
Sustainable Development Methodology: A methodical approach to innovation that encourages creativity and strategy in the promotion of organizational alternatives

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Abstract

In the study that has been conducted on a methodical approach to innovation through sustainable development methodology, the authors majorly focused upon three components: business process reengineering, strategic business units, and the leadership that plays a critical role in being innovative and creative thereby generating organizational alternatives. Organizational alternatives shall always be explored depending on the business needs through which they see the future for the organization's sustainability. The authors explore the significance of these three components and the associated elements surrounding sustainable development methodology with reference to leadership in this article. The components will significantly contribute to the creativity and promotion of organizational alternatives.

Keywords: Organizational alternatives, business process reengineering; strategic business unit, leadership

Introduction

Sustainability is the capacity to endure. In a more general scientific sense, sustainability is equivalent to a continuum, or the ability to continue a course without termination. Therefore, sustainability is compatible with the existence of space, and it is the ability to maintain a definite stable outcome. The evolution to a sustainable state is predictable. However, the form, or state, that is sustainable can be changed with intelligence or systematic intervention during the course of evolution. The green business process management unequivocally business process management to date has not explicitly concentrated on sustainability for change in the organizations. However, the BPM focused on mitigating the environmental impact through design, enhancement, and implementation with an intention of implementing BPM for sustainability Alexandr L. LisovskY 2019. Alexander Nowak. et. al., (2011) reported the green

Business Process Reengineering for further enhancing sustainability considering the resources of the environment.

James Proctor (2021) proposed a six-stage business process for reengineering and relationships and its relationship with business strategy. The BPM is redesigning and rethinking of business processes for the enhancement of all the important factors which are cost-effective and sustainable. Mohammad R. Arasti and Michel Vernet (1997) proposed the linking of Business Process Reengineering to business strategies for sustainable development.

Sustainability refers to processes, objects, or systems. Sustainability is incompatible with the monotonous increase or decrease of the amount of mindset objects. Leaders in any business who wish to use a sustainable development (SD) mindset to understand customers better, scale their businesses and deliver operational excellence. People all across the globe utilize sustainable development approach as a common platform to communicate in the same language and use the same critical-thinking techniques. According to the authors, from this perspective, these individuals see them to become more than simply better entrepreneurs; they also sharpen their attention to the configuration of sustainable development methodology (SDM). This notion offered three fundamental components — social, ecological, and economic — that have continued to evolve to the present day. The definition of sustainable development was as follows:

In order for development to be sustainable, it must take into consideration social and ecological elements, as well as economic ones; the living and nonliving resource base; and the long-term and short-term benefits and drawbacks of various activities (Ademar Ribeiro Romeiro, 2012).

Organizational reform took place in businesses back until almost two decades ago every few years or even decades. The scenario would probably only occur a few times in the pursuits of the majority of top Corporate leaders. Automation and pressures from the marketplace had already started to quicken the pace of organizational transformation. The last two decades witnessed a new pattern of work has emerged new business and organization models and business models (Judith Heerwagen 2016)

Organizational reform has taken on a life of its own by 2015. According to a McKinsey survey, 60% of firms had changed their internal designs in the previous two years. 25% more had done so three years prior or earlier. Then the epidemic of 2020 struck, prompting profound upheaval. Most businesses went through what they would have typically experienced over a decade in a matter of months. McKinsey Quarterly 2018. The successful organizations of today have accepted change as a way of life, unlike the in the past when we had time to adapt to a change before the next one started. We're not discussing rearranging the furnishings. The new adjustments have entirely changed how we conduct business.

It's true that many businesses are barely able to make ends meet while they wait for pre-COVID conditions to return. The most prosperous, on the other hand, are using brand-new organizational

design models that anticipate and welcome change while impulsively altering their methods of operation.

This recent frenzy of activity can be explained, in part, by the quickening pace of strategic change brought on by the disruption of industries. As a result, whenever a business changes course, it also changes its organizational structure in order to achieve the desired outcomes. Today's businesses frequently require periodic shake-ups of the Big Bang sort rather than minor, incremental modifications of the kind that would have been appropriate in the past.

Methods

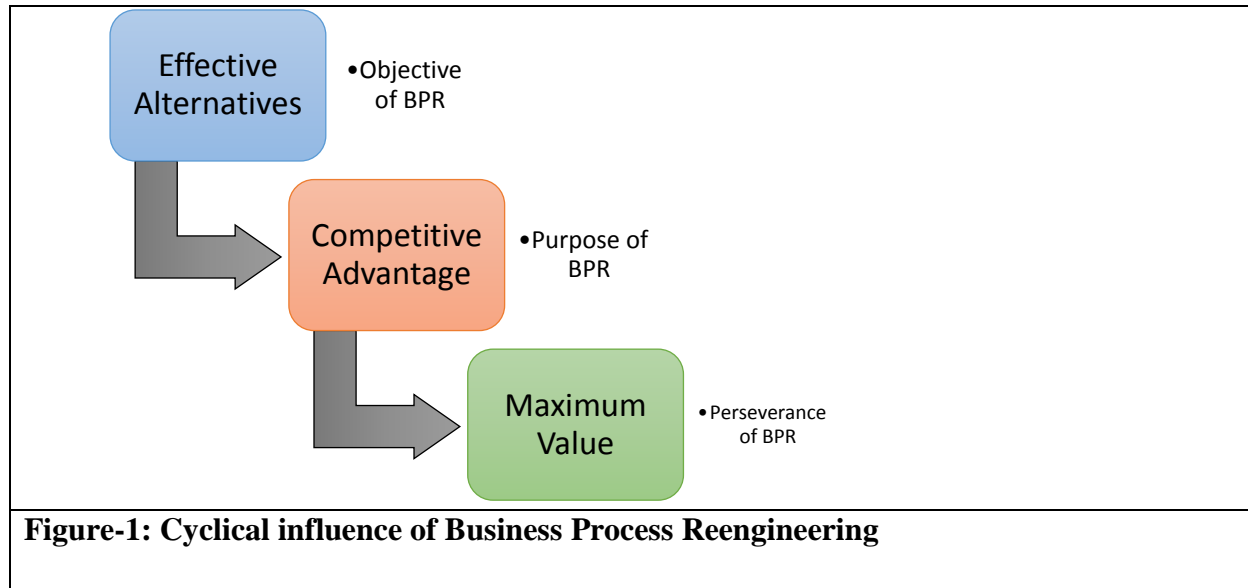
Business Process Reengineering for organizational alternatives

Gross et. al., (2021) reported the use of process redesign for developing organizational alternative and sustainability. This study identified 19 business process designs in different layers and deployed the redesigned concepts for development alternatives.

There are business processes such as purchasing raw materials, logistic movements of finished products, developing new products, etc., that are much trickier to deal with. Business processes are simply a set of activities that transform a set of inputs into a set of outputs for another person or process. In order to have a better appreciation of what Business Process Reengineering (BPR) really means it would be pertinent to have preliminary knowledge of business processes. Business processes are not discrete or unrelated pieces of work. They are parts of recurrent work processes within which they are located, sequenced and organized. It is a process with set of logically related tasks or activities oriented towards achieving a specified outcome. It is a collection of activities that relates an output of value to the customer and often transcends departmental or functional boundaries. For example, one common process found almost in every organization is order fulfilment. Order fulfillment begins with procuring an order and ends with delivery of goods to the customer. BPR focuses majorly on critical processes out of the many processes that go on in any company. These are the core business processes of the company. These create value by the capabilities it provides to the competitiveness. Core business processes are critical in a company's evaluation by its customers. They are vital for success in the industry sector within which the organization is positioned. They are crucial for generating competitive advantage along with innovation for a firm in the marketplace. The business processes reengineering can be used for organizational transformation with rethinking, design and incremental redesign (Terry McNulty, and Ewan Ferlie 2004). The strategic managers commitment is required for modification and redesign as the BPR is the identified solution for developing organizational alternative with sustainability through BPR (Victor et al. 2015).

It is pertinent to note that the business must identify carefully some of the core business processes and try to find out alternative methods to be relevant, cost-effective, customer-centric, and sustainable in the marketplace for longer periods. For example, in the electronics and semiconductor industries, new product development is a core process; in a fast moving consumer goods industry, marketing is a core process; in the banking industry, the activities that help mobilize deposits and generate funds for advances to customers, is a core process; in the

insurance industry, the actual work that leads to a balance of competitive premium for customers, and profit after claims for the company, is a core business process. The organizations must be ready with the alternative methods from time to time according to the shifting requirements of its competitiveness. The objective of reengineering is to provide effective alternatives, and the purpose of looking for alternatives is to provide competitive advantage to the enterprise, and the perseverance for the competitive advantage is to create and maximize the value out of the products, solutions and services that the organizations offer to the customers (Mouro et al. 1999)



One of the reasons for which an imperative need is felt for organizational alternatives is that most of the processes that the organizations are engaged in might have been developed by their functional units over a period of time and might have evolved based on a series of unplanned decisions. Seldom there has been any serious effort to systematically analyze the processes and measure their effectiveness towards organizational efficiency. Quite often the individual departments or units of the organization aim at optimizing their own performance disregarding the resultant effect on other areas of operation. This may result in sub-optimal performance for the organization as a whole. The overall business processes in an organization extending over several departments may be quite lengthy, time-consuming, costly, and inefficient (Fetais et. al. 2022).

Finally, while using BPR in choosing the organizational alternatives for achieving sustainable development to ensure there is innovation that encourages creativity and strategy, the following questions must be asked about their operations:

- (i) Why do we do what we do?
- (ii) Why do we do it the way we do?
- (iii) Whether BPR ignores what the existing process is and concentrates on what it should be?
- (iv) Whether BPR begins with a totally free state of mind?

- (v) Whether BPR involves radical redesigning of process that go to the root of the problem areas?
- (vi) Whether BPR achieves dramatic improvement replacing the old processes?
- (vii) Whether BPR involves interface with the customers?
- (viii) Whether BPR comprises management activities such as strategy formulation, planning, budgeting and performance measurement?

Strategic Business Unit (SBU) and its impact on strategic planning

The SBU structure is composed of operating units where each unit represents a separate business to which the top corporate officer delegates responsibility for day-to-day operations and business unit strategy to its managers. By such delegation, the corporate office is responsible for formulating and implementing overall corporate strategy and manages SBUs through strategic and financial controls. Hence, the SBU structure groups similar products into strategic business units and delegates authority and responsibility for each unit to a senior executive who reports directly to the chief executive officer. This change in structure can facilitate strategy implementation by improving coordination between similar divisions and channeling accountability to distinct business units (Beltran et al., 2018).

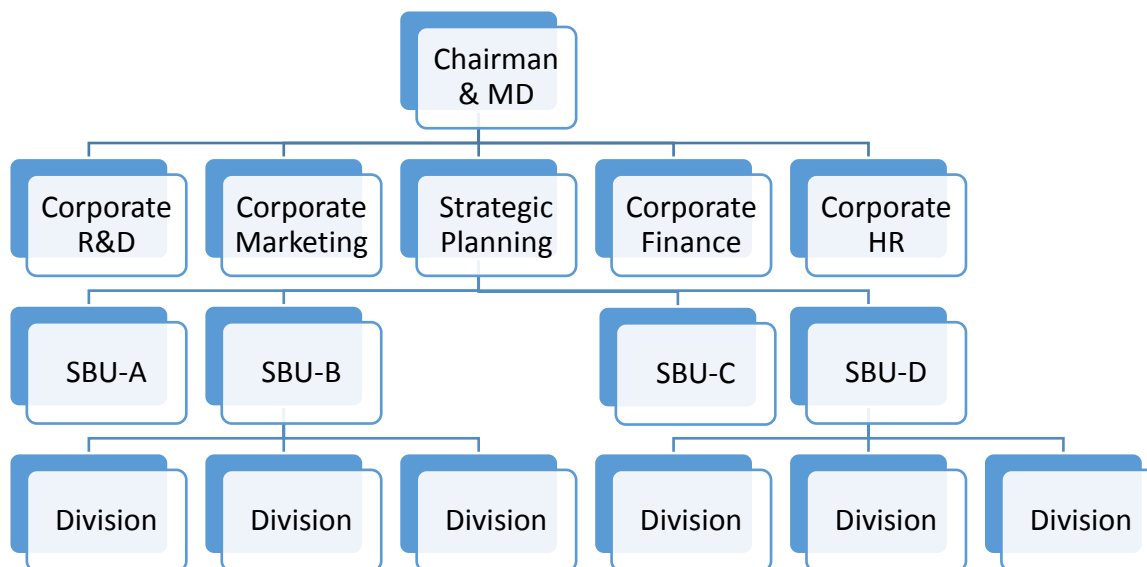


Figure-2: SBU Structure

A strategic business unit structure consists of at least three levels, with a corporate headquarters at the top, SBU groups at the second level, and divisions grouped by relatedness within each SBU at the third level. This enables the organization to more accurately monitor the performance of individual businesses, simplifying control problems to be able to being innovative and creative and thereby ensuring sustainable in the long run. This means that, within each SBU, divisions are related to each other, as also that SBU groups are unrelated to

each other. Within each SBU, divisions producing similar products and/or using similar technologies can be organized to achieve synergy. Individual SBUs are treated as profit centers and controlled by corporate headquarters that can concentrate on strategic planning rather than operational control so that individual divisions can react more quickly to environmental changes, which is key for sustainable development (Porter 1989)..

For example, Amazon has been restructuring to match the SBU structure with its eight internal companies as organized into three strategic business units. Because it has been pushing the company to make better use of software products and content (Ex: Amazon's music, films and games) in its Prime model to increase Amazon's profitability. By its strategy, Amazon is one of the few companies that have the opportunity to integrate software and content across a broad range of customer products (John Dudovskiy, 2022).

The principle underlying the grouping is that all related products – related from the standpoint of “function” – should fall under one SBU. In other words, the SBU concept helps a multi-business corporation in scientifically grouping its businesses into a few distinct business units. Such a grouping would in its turn, help the corporation carry out its strategic management endeavor better. The concept provides the right direction to strategic planning by removing the vagueness and confusion often experienced in such multi-business enterprises in the matter of grouping of the businesses. The question is whether the corporate body wishes to have a related set of SBUs or not, and if so, on what basis? This issue of relatedness in turn has direct implications on decisions about diversification relatedness might exist in different ways: (i) SBUs might build on similar technologies or all provide similar sorts of products or services; (ii) SBUs might be serving similar or different markets. Even if technology or products differ, it may be that the customers are similar. For example, the technologies underpinning frozen food, washing powders and margarine production may be very different; but all are sold through retail operations, and Unilever operates in all these product fields.

Therefore, identification of SBUs is a convenient starting point for planning. Once the company's strategic business units have been identified, the responsibilities for strategic planning can be more clearly assigned to achieve the desired goal of sustainable development through strategic planning.

Leadership in shaping the sustainable development method

“Weak leadership can wreck the soundest strategy; forceful execution of even a poor plan can often bring victory.” – Sun Zi.

Strategic leadership sets the organizations towards sustainable development mode by developing and communicating vision of future, formulate strategies in the light of internal and external environment, brings about changes required depending on the environmental changes, pandemic situations such as Covid-19, etc., to implement strategies and inspire the people to contribute to strategy execution. A manager as a strategic leader has to play many leadership roles to play: visionary, chief entrepreneur and strategist, chief administrator, culture builder, talent acquisition specialist, capacity builder, process integrator, crisis manager, spokesperson, negotiator, motivator, arbitrator, policy maker, and many more. Sometimes it is useful to be authoritarian; sometimes it is better to be a perceptive listener and a compromising decision maker; sometimes a strongly participative, and sometimes being a coach and adviser is the proper role Dreier, L., Nabarro, D., & Nelson, J. (2019).

A leader is a change agent who initiates strategic changes in the organization and ensure that the changes are successfully tackled to derive more benefits to attain sustainable development along with innovative plans. For the most part, major change efforts have to be top-down and vision-driven. Leading change has to start with diagnosing the situation and then deciding which of several ways to handle it. Managers have file leadership roles to play in pushing the concept of sustainable development methodology for long term growth (Mansary 2019).

- (i) Staying on top of what is happening, closely monitoring progress, solving out issues, and learning what obstacles lie in the path of good execution.
- (ii) Promoting a culture of *esprit de corps* that mobilizes and energizes organizational members to execute strategy in a competent fashion and perform at a high level.
- (iii) Keeping the organization responsive to changing conditions, alert for new opportunities, bubbling with innovative ideas, and ahead of rivals in developing competitively valuable competencies and capabilities.
- (iv) Exercising ethical leadership and insisting that the company conduct its affairs like a model corporate citizen.
- (v) Pushing corrective actions to improve the sustainable development methodology and overall performance of an organization.

For example, Mr. M.H. Hasham Premji is known as a celebrated business leader because of the values he had institutionalized over his tenure at Wipro. One of the great legacies he left with Wipro is a strong management development which sets the sustainable development on an auto-pilot mode that builds management talent with ethical values.



Figure-3: Interrelationship of Elements in Sustainable Development Methodology

The leadership must be able to use the strategic management process effectively by guiding the organization in ways that result in paving the way for long term growth and in a sustainable development way, and provide guidance to the people for achieving the organizational goals. Leadership entails the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessitated by external environment. In other words, leadership represents a complex form of leadership in companies. A leader with leadership skills exhibits the ability to guide the company through the new competitive landscape by influencing the behavior, thoughts, and feelings of co-workers, managing through others and successfully processing or making sense of complex, ambiguous information by successfully dealing with change and uncertainty (DuBois et al., 2015)

Conclusion:

Business process reengineering, strategic business units, and leadership were the main areas of focus in the study that was conducted on a methodical approach to innovation through sustainable development methodology. These three elements are crucial to being innovative and creative and producing organizational alternatives. Depending on the business requirements through which they view the organization's viability in the future, organizational alternatives must always be investigated. SDM should also take into consideration the social, ecological and economic aspects in order to develop a methodology. Alternatives will be a consequence when we do reengineering. Reengineering ignites enough and relevant options the leadership has to

choose from to establish strategic business units to maximize the productivity of the organization, and ensure upskilling of the people. Reengineering is to reshuffle the entire gamut of organizational functions to suit the current day business needs, and to deal with the ambiguities. In this study, it is evident to the authors that organization will be in a better position to deal with the ambiguity, or to minimize it to the extent possible when the above three components of SDM get integrated with each other and have a pertinent orchestration for the level harmony, and of course, for the business continuity without losing the man-hours, burnout of the resources, spending on trivial matters which are non-productive in nature.

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