

Measuring the Organisational Sustainability to Increase the Performance of Small and Medium Textile Enterprises in Coimbatore Region.

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ABSTRACT: *Small and medium sized enterprises play an important role in Indian economy as they contribute to GDP and employment. Sustainable performance management is a process by which manager and employees work together to monitor, plan and review an employee's work objects and overall contribution to the textile enterprises. Sustainable measurement is used as a general measurement of firms overall sustainable health over a given period of time, and can be used to compare similar firms across the same industry or to compare in Coimbatore region. It outlines the various indicators of measuring sustainability on the basis of 5 point rating scale. This paper identifies the variation in measuring the sustainable measurement among the small and medium enterprises in Coimbatore region. This paper concludes with some interesting findings.*

KEYWORDS: *sustainability, performance, small and medium enterprises, sustainable health.*

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I. INTRODUCTION:

Small and medium sized enterprises play an important role in Indian economy as they contribute to GDP and employment. Further, sustainability of small and medium enterprises is a major concern as they prioritise economic performance over environmental and social to remain competitive. Sustainable performance can be defined as the performance of a company in all dimensions and for all drivers of corporate sustainability. There are many different ways to measure sustainable measurement, all measures should be taken in aggregation line items such as innovativeness, productiveness, risk taking and waste reduction can be used. Majority of prior researches on small and medium sustainability either look at the impact of a few limited enablers on sustainability performance or the effect of pressures and barriers on the sustainability performance.

The size of the enterprise, the complicity of the enterprise structure and the different processes can be some of the main issues that complicate measuring sustainable performance. To solve this problem, several sustainable performance dimensions, such as Resolving conflict between co-workers, good will about the organisation, taking extra efforts on job, Enterprise about job, have been identified. Each of these dimensions consists of a set of sustainable performance indicators that can be measured and analysed in terms of enterprise and process levels.

PERFORMANCE MANAGEMENT

Performance management is a process by which managers and employees work together to plan, monitor and review an employee's work objectives and overall contribution to the organization.

PERFORMANCE MEASUREMENT

Performance measurement is the process of collecting, analyzing and reporting information regarding the performance of an individual, group, organization, system or component.

SUSTAINABILITY PERFORMANCE

Sustainability performance can be defined as the performance of a company in all dimensions and for all drivers of corporate sustainability.

RESEARCH GAP:

There is a clear gap of holistic and robust framework for the sustainability performance analysis in order to measure and develop sustainability performance. This research bridges this knowledge gap by adhering two research questions. What practice and performance criteria are being considered for sustainability performance analysis in a broad small-scale industry, how are they related, and what methods are being used to derive the relationship between medium scale industry.

Furthermore, the investor may wish to look deeper into sustainable measurements and seek out margin growth rates or any declining debt. There are many of different stakeholders in a company, including trade creditors, bond holders, investors, employees and management. Each group has its own interest in tracking the sustainable measurement of a company.

AREA PROFILE:

Coimbatore city is the second largest city in Tamil Nadu. This city is situated around the Noyyal River and it is occupied with Western Ghats. Coimbatore is the largest city in the Western region of the Tamil Nadu. It is the major commercial and industrial region in Tamil Nadu. Due to fast growth of cotton cultivation and growth of textile industries, Coimbatore is called Manchester of South India.

Coimbatore city has a large number of export business on wet grinder, auto components, jewellery and so on. Kovai cora cotton is identified as geographical indication by the government of India. This city was established in 1804 and it became capital city of the newly formed district. This city attained municipality status in 1866. The nature of the soil in Coimbatore region is black soil and it is suitable for cotton cultivation. It also has red loamy soil. The temperature of Coimbatore region is estimated in the range of 35.9°C to 29.2°C.

ORGANIZATIONAL SUSTAINABLE MEASURES TO INCREASE THE ORGANIZATIONAL PERFORMANCE:

In this study measurement of organizational sustainable measures to increase the organizational performance is described. It can be assessed with the help of 22 factors on a 5-point rating scale. These include innovativeness, proactiveness, risk taking, waste reduction, use of renewable energy, growth in market share, being responsive to complaints of customers, adaptation of products and services to satisfy complaints of customers, offering products, services to vulnerable groups, supporting learning initiative, providing education and training, clear organizational mission goal, engagement of employees towards the mission and goals of the organization, involvement of employees in strategic initiatives, participatory decision making, goals meeting the needs of the stakeholders, adaptation to changes in the environment, efficient well prepared board meeting, preparedness to learn from mistakes and external communication to the stakeholders.

II. REVIEW OF LITERATURE:

Through a systematic literature review of papers published between 2000 and 2018 in leading journals, an objective content analysis is undertaken in order to investigate the research questions and identify practice and performance criteria along with their frequency of usage in prior research. This approach is in line with previous research. For instance, Eslami et al. (2019), utilizing systematic literature review, investigate sustainability in manufacturing sector. However, the study is not in context of SMEs. Garengo et al. (2005) review the performance measurement systems in SMEs and develop a research agenda but this emphasizes on economic criteria. Mura et al. (2018) analyse the sustainability measurement research emphasizing on the stakeholders design, implementation and implementation of sustainability. Hong et al. (2019) study the sustainability orientation and how the latter helped organisations in their performance outcomes. Malek et al. (2020) review articles to bring out the gaps in the sustainable manufacturing.

Organizational performance measurement is very essential to know the effectiveness of the company. In general, performance can be judged from the financial achievements, marketing status, labour outcome, productivity, sustainable organizational promotional measures. Lo Storto C. and Goncharuk .A (2017) calculated an index to measure efficiency of healthcare systems, and combine together a number of health quality indices to develop an effectiveness index. These performance measurements were used to conduct a benchmarking study related to 32 European countries in 2011 and 2014. The study showed that comparing efficiency and effectiveness (quality) of healthcare helps to identify the real leaders, but most importantly it enables to find the most problematic countries that need reform of healthcare sector.

Jamalludin N. (2017) examined the overall performance of SapuraKencana as an oil and gas in industry in Malaysia. The overall performance was measured from 2011 to 2015 in terms of measuring liability, operational and liquidity performance. These three performances are important for this company as this kind of industry is growing fast. The most significant one is liquidity performance where it contains of measurement of how well company is generating profit through its assets. Relationships of these three performances with GDP were also measured using SPSS in creating correlation and Anova in order to see the significant result. In order to find the result, most of the data output in SPSS included ROA as dependent variable.

Dr Rompho N. (2017) explored the use of the performance measurement system (PMS) in Thai listed companies. The study reveals that a successful PMS can be defined as a system that enables employees to both be aware of and attempt to use strategies to improve their organisation. The survey showed that factors that affect the success of a PMS are consistent to those discussed in the literature. One exception is the difference in industry group, which is found to have an insignificant effect on the success of a PMS. Gruntová Kolingerová H. (2016) focused on the issue of adoption of standardized tools for performance monitoring as a complex

activity spanning the entire process from the organization's management making an individual decision to the system fully operational.

Peng et al., (2016) examined, both theoretically and empirically, the determinants and performance impact of three measures of CEO incentives: pay-performance elasticity (PPE), semi-elasticity (PPSE), and sensitivity (PPS). Larger, more R&D intensive, and low-idiosyncratic risk firms have higher PPE and PPSE, resolving puzzling prior empirical findings based on PPS.

Krstić B. and Bonić L.(2016) emphasized the importance of intellectual capital (IC) undisclosed on the assets side on the balance sheet of knowledge enterprises. This capital is very relevant, and managers need to have information about it in order to facilitate effective IC management process. The issue of IC performance measurement has been a matter of growing importance in both academic community and managerial practices for the past two decades. Based on the previous ideas put forward in the literature of knowledge management and IC management, this paper suggests a new methodological framework for overcoming the problem of IC performance measurement in knowledge enterprises.

Mayston D. (2016) examined several outstanding issues on the interface between the measurement of performance in primary and secondary education and the management of improved performance in this nationally important sector. These issues relate to the clarification of the objectives of the education system, the impact of performance reward systems, such as Performance Related Pay, the role of resources in influencing educational outcomes, the reliability of existing methods of assessing educational performance, such as Data Envelopment Analysis and multivariate regression, and the need for an improved national comparative database if progress is to be made in several of these directions.

Saunila M. (2016) presents a framework for improving innovation capability through performance measurement in small- and medium-sized enterprises (SMEs). The development of an organization's innovation capability is considered increasingly important in the current literature. Developing such capability is essential, as innovation plays a key role in the survival and growth of organizations. A review of current literature highlights the need for a framework on the development of innovation capability, especially in SMEs. A literature review was used to form an understanding of previous work in the research area. Previous literature was used to define the key concepts and further to build the conceptual framework. As a result of the study, a framework for improving innovation capability through performance measurement in SMEs is presented. Key issues that must be addressed are highlighted and discussed.

Van Camp J. and Braet J.(2016) discuss failures of PMS in the abundance of literature written. Over 250 articles related to PMS have been analyzed in order to shortlist failures of PMS. Two criteria have been used: explicitly referenced being a failure; or mentioned as being essential for a successful PMS. Next steps were clustering, cross-checking with academics and professionals and re-allocation to appropriate levels. This paper identifies 36 failures and proposes an easy taxonomy for further referencing by attribution to three levels: metric, framework and management. Failures range from uncertainties in data gathering, lack of knowledge and dealing with complexity, toward the allocation of necessary resources.

Stan C. (2015) aims at analyzing the approach of performance from the perspective of the management of performance and the tools for evaluating performance, insisting upon the evaluation of managerial performances, on the factors that can produce distortions. The aim of performance management is to obtain better results of the organization as a whole through the improvement of individual performance.

Fieger P., Villano R. and Cooksey R. (2015) used institutional financial, educational, demographic and employed stochastic frontier analysis to develop two distinct efficiency measures. The first model examined institutional efficiency in the transformation of financial resources into teaching loads. The second model evaluated efficiency in the transformation of institutional resources into post-study employment outcomes. In both models we found significant inefficiencies in the Australian TAFE system. The authors then assessed the relationship between both efficiency measures..

Emese Zsidó K. and Fenyves V.(2015) note that business performance and its measurement play a key role in the life of enterprises. For sustainable development, companies must constantly keep in mind and measure their performance, in accordance with their long-term goals. Looking over the performance measurement history, we can see that this area has improved a lot, underlining the importance of this. In addition to traditional performance measurement indicators, several completely new methods from different perspectives have been developed.

III. ANALYTICAL DISCUSSION:

This study will identify the indicators of the managerial practices towards achieving organisational sustainable measurement to help increase organisational performance. The aspects of sustainable measurements are identified under exploratory research method. The identified variables are cross tabulated with the socio-economic status of entrepreneurs and it constitutes the analytical frame work of study. This is partly exploratory and partly analytical in nature. These studies have covered 200 small and medium textile industries in Coimbatore region. This relevant data is collected from the respondents with the help of questionnaire method.

The collected data are classified and tabulated with the help of computer programming. This data interpretation is done with help of ANOVA two way test, t-test and averages.

ORGANIZATIONAL SUSTAINABLE MEASURES TO INCREASE THE ORGANIZATIONAL PERFORMANCE:

This section deals with respondents’ rating on measurement of organizational sustainable measures to increase the organizational performance. It was assessed with the help of 22 factors on a 5-point rating scale. These include innovativeness, pro activeness, risk taking, waste reduction, use of renewable energy, growth in market share, being responsive to complaints of customers, adaptation of products and services to satisfy complaints of customers, offering products services to vulnerable groups, supporting learning initiative, providing education and training, clear organizational mission goal, engagement of employees towards the mission and goals of the organization, involvement of employees in strategic initiatives, participatory decision making, goals meeting the needs of the stakeholders, adaptation to changes in the environment, efficient well prepared board meeting, preparedness to learn from mistakes and external communication to the stakeholders.

Data presented in table 1 indicate the enterprise wise respondents’ rating on measuring the organizational sustainable measures to increase the organizational performance. It could be noted that out of the 22 organizational sustainable measures to increase the organizational performance, the respondents rate the efficient well prepared board meeting as their first level organizational sustainable measure to increase the organizational performance and it is evident from their secured mean score of 4.12 on a 5-point rating scale. Growth in market share is rated as the second level indicator of measuring the organizational sustainable measure to increase the organizational performance and it is estimated from the respondents secured mean score of 4.02 on a 5-point rating scale.

Table 1 Enterprise Wise Respondents’ Rating on Organizational Sustainable Measures to Increase the Organizational Performance

Variables	Small enterprise	Medium enterprise	Mean
Innovativeness	3.05	3.71	3.38
Proactiveness	3.34	4.00	3.67
Risk taking	2.04	2.30	2.17
Waste reduction	2.12	2.78	2.45
Use of renewable energy	2.63	3.29	2.96
Growth in market share	3.89	4.15	4.02
Being responsive to complaints of customers	2.45	3.11	2.78
Adaptation of products and services to satisfy complaints of customers	3.41	4.07	3.74
Offering products services to vulnerable groups	2.93	3.59	3.26
Supporting learning initiative	3.48	4.14	3.81
Providing education and training	2.34	3.00	2.67
Clear organizational mission goal	1.85	2.11	1.98
Engagement of employees towards the mission and goals of the organization	3.26	3.92	3.59
Involvement of employees in strategic initiatives	2.55	3.21	2.88
Participatory decision making	3.67	4.13	3.90
Goals meeting the needs of the stakeholders	3.14	3.80	3.47
Adaptation to changes in the environment	2.06	2.72	2.39
Efficient well prepared board meeting	3.99	4.25	4.12
Preparedness to learn from mistakes	2.81	3.47	3.14
External communication to the stakeholders	2.21	2.87	2.54
Average	2.86	3.43	3.15

Source: Computed from the primary data

Statistical Value 15.43, Df 19, t Critical Value 1.72

The respondents have rated the participatory decision making as their third level observed event. It is evident from their secured mean score of 3.90 on a 5-point rating scale. The respondents have ranked the fourth level for organizational sustainable measure to increase the organizational performance by citing the fact that the supporting learning initiative and it is observed from the respondents secured mean score of 3.81 on a 5-point rating scale. Adaptation of products and services to satisfy complaints of customers is rated as the fifth level indicator of measuring the organizational sustainable measure to increase the organizational performance and it could be known from the respondents secured mean score of 3.74 on a 5-point rating scale.

The respondents have rated the proactiveness as their sixth level indicator of measuring the organizational sustainable measure to increase the organizational performance and it is revealed from their secured mean score of 3.67 on a 5-point rating scale. Engagement of employees towards the mission and goals of the organization is rated as the seventh level indicator of measuring the organizational sustainable measure to

increase the organizational performance and it observed from the respondents secured mean score of 3.59 on a 5-point rating scale.

The respondents have rated the goals meeting the needs of the stakeholders as their eighth level indicators. It is evident from their secured mean score of 3.47 on a 5-point rating scale. The respondents hold at ninth level of organizational sustainable measure to increase the organizational performance for the indicator innovativeness as per their secured mean score of 3.38 on a 5-point rating scale. Offering products services to vulnerable groups is rated as the tenth level indicator of measuring the organizational sustainable measure to increase the organizational performance and it is evident from the respondents secured mean score of 3.26 on a 5-point rating scale. The respondents have rated the preparedness to learn from mistakes as their eleventh level indicator of organizational sustainable measure to increase the organizational performance and it could be known from their secured mean score of 3.14 on a 5-point rating scale. Use of renewable energy is rated at twelfth level in organizational sustainable measure to increase the organizational performance and it is reflected from the respondents secured mean score of 2.96 on a 5-point rating scale. Involvement of employees in strategic initiatives is ranked as the thirteenth level indicator of organizational sustainable measure to increase organizational performance. It is evident from their secured mean score of 2.88 on a 5-point rating scale. Involvement of employees in strategic initiatives is ranked as the fourteenth level indicator of organizational sustainable measure to increase organizational performance. Providing education and training and it is rated as fifteenth level organizational sustainable measure to increase the organizational performance as per the respondents secured mean score of 2.67 on a 5-point rating scale.

The respondents have rated external communication to the stakeholders as their sixteenth level indicator of organizational sustainable measure to increase the organizational performance and it could be known from their secured mean score of 2.54 on a 5-point rating scale. Waste reduction is rated as seventeenth level indicator of organizational sustainable measure to increase the organizational performance and it is reflected from the respondents secured mean score of 2.45 on a 5-point rating scale. The respondents have rated the adaptation to changes in the environment as their rated eighteenth level indicator of organizational sustainable measure to increase the organizational performance and it is revealed from their secured mean score of 2.39 on a 5-point rating scale. Risk taking is rated as the nineteenth level indicator of organizational sustainable measure to increase the organizational performance and it observed from the respondents secured mean score of 2.17 on a 5-point rating scale. The respondents have rated the clear organizational mission goal and as their twentieth level indicator. It is evident from their secured mean score of 1.98 on a 5-point rating scale. The medium enterprise group respondents have ranked first for their overall rating of organizational sustainable measures to increase the organizational performance as per their secured mean score of 3.43 on a 5-point rating scale. The small enterprise group respondents' hold the second position in their overall rating of organizational sustainable measures to increase the organizational performance and it is estimated from their secured mean score of 2.86 on a 5-point rating scale.

The t test was applied for further discussion. The computed t value 15.43 was greater than its tabulated value at 5 per cent level significance. Hence there was a significant difference between medium enterprise group respondents and small enterprise group respondents in their overall rated organizational sustainable measures to increase the organizational performance.

IV. CONCLUSION:

It could be seen clearly from the above discussion that the respondents have rated at high level the organizational sustainable measures to increase the organizational performance by citing the indicators of efficient well prepared board meeting, growth in market share, participatory decision making, supporting learning initiative, adaptation of products and services to satisfy complaints of customers, proactiveness and engagement of employees towards the mission and goals of the organization as per their secured mean score above 3.50 on a 5 point rating scale. The respondents have reported moderate level for organizational sustainable measures to increase the organizational performance by attribute to the facts such as that goals meeting the needs of the stakeholders, innovativeness, offering products services to vulnerable groups, preparedness to learn from mistakes, use of renewable energy, involvement of employees in strategic initiatives, being responsive to complaints of customers, providing education and training and external communication to the stakeholders as per their secured mean score in the range of 2.50 to 3.50 on a 5 point rating scale. The respondents have rated low level for organizational sustainable measures to increase the organizational performance by attributing to the facts such as that waste reduction, adaptation to changes in the environment, risk taking and clear organizational mission goal as per their secured mean score below 2.50 on a 5-point rating scale. It could be observed that the medium enterprise group respondents have ranked the first position to their rating of overall organizational sustainable measures to increase the organizational performance, and small enterprise group respondents the last.

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