pressing global challenges. Both PL, Duty Manager with Buswells Hotel and TE, Franchise owner of a chain of Spar supermarkets disclosed how they *“have colour-coded bins for the different types of waste and any new refurbishment considers using Light Emitting Diodes (LED’s) as the light sources”* when asked about the importance of sustainability to the management of their businesses. EB, facilities manager in Croke Park acknowledged that *“the huge cost of utilities has also contributed to us looking at sustainability issues. We have installed a Building Management System (BMS) to help assist us with this”*. When asked about sustainability as a strategic issue within his franchise business, TE (Spar Supermarket) stated that he *“has four kids now so I see the need to reuse and recycle”*. Interestingly, no interviewee specifically mentioned renewable energy technologies as part of their sustainable initiatives.

The majority of companies described how they are 'switching off the lights' when speaking about sustainable practises, but none of the interviewees/businesses appear to have undertaken renewable energy projects, for example wind turbines or other alternative energy resources. Only one business who took part in this research had a dedicated CSR officer in place, namely the Stobart Group. The company, with 6,000 drivers, are the largest business to take part in this data collection process and are a UK-based logistics organisation with a branch in Ireland. The CSR Officer with the Stobart Group, CB, was clear on her companies' perception of sustainability and declared that *"sustainability is an important aspect of the running of their business but not as much at Board level as I would like. One way of increasing the exposure at Board level is to put Key Performance Indicators (KPI) into their sustainable management returns"*. She added that *"sustainability measures are evaluated and/or measured by the amount of money we save by using less fuel as a result of inserting Global Positioning Systems (GPS) in our trucks. This allows us to measure the 'empty miles' and truck 'reloads' in real-time, making for a more efficient logistics operation"*.

#### **4.1.3 Sustainability (Food)**

Food and food production was another common answer when the interviewees were asked about current global challenges. At the time of the data collection, December 2013, there was a 'price war' among the large grocery chains in Ireland and vegetables were being offered at an extremely low price. Commenting on his understanding of sustainability within his organisation, ED (IFA) declared that one of the great global challenges to sustainability was to *"produce enough food to feed the seven billion people that exists on the planet"*. He maintained that *"this is possible, but to do it, we must manage it right. This means things like cutting out waste but importantly, we can't be selling vegetables for five cent. This is not sustainable"*. Considering hunger and food on a global level, Gorta the NGO charity organisation established in 1965 who work with local partners in developing countries, assist indigenous people in the move from subsistence to entrepreneurship. Their programmes policy officer, KM, stated that *"they didn't want to develop situations where the people could just survive, i.e. not hungry, but they want a bit more than that. They, Gorta, want people to have enough income to develop their (small, local) business in a sustainable way, i.e. it will survive into the future"*. KM explained that one of the main components of Gorta's strategy is to engage with Irish 'for-profit' partners such as *"Glanbia, Intel, and the Project Management group. These organisations fund-raise for us but also provide qualified personnel to go out and set up projects"*. When asked about the most pressing global challenges, KM stated that *"food and the production of food is a challenge. We can create price spikes by treating food as a commodity. It becomes a problem when we treat food as a commodity. This will affect, for example, rice farmers. It is clear that for NGOs like Gorta, a significant component of sustainability means the availability of sufficient food to feed the population."*

#### **4.1.4 Sustainability (Ethics/Morals)**

All of the participant organisations were clear that ethical business practises were of the utmost importance and *"a given"* when discussing how businesses can be developed in a sustainable way. Trade unionists DB claimed that *"we are all inter-dependent. Society must be ethical to make progress. I think that you have to conduct your affairs within the ethical boundaries"*. During the course of the interviews, the Irish banking crisis was used as an example of what can happen when ethical business procedures are not followed. KK, Engineering Department in DIT, spoke about morals within businesses when he claimed that *"An ethical business is a moral business. A business that is ethical will be sustainable, not just in the energy sense, but also in a business sense"*. The moral aspect of sustainable development is encouraged in National Schools, under the patronage of the Catholic Church, as explained by senior personnel EM who stated *"As a Church, we are constantly raising moral awareness of sustainability issues. Catholic schools are pioneers for green flags for energy use"*. Indeed, education also featured prominently when the interviewees were asked about the current sustainability challenges faced on a global level.

#### **4.2 Regulation Compliance**

From this research, compliance with Irish and European regulation appears to be a significant driver in relation to business sustainability. Many of the interviewees referred to government legislation on sustainability practises and the need to adhere to it. EC, a senior manager in the Department of Communication, Energy, and Natural Resources (DCENR), argued that *"sustainability is extremely important for his department as we have overall control of energy efficiency policy, which is becoming more and more European policy. We will be judged on how our policies affect the citizens of this country."*

For example, it is not fair that someone living in Kerry does not have the same access to broadband as someone living in Dublin, just because of location". Government were seen to have an important role in organising and encouraging sustainable practises within businesses who took part in this research. For example, when trade unionist DB was asked about social entrepreneurship, he replied "*it is not just a problem for businesses to solve. Government must be very involved. Charities are like individual building bricks but the government must put all the bricks together. The state has a big responsibility to get an ordered society*". This sentiment about the governments' role concurs with the views expressed by GO, General Manager in Geith International. From a UK perspective, CB (Stobart Group) stated that "*we have a clear target to reduce CO<sub>2</sub> emissions in line with the UK directive. There are bigger problems than us as logistics provider but we contribute to the problem so must play our part as well*". The Stobart Group are not aligned to any sustainability index as "*we see that as for the global brands and we are not that big yet*".

KK, Head of an engineering department in Dublin Institute of Technology, cited "*energy costs and government policy*" as the main drivers of the sustainability issues within his institute. This drive influences the processes within the institute, as well as the programmes offered by the institute. ED (IFA) maintained that an external factor that caused its members to consider sustainability is "*legislation in relation to, for example, nitrate usage and water quality*". On the positive side, he also acknowledged that the quality of water in rural Ireland is improving. The farmers' legislation appears to be greatly influenced by the European central government, who provide significant funds to the Irish farming community. Water, and water quality, was expressed by a number of interviewees regarding current sustainable global challenges. When asked about external factors that influence the company looking at their heavy plant construction business, GO, General Manager with the Multi-National Corporation, Geith International explained "*the change in legislation affected the way we develop our products. We need to adapt to the new situation. So, there are external factors, if the government change the laws, we must follow*". He also declared that their business must take steps to ensure that their business practises do not contaminate the river, running beside their factory. He made the point "*that our factory is in area surrounded by nature, fields, rivers etc so we must pay special attention to protecting that. We must not decimate the local environment*".

### 4.3 Organisational Leadership in Sustainability

Leadership on sustainable business issues emerged as an important category among the participants of this research project and all the participants were in agreement that sustainability is a strategic issue. EB, facilities manager in Croke Park, explained that "*we are seen as the flag-ship of the organisation*" so are seen as having a leadership role in the overall running of the Gaelic Athletic Association (GAA). A similar view is expressed by KM, programmes policy office with Gorta, who argued that "*leadership is very important in management. It inspires people to see somebody who are passionate about sustainable development*". Again, MH, Partner in Atlantic Bridge (Ventures), declared "*a top sustainability challenge is developing management teams. It is very important to have good leadership, this is central to sustainability*". DB (ICTU) also identified that "*leadership is very important. Leadership is perhaps someone not having great ability, but being able to recognise great ability in other people*". He maintained that social entrepreneurs can help to make a difference in disadvantaged areas but "*societal problems are not just for businesses to solve, government must be very involved*". In the education sector, KK declared that "*we must be seen to be a leader in the sustainability area. Programmes and courses have been developed to progress sustainability issues. We have made capital investments in equipment and laboratories to reflect these new sustainable technologies. For example, a significant sum of money has been invested in a lighting laboratory and also we have invested in the siting of Photo-Voltaic (PV) panels on the college roof*".

### 4.4 Marketing

Marketing issues emerged as an important aspect of sustainable business development for some, though not all, of the interviewees. From some participants, it was clear that a sustainability accreditation could be used as a competitive advantage and promoted in the brand building efforts of the business. CB of the Stobart Group acknowledged that "*as we are a Public Limited Company (PLC), investors are more interested if we are seen to be operating in a responsible way*". PL of Buswells Hotel disclosed "*we are aligned with the green hospitality ethos. This sets targets on items like waste and energy usage. This helps us with the marketing of the business and we have a sticker at the entrance to the premises showing the green hospitality accreditation*". This green marketing approach has also been adopted by the GAA in their headquarters at Croke Park.

EB, facilities manager explained that when corporations are holding an event in Croke Park “we let people know about our sustainability achievements and encourage them to follow our sustainable practises when attending”. They hope that this will filter down through clubs and organisations right throughout the country.

#### 4.5 Human Aspects

The majority of the participants in the study had strong views on the importance of the human aspect when discussing sustainability in business. CB of the Stobart Group pronounced that “people are what make us. Our company have a very good training programme in place. We have a three-tier system where office employees have an opportunity to develop through the stages and eventually attend a leadership course. We are currently revising our charity policy to make our employees more empowered. Each employee gets a certain amount to use in their local charity”. Empowering employees is also deemed to be important for PL, duty manager in the hospitality industry, and when asked about the personal development of their employees, revealed that “we have a number of employees here for up on forty years. This is unusual in our type of business as there is generally a big turnover in staff. We give each employee an opportunity to work, and move, to different sections of our business. We also treat each employee with respect. The management team are very hands-on and we encourage a good team ethic”. Team ethic in a busy, city-centre, store is deemed important for TE, franchise owner of a chain of five Spar grocery outlets, and he expressed the view that “the most important part of my business are the human beings that I have working with me. It is a people business and I have some employees with me for a long time. I treat them with good manners like human beings, give them a good safe environment, and help them to develop as a person. When I am employing someone, the last thing I look at is what is on the CV. I just have a conversation and I know if that person can work with me or not. By paying my staff a fair wage, I believe that I am contributing to society”.

EC, senior manager in the DCENR, professed that “we see personal development as part of our sustainability efforts, but we also have personal responsibility. We have a responsibility to, for example, switch off unused lights and boil only a small amount of water in the kettle when we only need a small amount. Very importantly, we have taken on four unemployed people in the past couple of years from the Job-Bridge programme. These were highly qualified people and it worked really well. All of the participants have gone on to either full-time positions or further education. It has been a positive experience for both our department and the participants”. This importance of treating people with respect is also discussed by MH, a Partner in a Venture Capitalist business, who acknowledged that “nowadays people are more educated, they are more conscious of the environment, and of fairness. People must be treated with respect. Our company has lots of high-level graduates who want better. Fifty years ago, people were not aware of these issues like they are now”. It seems that in recent years, more emphasis is put on structures to encourage development of employees within businesses as described by GO, General Manager with Geith International, who explained “we have development plans and the most important aspect is the people aspect. You can have a great product and a great market but without the right people, it is dead. One of the key factors of success is people development; we need to invest in our people. We don’t just send them on external courses, but we structure their development needs. If there are weaknesses we don’t see that as a negative, we see it as a potential for improvement. Some people respond best to coaching and mentoring. We empower them and this provides a challenge to make their own decisions. If they make a mistake, we don’t look down on them, because a mistake is never done on purpose. The main thing is that we can learn from the mistake, we give them opportunities to do that”.

EB, Croke Park, viewed the concept of social entrepreneurship as being central to the success and longevity of the GAA. They are in existence for over 125 years and “local people have taken a chance with the organisation in their community and did not get any economic reward. The fruits have been seen in how we have expanded, not just locally in every parish in Ireland, but on a world-wide stage like England, America, and Australia”. Many of the people involved in the GAA are also farmers and the social link with other people in similar situations as themselves contributes to their wellbeing. ED (IFA) declared that many of their members attend Open Days and this is important as “farmers tend to work a lot in isolation so the opportunity to meet people from rural Ireland is a positive thing. It encourages camaraderie among farmers”. KM (Gorta) spoke about the importance of human aspects of business sustainability. She identified the importance of keeping people happy within their work organisation “if people leave the organisation, they take a lot of corporate knowledge with them. This is not good for sustainable development”.

## 5. Research Analysis

This was a challenging piece of research to conduct, not least because of the wide-ranging views and opinions from the large cross-section of business and non-business organisations. It would appear from the results that if sustainability in business was a stand-alone brand, from a marketing point of view it needs a lot of work on its positioning strategy, as identified by Kotler and Armstrong (2010). Because of the over-use of the sustainability term (brand), the target markets are not well-defined. It was clear from all the participants that sustainable business development ranged from reducing their CO<sub>2</sub> emissions by becoming more energy efficient, to maintaining profits, to having access to a good education, to having access to good quality water, to having enough food on the table and that it was produced in an ethical and moral fashion. The instant that the term sustainability was mentioned, there appeared to be an absence of a clear picture of what the researcher meant. This lack of a firm picture is in complete contrast to what we are told that brand-building should be (Kotler and Armstrong, 2010), and may even lead to negative effects on the business marketing efforts. This research has showed that there was no single concise understanding of sustainable business development among the participants.

### 5.1 Organisational Sustainability

When contact was made with each of the participant organisations for this research, it was interesting to note that it was generally the facilities manager, or the CSR manager to whom the query was directed. It was not seen as the remit of the CEO, or the Board of Directors to participate in this research process. This finding possibly highlights a problem with the general area of sustainability and the specific area of sustainable business development. It would appear for many organisations that their business sustainability policies are governed by one individual under the corporate social responsibility folder rather than an all encompassing mission of the business. It could be argued that senior management must include sustainability at a strategic level within the company with every stakeholder having a contribution to sustainable development issues of the business, this would include employees of the company, shareholders, customers, suppliers, competitors, the government and the community in which the business operates as described by Sison and Fontrodona (2013).

### 5.2 Interconnection

In this piece of work certain key elements of sustainability appeared very important to the research study. It was noticed by the researcher that these elements were a common thread running through the responses of the participants. These are also the three elements identified by Elkington (1994) in his triple-bottom-line theory:

- (i) Profit
- (ii) People
- (iii) Planet

Most of the respondents highlighted these components as important aspects of any business sustainability model. The inter-dependence and synergies that exists between the three main components in relation to sustainability are best summarised by way of a Venn diagram (Figure 1) and graphical representation (Table 1).

The three elements of Figure 1 (Person, Planet, and Profit) are inter-related. For example, if the business is making a reasonable profit, then the Person working in the business also benefits because the company can afford to pay a fair wage, as seen in Table 1 (Blue column). Similarly, if the Person working in the business does not allow any contaminants to flow into a river, as stated by GO the General Manager in Geith International, then the Planet benefits because there is clean water as seen in Table 1 (Green column). Indeed, GO General Manager, demonstrated strong leadership in all three areas and appeared to epitomise important activity in the central area of the Venn diagram. This central area appears to encompass all three well established elements of profit, planet and person. All respondents highlighted the importance of environmental issues, and social responsibilities as well as improving profit margins of businesses albeit at times in aspirational or haphazard fashion. The data also pointed to the interconnectedness between peoples on our planet. According to some of the respondents, our activities in one part of the world seemed to have an effect on other people, perhaps living at the other end of the globe. This interconnection between profit, people and planet concurs with writings from Shaw (1988), Elkington (1994), and Benedict XVI (2009).

Figure 1: Venn diagram showing Inter-Connection of the three P's

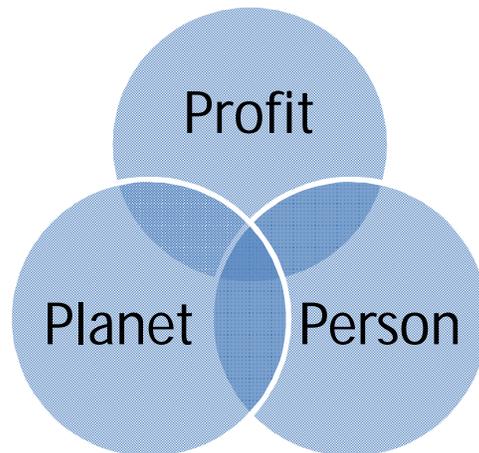


Table 1: Synergies between Profit/Person (Blue), Profit/Planet (Orange), and Person/Planet (Green) in Sustainable Business Development

Profit/Person	Profit/Planet	Person/Planet
<i>Fair Wage</i>	<i>Reduce Energy Usage</i>	<i>Clean Water</i>
<i>Promotion Opportunities</i>	<i>Invest in Renewable Energy sources</i>	<i>Fresh Air</i>
<i>Enough Food to feed all people</i>	<i>Corporate Social Responsibility</i>	<i>Environmental Ecology</i>
<i>Provide for Peoples Material, Emotional, and Spiritual needs</i>	<i>Proper Waste Management</i>	<i>Preserve Natural Habitats</i>
<i>Afford people the opportunity to work (locally)</i>	<i>Carbon Capture and Storage</i>	<i>Engaging Employees</i>
<i>Safe Working Environment</i>	<i>Implement Correct End-Of-Life Procedures for Products</i>	<i>Managing Environmental Risks</i>
<i>Secure Pension</i>	<i>Ethical Practises</i>	
<i>Provide for Children's Education</i>		
<b>Profit/Planet/People</b>		
<i>Sustainability</i>		

There was little evidence found in this research as to the desire of Irish businesses to be part of any global sustainability indices. None of the businesses who took part in this research were part of the United Nations Global Compact. However, many of these businesses were accredited to the national, Irish standards, for example “greenhospitality”, “ISO 50001” (Energy Management Systems), “ISO 14001” (Environmental Management Systems), and “ISO 20121” (Sustainable Events Management). This seems to be an important aspect of their business from a leadership and marketing platform.

**5.3 Business Sustainability (Grounded) Theory**

From the findings of this study it is clear that for businesses to be developed in a sustainable manner, a number of certain essential input components should be considered by the decision-makers. To this end, this researcher proposes a theory grounded in the data, by which the four essential inputs are identified (Figure 2). These four key inputs are:

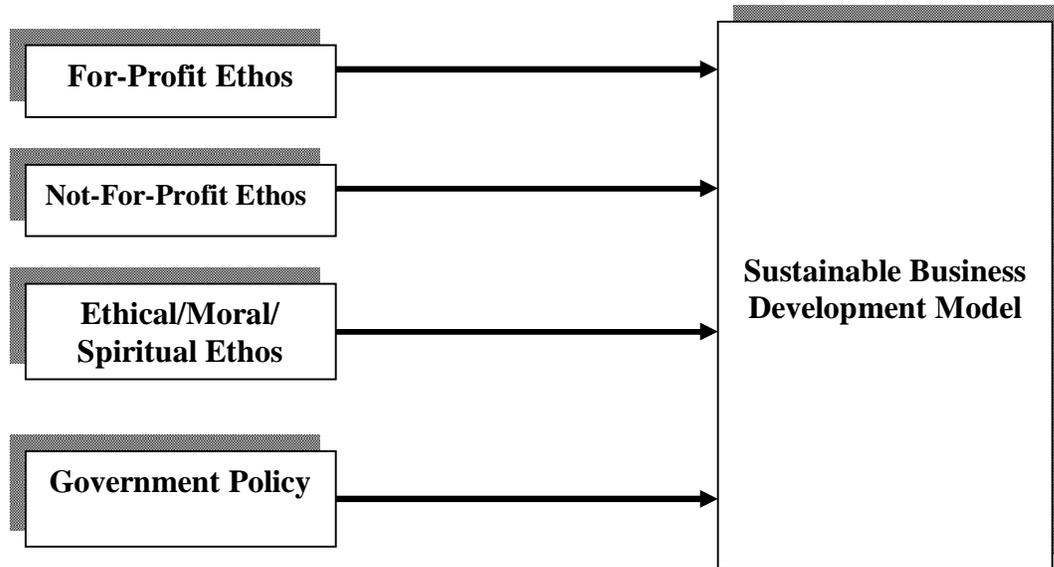
- (i) **For-Profit Ethos.** Each interviewee agreed that a business needs to be profitable in order to be sustainable.
- (ii) **Not-For-Profit Ethos.** All of the NGO/Charity groups interviewed were very much focused on a mission element and were very aware of issues other than financial issues, for example social and environmental issues. A profitable business has the potential to contribute positively to the society in which they operate.

(iii) **Ethical/Moral/Spiritual Ethos.** The needs of workers, their families, and the wider community were identified as important considerations in business sustainability as well as the general business ethic adopted by a company or organisation.

(iv) **Government Policy:** This government role was also identified as influential in designing policies that allow all the inputs to be blended together, enabling and encouraging sustainable business development.

An example of a interviewee who encompasses all of the proposed inputs is GO, General Manager in a Multi-National Corporation with a subsidiary in Ireland whose operations have survived through the recent challenging economic times.

**Figure 2: Essential Input Components of Sustainable Business Development Model**



**Model**

## 6. Discussion

It appears from this study that the promotion of sustainable business development practises in Ireland has suffered as a result of an over-use of the term ‘sustainability’ in recent years by many organisations in various situations. The term appears to be somewhat ambiguous. It is ironic that companies market themselves as providing sustainable products and services, while this research has shown that the sustainable brand is not clearly defined in peoples’ minds. Perhaps it is time to determine a new name for the concept.

The United Nations Global Compact sustainability reporting initiative appears to have had little influence in Ireland with regard to the adoption of sustainability processes. This researcher finds himself concurring with opinions expressed by Benedict XVI when commenting on globalisation in his Caritas In Veritate encyclical letter declared that what is needed is a “*reform of the United Nations Organisation, and likewise of economic institutions and international finance so that the concept of the family of nations can acquire real teeth*”. From this piece of research a new sustainable business development theory has emerged, indicating four essential components to be considered by management in their decision-making process. The essential components are:

- (i) For-Profit Ethos
- (ii) Not-For-Profit Ethos
- (iii) Ethical/Moral/Spiritual Ethos
- (iv) Government Policy

## 7. Conclusion

This was a challenging piece of work for the researcher primarily because of the ambiguity surrounding the concept of sustainable business development. Although most of the participants were clearly unambiguous in their own understanding of sustainable business development within their organisations, the wide and varied perceptions of “business sustainability” made for complex analysis in this project.

The idea of sustainability appears to be “nebulous and contested” as claimed by Sandelands and Hoffman (2008). The importance of strong leadership in business is borne out by the findings in this research. The research also found that in order for businesses to be developed in a sustainable manner, they require leaders with a clear strategic vision who are guided by a strong ethical/moral compass. This is achievable by incorporating the input components of the new proposed theoretical model.

### **8. Recommendations for Future Research**

It is recommended that further analysis and research be conducted on Irish-based businesses that have employed a sustainability framework as part of their business development and compare their existing variables/inputs with the essential inputs to the theoretical model proposed in this research.

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## **Appendices**

### *List of questions used in this research:*

- Question 1: Milton Freeman famously said that businesses have one, and only one, social responsibility, namely to increase or generate profit. Would you agree or disagree with this statement?
- Question 2: Does your organisation/business view sustainability as an important aspect to the running/management of the organisation?
- Question 3: Is sustainability seen as a strategic issue within your organisation/business?
- Question 4: What do you see as the top global sustainability challenges?
- Question 5: Were there any external factors that caused your organisation/business to look at sustainability issues?
- Question 6: How would you evaluate/measure the success of your sustainability initiatives?
- Question 7: Is your organisation/business aligned with any accrediting body in the sustainability area?
- Question 8: What methods or processes have been used to progress sustainability issues within the organisation/business?
- Question 9: Do you think that ethical business practises contribute to the sustainability efforts of your organisation?
- Question 10: How do you view the concept of “Social Entrepreneurship”?
- Question 11: Do you see the personal development of each employee as part of your sustainability efforts?