

MEASURING THE VALUES OF CORPORATE CULTURE THROUGH EVALUATING THE CORPORATE SUSTAINABILITY FROM THE EMPLOYEES' PERSPECTIVE

Malak M. Shatnawi* and Zoltan Rajnai

Óbuda University, Doctoral School on Safety and Security Sciences
Budapest, Hungary

DOI: 10.7906/indecs.22.3.7
Regular article

Received: 20 February 2024.
Accepted: 28 October 2024.

ABSTRACT

During the last 20 years, a relatively small number of companies have integrated sustainability principles through the adoption of the social, economic, and environmental dimensions of the Corporation. Corporate Sustainability is one of the most important concepts that aim to measure the degree to which the firm adopts sustainability development in its operations. It will make a major contribution from businesses to the welfare of their society and stakeholders. The purpose of this study is to investigate, review and measure the values of corporate culture and structural dimensions' status, as well as the extent of their implementation in one of Jordan's government entities that aims in its strategic mission toward achieving local sustainability. This evaluation will be done from the perspective of the employees, and based on its measurements and results, further enhancements and improvements will be recommended to increase the levels of Corporate Sustainability. Any development processes should suggest the adoption of a closer examination of an organization's cultural orientation, and, at the same time, follow up corporate sustainability principles, specifically, what constitutes a sustainability-oriented organizational culture, and whether the organizations can become more sustainable through culture changes and findings. This study seeks to assess the values of corporate culture for the corporation, and it can be a reference for companies and firms looking for development in present and future needs. It may also be used by researchers interested in the relationship between sustainability and the organizational culture to achieve high sustainability and reach new levels within the companies increasingly pressured by the market to seek for new sources of competitive advantage. The study suggests that the adoption of sustainability policies particularly in the environmental aspects will reflect, to a large degree, the corporate culture of sustainability.

KEY WORDS

sustainability dimensions, organizational behaviour, corporate sustainability, corporate culture

CLASSIFICATION

JEL: Q56

*Corresponding author, *✉*; malakshatnawi@yahoo.com; -;
Népszínház street 8, Budapest, 1081, Hungary

INTRODUCTION

Increasing the interdependent and mutually supportive pillars of sustainable development to protect the social, economic, and environmental dimensions at the local, national, and global levels is considered a public obligation to reach the desired sustainable goals. The World Commission on Environment and Development describes sustainable development as development that satisfies current needs while posing no danger to future generations to meet their own needs. Corporate Sustainability Development (CSD) is a term used to describe the development of a company's ability to sustain itself. Sustainability is described by the CSD as development that meets the needs of the organization's stakeholders without risking the resources and interests of the local community. In addition, it requires the corporation to explore societal objectives, particularly those relating to sustainable development and environmental preservation, social justice, equity, and economic growth [1]. Cities and Villages Development Bank (CVDB) – Jordan is an official public institution with an independent, administrative, and financial legal personality. It was established in 1979 and since then it has been the sole bank in Jordan that is responsible for providing the required short and long-term funding for the establishment of service and production projects that are implemented by local councils (municipalities), managing and guaranteeing loans and grants that these councils need to provide basic services to local communities, as well as assisting local authorities in determining the priorities of their projects in light of their sustainability and economic feasibility. CVDB administers the council's funds collected by the government and offers consultancy, capacity building, financial, technical, and operational support services that guarantee the best implementation of the projects in accordance with best practices, and for the interest of Jordanian municipalities. In parallel, CVDB undertakes the financial and technical Administer to many grants from different parties, for the benefit of municipalities to implement sustainable projects, including Renewable Energy RE and energy efficiency. Why was CVDB chosen? What was the motivation to make that assessment? CVDB has made in the past few years, a qualitative change in the way of services for municipalities and partners alike, by focusing on the digital transformation with modern banking services, including the engineering of bank operations, the implementation of the ACH system, the automation of financial data, programming of audit reports, computerization of municipal financial systems, establishing Municipal Observatory, which is created as a unique platform in cooperation with the government and private sector and attached with municipalities to identify long and short term needs [2]. To measure the corporate sustainability of CVDB, an assessment was conducted from the perspective of the employees to evaluate the impact of the current situation and whether there is a need for some modifications to achieve optimal social, economic, and environmental sustainability. The article presents the measurement of the degree of satisfaction at CVDB, and whether there are differences in opinions according to the years of experience and job position. Thus, the article analyses the dimensions of sustainability to search for opportunities for future development. The following sections will provide a review of the literature on sustainable corporate development, before presenting the methodology and the conclusions.

LITERATURE REVIEW

According to studies, there is a clear connection between organizational culture and corporate long-term viability. The organizational culture is characterized as a system of views and concepts that explain life in the organization, defines people's behaviour and the kind of partnerships with others, describes it as a normal and conventional way of thinking and acting that is shared, more or less, by all members, and that newcomers must learn to embrace, at least in part, to be recognized in the company's operation. In turn, Edgar Schein described it as "a basic model of beliefs that a given group has invented, discovered, or developed while trying to deal with its problems of external adaptation and internal integration, and which have worked

well enough to be considered valid and, therefore, to be appreciated by new members as the correct way to perceive, think, and act". The creation of an approach that considers the needs of society is based on organizational culture, which reveals how members of an organization think. Thus, corporate culture is critical in fostering new ways of thinking and behaving in daily tasks, as well as an improvement in social and financial obligation to the community and future generations [3]. There are several definitions of corporate culture, some say that culture represents the unspoken code of communication among members, stakeholders, and partners of an organization, while others have described it as focusing on the concept of culture as "a collection of commonly shared and strongly held standards and beliefs in the organization", for two reasons, it is fair to use such a term. For a start, this concept is close to the one currently used in neoclassical economic models that incorporate culture: This cultural value variable is simpler to understand, which makes our analytical task easier since corporate values are essentially the prestige that an organization has built over time [4].

The concept of sustainability arises from the observation of an inequality between economic development and the environment, as a substitute for the economic approach of the parties involved in maximizing income. Industrial growth and opportunities are incompatible with the concept of sustainability. Meanwhile, seeking solutions that result in better representation of the concepts of sustainability and economy is a significant challenge. Multiple studies show that human actions are primarily responsible for environmental deterioration, and increasing its significance and expanding environmental legislation forces businesses to consider such a problem to become more diligent in their relationship with the environment [3].

Corporate culture evaluation and assessment has traditionally focused on organizational principles and on a value basis, corporate sustainability ideals are adopted by a change in employee values and morals toward more ethical and responsible values. In general, social sustainability refers to the company that tries to deal proactively with society and engage with its stakeholders by offering a socially and environmentally beneficial business venture [5]. New research suggests that policies represent an organization's underlying culture, a "culture of sustainability" in which environmental, social goals, and financial success, are critical. By outlining the principles and values that underpin the organization's priorities, these policies also help to create a deeper culture of sustainability, which lead us to define the sustainability culture as "the basic collection of values and expectations that individuals and groups in an organization share, and that regulate how they interact with each other and with external stakeholders". What impact does a sustainability culture have on performance? Is there a gap in governance structure between firms that adopt environmental, economic, and social policies and firms that do not, and if so, how? Are there more successful stakeholder engagement structures and longer periods in these businesses? What are the gaps between their systems for calculating and reporting? Most importantly, some academics believe that companies can "do better by doing well" on some fronts than others, this argument is founded on the belief that meeting the needs of other stakeholders, such as workers through capacity building and consumers through excellent customer service, generates value for shareholders directly. Based on data from a questionnaire survey to learn more and answer several posed questions, a valuation model has been developed that can be represented by a basic set of values that can be categorized in the overall value of sustainability, and a set of principles that support this foundation and are part of the company's mission [6].

The researcher's goal is to pay great attention to creating a comprehensive framework to define sustainability practices. Nowadays, there are serious concerns driving businesses in society towards sustainability, which has changed to refer not only to pollution and waste control, but also socio-economic efficiency. By implementing these concepts, organizations obtain economic benefits connected to social and environmental performance [7].

The triple bottom line theory to assess CS is considered one of the best ways for corporations to pursue sustainable development goals. That means development must consider all three sustainable key goals for improvement [8]. It is very important to note that since there are some interests that contradict each other between the company, stockholders, and customers, it is necessary to examine data related to Corporate Sustainability Performance (CSP) from an employee perspective to show how corporate performance will influence sustainability [9]. Some interesting results were that an organization's overall performance is affected by greening organizational operations, such as increased productivity, decreased cost, economic performance, inventiveness, and creativity. Proceeding from friendly environment management to improve internal processes as well as external advantages, environmental sustainability promotes economic profits. Therefore, sustainability and profitability are mutually beneficial, and there is a correlation between CSR programs and organizational success. Moreover, followers of CSR argue that practices have a positive effect on the bottom line: less threat, less expense, greater energy, and improved reputation [7]. Obviously, every system's effectiveness is dependent on decision-making, strategic planning and progress, and the selection of appropriate performance measures, in addition to the financial and non-financial metrics used to promote performance improvement based on thorough analysis. Although determining the impact of performance on client sustainability is not as straightforward as determining the impact of activities and performance on employee and sustainability levels, it can be defined as quantifying the quality and effectiveness of processes [10]. The definition of CS is "adopting business strategies and activities that meet the needs of the company and its stakeholders today while maintaining, sustaining, and enhancing the human and natural resources that will be needed in the future" [11] Many scholars have contributed to corporate sustainability, with many authors suggesting that corporate sustainability practices can be organized into value structures to improve financial efficiency [12, 13]. Ecoefficiency, socio-efficiency, eco-effectiveness, socio-effectiveness, sufficiency, and environmental quality were the six indicators used to measure corporate sustainability, used as a matrix that differentiated between companies at different stages of growth and their related institutional structures, to illustrate different levels of corporate sustainability achievement [14]. Some research has focused on the connection between organizations and reputations [15], while others have written about the industrial contexts [16], or about customer and end-user demands and sustainability concerns [17].

SOCIAL DEVELOPMENT

The concept of "social development" refers to a company's management strategy for lowering social inequality and categories, enhancing the quality of life, and strengthening connections with different stakeholders, to ensure stakeholder commitment to the company. The road to sustainability aims to have a major effect on both current and future stakeholder relationships [18]. To achieve social development an organization must go beyond legal frameworks [19] to be frank with consumers and workers, pay more attention to society's and employees' health and safety [20], respect stakeholder interests and stakeholder participation [21], and enhance public transparency. The process of addressing social issues is known as social issues management, while social consequences, social services, and other concerns, the company's obligations to the state, staff, and clients, as well as the employee's responsibilities to the company, are referred to as social responsibility [22].

ECONOMIC DEVELOPMENT

The company ought to consider measures that promote economic growth. rather than relying solely on financial results. One strategy for achieving such growth or long-term stability is value development, which is determined by subtracting capital expenditure from market price [23].

Competitive goods and environmentally friendly businesses and services can add value to a company's products and services [24]. Looking for methods for optimizing value development while lowering operating costs, and raising living standards and quality of life as well as collaborating with investors will help to increase value [25]. Although some practices will not directly lead to improved financial performance, they will have the potential to create value for stakeholders, resulting in long-term economic development. Value can be created by developing innovative products and/or services that consumers enjoy, and, as environmental concerns gain greater significance, green technology can be an effective strategy for organizations to achieve economic growth and competitive advantage [22].

ENVIRONMENTAL DEVELOPMENT

Environmental issues are related to a company's concept of how to conduct its work so that its final products have the least effect on the environment, land, air, and water. The aim of environmental development for an enterprise is to operate within the ecosystem's expansion rate by minimizing pollution, lowering resource usage, and reducing the corporation's ecological footprint [26] for example, by reducing water use, recycling waste, and redesigning products. As part of the realistic strategy, appropriate production methods that decrease waste and pollution are needed [27]. Environmental development best practices include reducing pollution, using inputs from environmentally friendly industries and products that will have a positive impact on living organisms, as well as adhering to regulations that reduce production costs in the long run [22].

METHODOLOGY

A questionnaire survey is considered the most appropriate method of objectively examining the level of understanding of sustainability drivers and issues among practitioners. Questionnaire surveys have been used in investigating and evaluating the CSD of CVDB from an employee's perspective, and to analyse the relationship between the core values regarding the three dimensions of sustainability beginning with how they relate to organizational culture.

The aim of the study is to analyse the economic, social, and environmental activities and services to reach the goal of increasing living standards and creating technological development in the concerned sectors.

DATA COLLECTION, SAMPLING AND MEASURES

Data was gathered through a questionnaire from the target respondents. A 5-point Likert scale was adopted for the questionnaire survey. A Google Forms questionnaire with a cover letter for the targeted sample was distributed online. The 149 respondents varied according to education level, title position and experience. The questionnaire was developed based on CSD measures. The performance instrument involved 18 questions using 5-point scales ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) and some general information questions.

RESULTS

A descriptive analysis of the relationship between organizational corporate sustainability and the identification of the values supporting the organisation was conducted by evaluating the social, economic, and environmental dimensions towards sustainability.

The questionnaire survey was divided into two sections: general demographic information and the concept of sustainable regeneration to gather key information relating to the concept of the three sustainability dimensions. The following represents the descriptive analysis showing the responses of the employees and illustrating the analysis for each sustainability dimension for

categories and subcategories as shown. The questionnaire analysis shows that Cronbach's alpha reliability statistics, Cronbach's $\alpha = 0,94$ for the 18th question, suggests that the items have relatively high internal consistency, since the reliability coefficient that exceeds 0,70 is considered "acceptable" in most social science research situations. On the other hand, to make sure that the phrases are understandable and clear to the participant and do not need to be modified, changed or reformulated, the validity of the measurement of the correlation between variables was checked using the Pearson Coefficient test, which was found statistically significant at 0,05 level. In addition, Chi-square test of independence was applied, and the statistical significance level was chosen as 95% confidence which was found significant.

Radar charts below show the responses according to their classifications. The descriptive statistics analysis was conducted to explore the participants' response and to understand their attitude and reactions, while the characteristics of the variables, which were collected in the questionnaire survey, were divided into three sections social, economic, and environmental.

The figures represent the sustainability satisfaction (agree and strongly agree) and dissatisfaction (disagree and strongly disagree) classified by dimensions and demographic information.

For employees with less than 16 years' experience, Figure 1a below shows that social sustainability satisfaction (agree and strongly agree) accounted for more than half of the respondents' votes, and fewer respondents were unsatisfied 14% (disagree and strongly disagree), showing that there is some opposition, but it is not widespread. Economic sustainability shows that 48% of the respondents are satisfied, indicating widespread support for economic sustainability measures. Meanwhile, regarding environmental sustainability, neutral responses are most prevalent at 31%, indicating a considerable lack of a strong opinion on environmental sustainability efforts, and disagreement at 32% is substantial, indicating dissatisfaction with environmental initiatives.

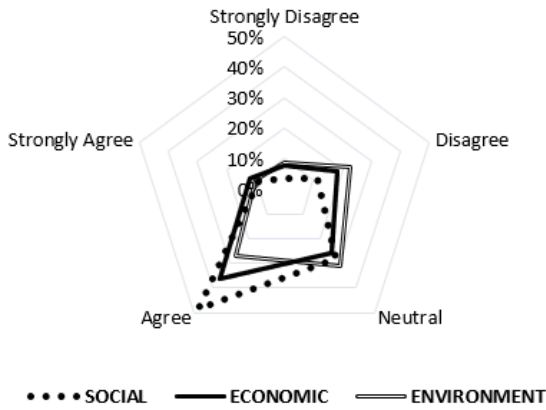
For employees with 16 years' experience or more, Figure 1b below shows that social sustainability satisfaction reaches for this category 62% indicating that the majority of respondents view social sustainability initiatives positively, while 17% of the respondents are unsatisfied: Economic sustainability shows that almost half of the respondents are satisfied, while 21% of them are unsatisfied. Environmental sustainability shows that almost one-third of the respondents are satisfied, one-third are unsatisfied, and one-third are neutral.

For employees in managerial positions, Figure 1c shows that social sustainability satisfaction reaches the highest score in this category, with 84%, while 7% of the respondents are unsatisfied. Economic sustainability shows 48% of the respondents are satisfied, while 26% of them are unsatisfied, and for environmental sustainability almost half of the respondents are satisfied and 32% of them are neutral.

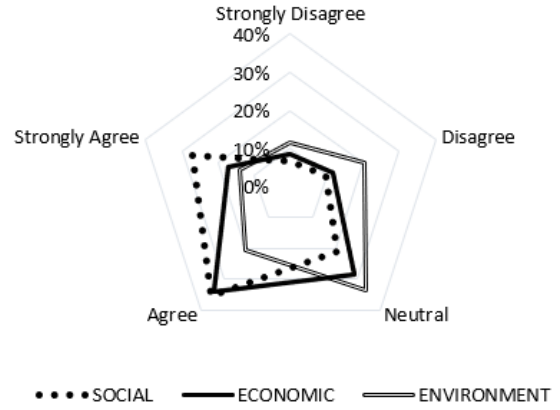
For employees in non-managerial positions, Figure 1d below shows that social and economic sustainability satisfaction takes up almost half of the respondents' votes; nearly 50%, while 19% and 21% of the respondents are unsatisfied with the social and economic sustainability respectively. Regarding environmental sustainability, less than the third are satisfied and 37% are unsatisfied.

Figure 2 represents the CSD for the three sections, taking into consideration all demographic information factors. Social sustainability satisfaction reaches 60% of the total respondents, while almost 16% of the respondents are unsatisfied, Economic sustainability shows almost half of the respondent are satisfied while 26% of them are unsatisfied, and for environmental sustainability, 36% of the respondents are satisfied and almost 22% are unsatisfied.

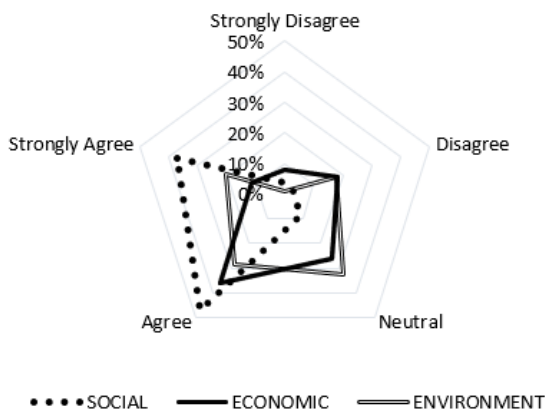
a-Experience less than 16 years



b-Experience 16 years or more



c- Manager Position



d-Non-Manager Position

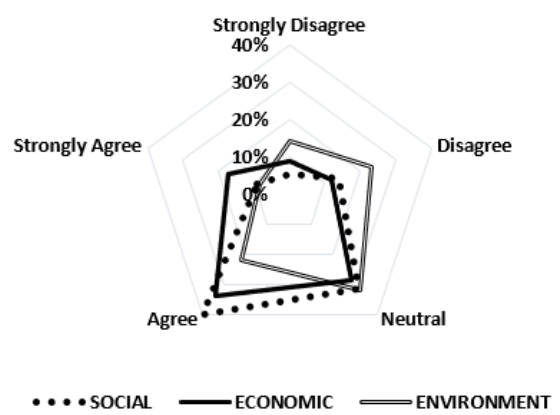


Figure 1. Sustainability Dimensions for each demographic variable.

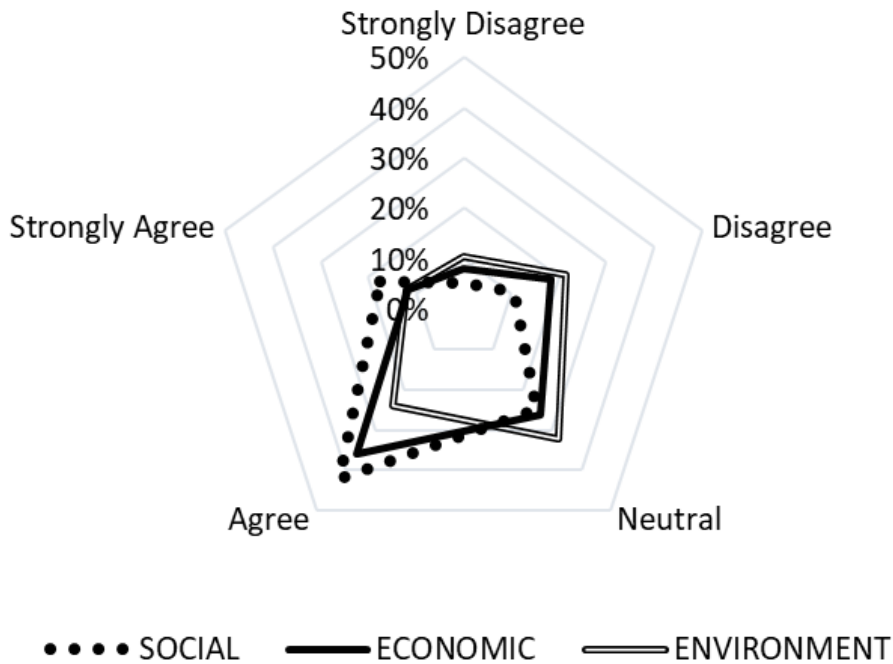


Figure 2. Corporate Sustainability Dimensions.

CONCLUSION

Taking the demographical variables into account, it was determined that the data were statistically significant, at the level of statistical significance ($\alpha = 0.05$), and the reliability and validity results are acceptable at their statistical threshold rates.

For the sustainable dimension analysis, it was found that social sustainability has the highest percentage of support and approval, followed by economic sustainability, although some proportions of the respondents are neither positive nor negative (neutral) regarding social and economic sustainability, which may suggest conflicting opinions regarding some matters related to these dimensions.

Environmental sustainability faces the highest opposition and the least support, suggesting that this may be the most controversial issue and due to a lack of visible results, this dimension mostly leans towards a less favourable view. Neutrality is considered the highest in this dimension, which may reflect uncertainty and complexity suggesting significant room for improvement in how these initiatives are designed, implemented, or communicated.

Finally, more attention must be paid to environmental activities, and innovative approaches are necessary, taking into consideration the reduction of negative impacts on the company's long-term viability, while also reducing any negative environmental impacts of the company's products and services. Risks must be reduced by implementing environmental restorations, taking serious actions, and performing environmental auditing, as well as increasing the awareness of the importance of environmental sustainability.

REFERENCES

- [1] Borca, C., et al.: *Corporate Sustainability Perspective in the Context of a Multi-Level Stakeholder Management*. TIIM Joint International Conference. Managing Intellectual Capital and Innovation Sustainable and Inclusive Society, Bari, 2015,
- [2] Cities and Villages Development Bank: *General Information*. <https://portal.jordan.gov.jo/wps/wcm/connect/gov/eGov/Government+Ministries+ +Entities/Cities+and+Villages+Development+Bank/General+Information>, accessed 15th June 2023,
- [3] Tatarusanu, M. and Onea, A.: *Organizational Culture and Values for Corporate Sustainability*. <https://growthoriented sustainable entrepreneurship.wordpress.com/wp-content/uploads/2016/07/oc-organizational-culture-and-values-for-corporate-sustainability.pdf>, accessed 15th June 2023,
- [4] Guiso, L., et al.: *The value of corporate culture*. Journal of Financial Economics **117**(1), 60-76, 2015, <http://dx.doi.org/10.1016/j.jfineco.2014.05.010>,
- [5] Linnenluecke, M.K. and Griffiths, A.: *Corporate sustainability and organizational culture*. Journal of World Business **45**(4), 357-366, 2010, <http://dx.doi.org/10.1016/j.jwb.2009.08.006>,
- [6] Eccles, R.G.; Ioannou, I. and Serafeim, G.: *The impact of corporate sustainability on organizational processes and performance*. Management Science **60**(11), 2835-2857, 2014, <http://dx.doi.org/10.1287/mnsc.2014.1984>,
- [7] Khattak, S.R.; Saeed, I. and Tariq, B.: *Corporate Sustainability Practices and Organizational Economic Performance*. Global Social Sciences Review **3**(4), 343-355, 2018, [http://dx.doi.org/10.31703/gssr.2018\(iii-iv\).22](http://dx.doi.org/10.31703/gssr.2018(iii-iv).22),
- [8] Sojin J. and Ha-Brookshire, J.: *Perfect or Imperfect Duties? Developing a Moral Responsibility Framework for Corporate Sustainability from the Consumer Perspective*. Corporate Social Responsibility and Environmental Management **24**(4), 326-340, 2017, <http://dx.doi.org/10.1002/csr.1414>,

- [9] Mahmud, A., et al.: *Remuneration, Motivation, and Performance: Employee Perspectives*. KnE Social Sciences **3**(10), 68-76, 2018, <http://dx.doi.org/10.18502/kss.v3i10.3119>,
- [10] Rajnoha, R. and Lesníková, P.: *Strategic Performance Management System and Corporate Sustainability Concept - Specific Parametres in Slovak Enterprises*. Journal of Competitiveness **6**(3), 107-124, 2016, <http://dx.doi.org/10.7441/joc.2016.03.07>,
- [11] Munton, R. and Collins, K.: *Government Strategies for Sustainable Development*. Geography **83**(4), 346-357, 1998, <http://dx.doi.org/10.1080/20436564.1998.12452669>,
- [12] Dyllick, T. and Hockerts, K.: *Beyond the business case for corporate sustainability*. Business Strategy and the Environment **11**(2), 130-141, 2002, <http://dx.doi.org/10.1002/bse.323>,
- [13] Montiel, I.: *Corporate social responsibility and corporate sustainability: Separate pasts, common futures*. Organization and Environment **21**(3), 245-269, 2008, <http://dx.doi.org/10.1177/1086026608321329>,
- [14] Van Marrewijk, M. and Werre, M.: *Multiple Levels of Corporate Sustainability*. Journal of Business Ethics **44**(2-3), 107-119, 2003, <http://dx.doi.org/10.1023/A:1023383229086>,
- [15] Hilton-Jones, D.: *Book review*. Neuromuscular Disorders **21**(7), 530, 2011, <http://dx.doi.org/10.1016/j.nmd.2010.11.007>,
- [16] Pitt, M.: *Trends in shopping centre waste management*. Facilities **23**(11-12), 522-533, 2005, <http://dx.doi.org/10.1108/02632770510618480>,
- [17] Nousiainen, M. and Junnila, S.: *End-user requirements for green facility management*. Journal of Facilities Management **6**(4), 266-278, 2008, <http://dx.doi.org/10.1108/14725960810908136>,
- [18] Ebner, D.: *Assessing corporate social responsibility: CSR-scan*. Corporate Responsibility Research Conference. University of Leeds, 2007,
- [19] del Mar García de los Salmones, M; Herrero Crespo, A. and Rodríguez del Bosque, I.: *Influence of corporate social responsibility on loyalty and valuation of services*. Journal of Business Ethics **61**(4), 369-385, 2005, <http://dx.doi.org/10.1007/s10551-005-5841-2>,
- [20] Baumgartner, R.J. and Ebner, D.: *Corporate sustainability strategies: Sustainability profiles and maturity levels*. Sustainable Development, **18**(2), 76-89, 2010, <http://dx.doi.org/10.1002/sd.447>,
- [21] Geibler, J., et al.: *Accounting for the social dimension of sustainability: Experiences from the biotechnology industry*. Business Strategy and the Environment **15**(5), 334-346, 2006, <http://dx.doi.org/10.1002/bse.540>,
- [22] Chow, W.S. and Chen, Y.: *Corporate Sustainable Development: Testing a New Scale Based on the Mainland Chinese Context*. Journal of Business Ethics **105**(4), 519-533, 2012, <http://dx.doi.org/10.1007/s10551-011-0983-x>,
- [23] Hillman, A.J. and Keim, G.D.: *Shareholder value, stakeholder management, and social issues: What's the bottom line?* Strategic Management Journal **22**(2), 125-139, 2001, [http://dx.doi.org/10.1002/1097-0266\(200101\)22:2%3C125::AID-SMJ150%3E3.0.CO;2-H](http://dx.doi.org/10.1002/1097-0266(200101)22:2%3C125::AID-SMJ150%3E3.0.CO;2-H),

- [24] Bowman, C. and Ambrosini, V.: *Value Creation Versus Value Capture: Towards a Coherent Definition of Value in Strategy*.
British Journal of Management **11**(1), 1-15, 2000,
<http://dx.doi.org/10.1111/1467-8551.00147>,
- [25] Fowler, S.J. and Hope, C.: *Incorporating sustainable business practices into company strategy*.
Business Strategy and the Environment **16**(1), 26-38, 2006,
<http://dx.doi.org/10.1002/bse.462>.
- [26] Lindgreen, A., et al.: *Purchasing and marketing of social and environmental sustainability for high-tech medical equipment*.
Journal of Business Ethics **85**(2), 445-462, 2009,
<http://dx.doi.org/10.1007/s10551-008-9740-1>,
- [27] Rueda-Manzanares, A. et al.: *The influence of stakeholders on the environmental strategy of service firms: The moderating effects of complexity, uncertainty and munificence*.
British Journal of Management **19**(2), 185-203, 2008,
<http://dx.doi.org/10.1111/j.1467-8551.2007.00538.x>.