

Chapter 3

Organizational Sustainability: Characteristics of Agility

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ABSTRACT

An organization with its capacity to endure, add up value, and promote value chain could be seen as a sustainable organization. Sustainability could be in the form of short-, medium-, and long-term effect to an entity. Through the utilization of the information and communication technology, organizations now can adopt various business techniques to tackle or minimize risks, reduce costs, and make profit. Among many such techniques, this particular research looks into the aspects of agility within organizations that may lead to sustained business platform. This chapter tries to argue that an organization with this characteristic, in the longer run, can lead to sustainability and elevate the business intelligence. In this discourse, through a vertical literature review, this study has tried to construct a framework of sustainability with the aspect of an organization and thereby proposed a business model for ideation and future implementation.

INTRODUCTION

Organizations in a disparate range of markets are facing the challenges of new product innovations, decreasing product lifecycles, product proliferation and customers who are becoming ever more demanding. This has resulted in markets that can be characterized as increasingly unstable and unpredictable, and has caused many organizations to seek to improve their performance through various activities, alignments and sustainable responses (Brown and Eisenhardt, 1998; White, Daniel

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and Mohdzain, 2005). These activities, alignments and sustainable responses may not only be considered as means for the business development, but also considered for increased business (and or market) intelligence (Roberts and Grover, 2012).

Fowler (2000) calls this type of sustainable response to issues of poverty a “virtuous spiral” that involves three dimensions, such as external impact, human and financial resources, and continuous regeneration that keeps an organization healthy, relevant and feasible in a turbulent environment over a long period of time. A related concept that involves similar issues is social venture. It combines both social and economic activity to achieve three key objectives, such as economic capability, sustainability and social change (Lucas & Vardanyan, 2005).

In this aspect, many nonprofit organizations engage in social enterprise strategies to expand their organizational capacity and to ensure their financial sustainability. These type of organizations are not only interested in generating individual profits, but also in promoting social change in underdeveloped areas and promoting sustainability and job growth (Fowler, 2003; Lucas and

Vardanyan, 2005; Ersing, Loeffler, Tracy and Onu, 2007; Brower, 2011). As a result of rapid depletion of natural resources and concerns over wealth disparity and corporate social responsibility, sustainability has increasingly become imperative to business research and practice over the past decades. Within this domain, the so-called triple bottom line seeks to evaluate business performance on its impacts on the environment and interested stakeholders besides profitability concerns.

Until now, management information systems (MIS) research on sustainability has been somewhat constrained in the realm of green information technology (IT), which focuses mostly on the reduction of energy consumption of corporate IT systems. However, the expeditious changing and dynamic global business environment requires firms to be more flexible to quickly adapt and respond to market variations. Among the forces that drive changes, requirements for corporate responsibility and sustainability are getting more urgent. During such difficult time as this economic recession, companies are faced with hard choices to survive. Research has acknowledged that addressing sustainability issues is critical to the long-term survival and flourishing of companies (Porter and Kramer, 2006).

Thus, it is imperative to increase the business intelligence of an organization by addressing the sustainability issue through agile and intelligent ways (Lichtenthaler, 2007). At the same time, sustainability has increasingly become an important issue for both management scholars and practitioners. This recent push can be attributed to the facts that while the last two decades have brought much economic growth, there is much concern surrounding both wealth discrepancy and natural resource diminution. This concern has displayed itself in legislation expanding the responsibility of firms, increasing attention on training managers in sustainable management, and

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