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SUSTAINABILITY AS A KEY DRIVER OF ORGANIZATIONAL EXCELLENCE

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ABSTRACT

Sustainability has become a critical focus for textile industries amid growing demand for eco-friendly products, yet there is limited empirical research on its direct impact on organizational excellence. While prominent textile companies in Southern Tamil Nadu have adopted the farm-to-fiber approach and implemented sustainable practices, the impact of these initiatives on operational efficiency, employee satisfaction, brand reputation, and long-term success remains underexplored. Understanding this relationship is vital for refining sustainability strategies, enhancing organizational excellence, and guiding industry-wide adoption of best sustainability practices, which merits this research study. A convenience sample of 134 employees from lifestyle apparel manufacturers in Southern Tamil Nadu was examined, revealing that sustainability practices play a pivotal role in driving organizational excellence. This study employs the 3Ps framework (People, Planet, and Profit) to propose tailored strategies for enhancing sustainable manufacturing and promoting organizational excellence.

KEYWORDS: Sustainability, organizational excellence, 3 P's, socially responsible, eco-friendly

1. INTRODUCTION

The textile manufacturing industry in India is one of the oldest and most significant sectors of the Indian economy, deeply rooted in the country's cultural and economic history. It plays a pivotal role in employment, exports, and the overall industrial growth of India. The industry encompasses a wide range of activities from raw material production (cotton, synthetic fibers) to fabric manufacturing, garment production, and even high-tech textile solutions like technical textiles. The adoption of automation, smart textiles, and sustainable manufacturing processes will improve efficiency and quality, making Indian textiles more competitive globally. With increasing global demand for sustainable products, Indian textile manufacturers are likely to intensify efforts to adopt green practices, including sustainable sourcing, waste reduction, and the use of eco-friendly fibers and dyes.

1.1 Sustainability

The concept of sustainability emphasizes the need for long-term strategies that balance economic development with environmental protection, minimizing harm to the planet. The Brundtland Commission (United Nations) 1987 report refers to sustainability as “the development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. The Three P's of Sustainability- People, Planet, and Profit - provide a foundational framework for modern organizations, enabling them to balance ethical values and financial success. The three P's, often called the “Triple Bottom Line” approach, prioritize simultaneous achievement of financial prosperity, social welfare, and environmental protection. Sustainable practices support ecological, human, and economic health and vitality. Sustainability presumes that resources are finite and should be used conservatively and wisely with a view to long-term priorities and consequences of the ways in which resources are used.

The Triple Bottom Line (TBL) framework proposed by Elkington (1994) emphasizes sustainability through three integrated dimensions: namely economic, social, and environmental sustainability.

1. Economic Dimension (Profit): This focuses on financial performance and long-term economic growth, linking business success to contributions toward future generations and broader economic systems.

2. Social Dimension (People): Social sustainability involves fair labor practices, community welfare, and social justice. It ensures businesses contribute to societal well-being and workforce development through responsible and equitable practices.

3. Environmental Dimension (Planet): This dimension focuses on reducing the environmental impact of business activities by preserving resources, addressing climate change, and adopting eco-friendly practices.

1.2 Organizational excellence

Organizational excellence refers to a continuous process where an organization strives to establish a robust internal framework of standards and processes, aiming to fully engage employees and motivate them to deliver high-quality products and services that consistently meet customer needs, while aligning with overall business expectations. It is a process of consistently optimizing performance across all aspects of the organization through continuous improvement initiatives.

2. Conceptual framework and hypotheses development

According to Hammami et al. (2024), firms can satisfy stakeholder needs and environmental goals by implementing sustainable manufacturing processes, which can enhance environmental performance and reputation. This supports the idea that sustainable business practices can boost an organization's competitiveness and long-term profitability. The integration of Industry 4.0 technologies with

sustainable practices has the potential to enhance operational excellence and competitiveness in manufacturing firms. A more sustainable future may result from this integration to enhance social, economic, and environmental performance (Harikannan et al., 2023). The internal sustainability of textile companies in India is positively impacted by the sustainability initiatives of their suppliers, leading to superior organizational performances (Shahi et al., 2021). Li J et al. (2022) studied that gaps exist in sustainability implementation in the textile and apparel industry, particularly in microfiber pollution, consumer sustainability awareness, and supply chain transparency. A significant body of research has explored the relationship between organizational culture and business excellence, emphasizing the role of various cultural dimensions in achieving superior performance (Kassem et al., 2019). The dynamic relationship between transformational leadership, organizational culture, and organizational excellence enhances employee participation and engagement, ultimately leading to organizational excellence (Lasrado et. al, 2021). Cybersecurity resilience has a positive impact on innovation capabilities, ultimately contributing to the achievement of sustainable business excellence (Singh, K et al., 2025). The collective effect of leadership, strategic planning, and organizational culture provides valuable insights for enhancing organizational performance (Al-Dhaafri & Alosani, 2022). Organizations can strike a balance between operational efficiency and stakeholder expectations, encompassing market, economic, environmental, and social considerations, by adopting sustainable development practices (Chourasiya et al., 2024). Therefore, it is proposed that

H1: Sustainability practices have an influence on organizational excellence.

3. METHODOLOGY

3.1 Measures

A validated structured questionnaire was utilized to measure the variables of the study. Details about age, gender, education, experience, and annual income are considered as demographic factors. The dependent variable in this study is organizational excellence, which has six items adopted from the Kumari, S., & Bhagat, L. N. (2020) scale, whereas the independent variable is sustainable practices, which has ten items from the Calik, E., & Bardudeen, F. (2016) scale. A 5-point Likert scale was used to score both variables.

3.2 Sample and Analysis

The survey was conducted in the apparel manufacturers in Southern Tamil Nadu. Convenience sampling was employed in this study to gather data. A sample of 134 responses was acquired for the study. The demographic details of the respondents are explained in the following table.

Table 1 – Demographic Details

Demographic characteristics of Respondents (N = 134)		
Characteristics	Frequency	Percentage
Gender		
Female	80	59.7
Male	54	40.3
Age		
Below 25	44	32.8
26-35	45	33.6
36-45	27	20.1
46-55	14	10.4
56-65	4	3.0
Education Level		
High School (10th Grade)	6	4.5%
Higher Secondary / Pre-University (12th Grade)	13	9.7%
Diploma	4	3.0%
Bachelor's Degree	50	37.3%
M. Phil	5	3.7%
Master's Degree	55	41.0%
Doctorate / Ph.D.	1	0.7%
Experience in the organization		
0 - 3 years	75	55.9%
3 - 6 years	21	15.7%
6 - 10 years	14	10.5%
More than 10 years	24	17.9%
Income Level		
3,00,000 - 5,00,000	33	24.6%
5,00,000 - 7,00,000	9	6.7%
Above 7,00,000	12	9.0%
Below 3,00,000	80	59.7%
Organization currently have a formal sustainability policy or strategy		
No	3	2.2%
Not Sure	14	10.4%
Yes	117	87.3%

The demographic information of survey respondents is presented in Table 1. Among the 134 subjects, 60% were female and 40% were male. In terms of educational level, maximum of the respondents was post graduate degree holders and close to 65% were between the age group of 25 to 35 years. Almost most of the employees are aware of the sustainability practices followed in the organization.

4. RESULTS

The reliability of a measurement instrument is evaluated based on its internal consistency, with a Cronbach's alpha value of 0.7 or higher indicating satisfactory internal consistency. The scale reliability in this study is high, as it has a Cronbach's value of 0.93 for sustainability practices and 0.92 for organizational excellence. The study variable was evaluated for its distinctiveness using confirmatory factor analysis (CFA) using an open-source statistical software Jamovi before testing the hypothesis. Two items were removed due to loadings less than 0.4 and the model had a good fit. The fit indices are presented in Table 1.

Table – 2 Fit Measures				
			RMSEA 90% CI	
CFI	TLI	RMSEA	Lower	Upper
0.937	0.924	0.085	0.0794	0.118

Comparative Fit Index (CFI), Tucker– Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA)

The factor loadings, average variance extracted (AVE), and composite reliability (CR) values are presented in Table 3 where all the values are within the cut-off limits (Hair et al. 2013).

Table 3 - Factor loadings, Average Variance Extracted and Construct Reliabilities

Variables	Items	Loadings	AVE	CR
Sustainability Practices	SP 1	0.478**	0.50	0.88
	SP 4	0.584**		
	SP 5	0.700**		
	SP 6	0.643**		
	SP 7	0.731**		
	SP 8	0.802**		
	SP 9	0.818**		
	SP 10	0.841**		
	CE 1	0.721**	0.51	0.86
	CE 2	0.699**		

Organizational Excellence	CE 3	0.649**		
	CE 4	0.668**		
	CE 5	0.784**		
	CE 6	0.729**		
	CE 7	0.748**		

N= 134, **p < 0.001, SP – Sustainability Practices, OE – Organizational Excellence, AVE – Average Variance Extracted and CR – Construct Reliability

4.1 Results of hypothesis test

Hypothesis 1 proposes that sustainability practices have an influence on organizational excellence. Tables 4 A and 4 B indicate the causal relationship between the variables to support the hypothesis. The R² value associated with this influential relationship was statistically significant (R² = 0.70, estimate =0.862, p<0.001) concluding that sustainable practices have a 70% influence on organizational excellence.

Table 4 A - Model Fit Measures

Model	R	R ²	Adjusted R ²
1	0.842	0.709	0.706

Note: Models estimated using sample size of N=134

Table 4 B - Model Coefficients - CE

Predictor	Estimate	SE	t	p	Stand. Estimate
Intercept	0.576	0.2083	2.77	0.006	
SP	0.862	0.0481	17.92	<.001	0.842

Note: SP – Sustainability Practices, OE – Organizational Excellence

5. DISCUSSION

Sustainability is increasingly recognized as a critical driver of organizational excellence, aligning economic, social, and environmental objectives. This study suggests adopting targeted strategies under the **People, Planet, and Profit (PPP) framework** to enhance sustainable manufacturing, employee well-being, training initiatives, and supply chain management, ultimately leading to improved performance and long-term success.

1. Planet: Strengthening Environmental Sustainability

The manufacturing organization should

- Enhance Sustainable Manufacturing Practices

- Adopt resource-efficient production techniques like implementing waterless dyeing technology to reduce water consumption.
- Implement waste reduction strategies, for instance, recycling fabric scraps into new textile products.

2. People: Enhancing Stakeholder Well-being

In the context of the triple bottom line, people refer to every individual that interacts with the company. This includes but is not limited to:

- (a) **Employees:** Ensuring workers receive fair wages in a safe environment that encourages professional development.
- Revise wage structures to ensure equitable compensation, like introducing periodic salary revisions and performance-linked bonuses to retain skilled workers.
 - Implement mentorship programs and career development opportunities such as senior employees mentoring new hires to improve knowledge sharing and skill transfer.
 - Expand sustainability knowledge and digital tools training, such as conducting workshops on energy-efficient production techniques and digital textile printing.
 - Strengthen leadership and strategic planning workshops, like organizing management training for mid-level supervisors to enhance team efficiency and improve soft skills training to enhance workforce adaptability including communication and problem-solving workshops for shop-floor employees to improve teamwork and efficiency.
- (b) **Vendors:** Ensuring a diverse set of suppliers is used and prioritizing small businesses or minority-owned suppliers when appropriate.
- Select ethical vendors for responsible raw material sourcing, for instance, partnering with organic cotton suppliers to promote sustainable farming.
 - Implement sustainable sourcing initiatives and green logistics which include reducing carbon emissions by sourcing raw materials from local suppliers instead of international imports.
- (c) **Customers:** Ensuring that customers benefit from an organization's sustainable practices by providing eco-friendly and ethically made products.
- Develop and market sustainable textile products, such as producing garments using recycled fibers and promoting biodegradable packaging.
 - Educate consumers on responsible consumption such as running awareness campaigns on extending textile lifespan through proper washing and recycling options.
 - Ensure quality and durability of products, like investing in high-quality stitching techniques to enhance the longevity of garments, reducing textile waste.

3. Profit: Fostering Financial Sustainability

(a) Ensure Sustainable Growth and Market Competitiveness

- Reduce inefficiencies and minimize waste through implementing lean manufacturing techniques to optimize fabric usage.
- Increase cost-effective green business strategies, specifically investing in solar energy for factory operations to cut electricity costs.
- Invest in employee training for long-term profitability. Example: Upskilling workers in advanced textile manufacturing techniques to improve productivity.

(b) Optimize Performance with Data and Technology

- Implement Total Quality Management (TQM) for productivity and quality control, including introducing real-time quality checks to minimize defective products and returns.
- Use data-driven strategies to improve cost efficiency, like employing predictive analytics to optimize production scheduling and minimize downtime.

The study underscores the critical role of sustainable practices in driving organizational excellence. The strong correlation between sustainable practices and organizational excellence highlights the need for companies to embed eco-friendly approaches across production, human resource management, and supply chain operations.

A key takeaway from the research is the impact of sustainability on workforce dynamics. The demographic composition of the workforce, including a predominantly young and female employee base, signals the necessity for targeted policies that enhance job satisfaction and retention. Wage disparities and limited long-term employee retention further emphasize the need for equitable compensation structures, career development programs, and leadership opportunities to foster a committed workforce. Strengthening employee engagement through training initiatives in sustainability and digital competencies will enable organizations to build a knowledgeable and future-ready workforce.

The study also highlights the significance of integrating technological advancements such as Industry 4.0, ERP systems, and data-driven decision-making to enhance sustainable operations. By optimizing energy efficiency, waste management, and supply chain transparency, organizations can align their sustainability goals with business growth while meeting regulatory and consumer expectations. The positive market perception of sustainability reinforces its role in strengthening brand reputation and customer trust, positioning companies as leaders in responsible manufacturing.

Beyond internal benefits, the research stresses the broader societal and environmental impact of sustainable business practices. Organizations that prioritize ethical labour practices, eco-friendly

production methods, and community welfare initiatives contribute to a more sustainable economy while gaining a competitive edge. Policymakers and industry leaders can leverage these insights to develop frameworks that encourage widespread adoption of sustainability measures across the textile sector.

6. CONCLUSION

Sustainability-driven strategies offer a pathway to achieving operational excellence, enhanced employee engagement, and market competitiveness. By adopting an integrated approach that aligns economic, social, and environmental goals, organizations can ensure long-term success and industry leadership. Apparel companies, through continuous improvement in its sustainability initiatives, have the potential to serve as a model for responsible and efficient textile manufacturing, setting a benchmark for the industry's sustainable transformation.

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