Business, Digitalization and Sustainability

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Abstract

This research paper aims to discuss the concept of Business, Digitalization and Sustainability in an organisation which is essential as a part of the Company Globalization and Workforce Demographics in the contemporary scenario. This concept has been a fragment in companies to monitor the operations and mechanisms of Human Capital by considering the same as a part of their policies. In order to handle the Talent Metrics, these innovative approaches are highly needed which would in return lead to better collaborations and finer results by the company to help them handle the barriers and synchronise with the upcoming trends in the competitive market thus aiming on high class delivery of outcomes, practices, self-growth and career development.

With the advent of technology, this approach and various strategies help in increasing company profitability and also generates value to the customers. Diversity encompasses race, gender ,age ,national origin and any personal characteristics whereas Workplace diversity comprises the differences among individuals in an organisation to promote acceptance and teamwork .Practically applied strategies for the development of the overall in- house framework as a whole creates a sense of belongingness and morale and can be categorised under an Inclusive workforce which helps to create solutions and overcome obstacles among the human resources .Inclusivity in the workforce thrives to improve the overall wellbeing of the organisation and its culture with the constant goal of being an essential part of the corporate realm to promote Equity and Standard Operating Procedures starting from the highest supervisor to the departmental manager or the newest employee .A successful sustainable development in a workplace with emerging technological up gradations establishes a platform for fostering strategic methods which is crucial in today's professional climate.

Keywords: Human Capital, Talent metrics, Diversity, Inclusivity

Introduction

For businesses all over the world, the COVID-19 pandemic proved to be one of the greatest leadership challenges of their careers. Not only they had to protect the health of their employees, customers, stakeholders and company but also had to navigate far to reach disruption to their operations, plan for recovery, and prepare to re imagine their business models for the 'next normal'.

In this challenging context, the task of fostering business practices with digitalisation, sustainability, inclusion and diversity came into light. This report shows how these practices as a whole are a powerful enabler of business performance. Companies whose leaders welcome diverse human talents are likely to emerge from the crisis strongly and aim towards development of workforce.

The business case for inclusion and diversity is stronger than ever supporting the new era. For diverse companies, the likelihood of outperforming industry peers on profitability has increased over time. A

close look at these winners show that a systematic, business-led approach and bold actions are needed to make a progress.

Literature Review

- **McKinsey(2021)**

  They consider that the leaders of companies have not only been recognized as "digital lighthouses" but as "sustainability lighthouses" and have demonstrated fantastic results on improving the environmental sustainability of their operations while also achieving fantastic breakthrough performance in other dimensions. They are showing what is possible in terms of delivering not only great economic results but also great environmental results.

- **Morgan Stanley(2021)**

  Morgan Stanley's diversity and inclusion strategy is designed to drive meaningful and sustainable change firm wide and helps to achieve the same. It informs the way they engage and support employees, as well as how they serve their clients, investors, and the diverse communities in which they operate.

- **JP Morgon Chase (2020)**

  They are committed to developing a strong, diverse bench of talent across the firm, with a dedicated focus on the pipeline for senior leadership positions. Their global leadership development program, Leadership Edge, helps train managers and leaders to drive results, support their teams, lead inclusively and grow talent.

- **Lenovo(2019)**

  Lenovo's Supplier Diversity Program mission focuses on creating a sustainable growth .They are committed to maximizing the inclusion of Small, Minority, Women Veterans,Service Disabled Veterans, Disabled LGBT communities located at Historically Underutilized Business Zones(HUB Zones).

- **Forbes Innovation(2022)**

  Digital transformation remains the best chance for them to compete, deliver a great customer experience and unlock future success. However, erratic supply chains, geopolitical unrest, a hybrid workforce and a heightened regulatory environment mean it is imperative for organizations to balance the opportunities digital transformation.

Research Gap

The literature reviews of various companies convey about their strengths and about their competitive edge in the market. However, in a company the focus on vast spread of leadership programmes and its application throughout the firm is by including all the communities and support chains and encouraging employee encouragements amongst all individuals.

With the advent of the Industrial Revolution 4.0, the global economy and the corporate cultures are facing a paradigm shift and hence the resource availability and outcomes have to be planned for a business to sustain having elements of digitalisation.

Statement of the problem

Due to the need for existence and smooth sustainability of a business the concepts of digitalisation, diversity and inclusivity in a workplace come into existence. Strategies have to be

developed to implement the same, in all the companies which have the potential to grow and thus we arrive at the present study on: Business, Digitalization and Sustainability.

Objectives

- Understanding the need for Digitalisation and Sustainability in a business.
- Methods/Ways to incorporate and practice the same in Businesses / Corporates.
- Various merits and Strategic benefits to increase the Value of the Company as a whole.

Research Methodology

Research methods can generally be classified as quantitative and the qualitative approaches.

- Quantitative approaches are originally used while studying pure sciences like: laboratory experiments, survey methods and numerical methods.
- Qualitative approaches are used when the researcher wants to get a deeper understanding on a specific topic or situation like interviews, questionnaires, observations, documents and the researcher's impression and reactions.

The chosen approach is **Qualitative** in nature.

However this research contains both the primary and secondary qualitative data sources with the dominance towards the secondary sources and includes, short interviews and brainstorming sessions conducted with the employees and proprietors of certain companies (TCS) and data from websites of prominent companies, books, search engines and journals.

Discussion : Analysis and Interpretation

The success of any company would primarily be constituted with its strengths over its competitors and majorly on improving and working on its weaknesses to convert them into a boon.This requires constant involvement and adapting themselves to the emerging trends of technology to sustain in the long run with constant practice.

Digitalisation:

The use of digital technology is large in business and daily life. The number of active web users globally is over 3 billion, close to half the world's population. Two million smartphones are sold around the world every day. Digital technologies have changed how we communicate as the customer drives digital transformation. Hence, for B2C businesses, increasing digital maturity to meet the needs of consumers is paramount because they can instantly vote with their cyber choices. More than 250 million new applications or services are set to enter the digital economy by 2024.

The need for Digitalisation in a business would be to :

- Increase efficiency and productivity
- Lower operational costs
- Improve customer experience
- Enhance employee morale
- Improve communication and faster decision making
- Increase transparency

- Improve competitive advantage

The advantages of digitalization in a business domain particularly are:

1. **Streamlining processes –**Every business is continuously looking for innovative methods to improve efficiency. When a business process is automated, one can expect reliable outcomes and helps to achieve greater transparency and fairness.
   One of the most significant advantages of digitalization is that it reduces the time taken, the effort necessary to complete it, and the cost of doing it rightly.

2. **Higher productivity –** When we automate manual repetitive processes, the employees are free from monotonous job tasks and this allow them to focus on more difficult and innovative initiatives that will help the business function more efficiently and with fewer mistakes.

3. **Reduce operational costs –**Every business owner's objective is to save time and money. Manual tasks and processes are intrinsically slower than automated activities since they are conducted one at a time. Digitalization enables the most efficient and cost-effective use of core resources.

4. **Increase transparency –** Depending on the process to automate (financial, billing, collections, sales, support), critical metrics can be gathered and reported to provide the crucial information required.Transparency in business processes is critical for long-term success.
   Higher management will have more faith in how things are done,well-documented processes and transparent workflow boost an organization's visibility. When leaders visualize processes, they can immediately identify bottlenecks and opportunities.

5. **Quality and consistency –** One of the most important advantages of digitalization is that it guarantees that each operation is carried out in a consistent manner, resulting in high-quality output yielding more feature-rich products.

6. **Less human error –** When operations are automated, the likelihood of human error is considerably decreased.When it comes to doing tasks, humans are more prone to error than machines.

7. **Governance and reliability –** Because automated processes are consistent, one can rely on them for running a business and providing reliable value to the clients, giving a competitive edge. Workflow automation's dependability guarantees that critical corporate governance operations are carried out in compliance with the law.

8. **Enhanced agility and response –** Businesses must stay up with the fast-paced digital environment. They must be able to swiftly respond to any market shift or a new opportunity. Organizations should be agile enough to shift directions rapidly and to do so, agile techniques should be adopted across all departments.

9. **Improved employee morale and faster decision making –** When employees are required to focus on manual repetitive tasks, it reduces their ability to learn, develop, and advance professionally. Employees benefit from digitalization since it automates these repetitive activities, allowing them to engage in more significant initiatives and so enhancing their morale.
   Digitalization and information management work hand in hand, as information is analyzed, transformed into knowledge and knowledge leads to better decisions.

Ways to adopt Digital Transformation

1. Hybrid Work

Hybrid work is a flexible working style in which people work part-time at a physical office and part-time from home or another location. This began to be a trend in digital transformation at a worldwide level after the pandemic.

2. Intelligent Search

Intelligent search has other names such as natural language search, AI-powered search and cognitive search. Artificial intelligence (AI) technology allows intelligent search to break down data, allowing employees and customers to discover the information they need within less than seconds. End-users can use intelligent search to retrieve information from any location and data set.

3. Customer Data Platforms (CDPs)

A customer data platform (CDP) is software that gathers and organizes first-party customer data from many sources to create a single and comprehensive view of each customer. It is bundled software that builds a comprehensive customer database that other systems and can access to analyse, track, and manage customer interactions.This is how a CDP helps you make decisions and take firm steps in your business.

4. AIOps and Machine Learning

Artificial Intelligence for IT Operations (AIOps) is defined as the application of AI or similar technologies, such as machine learning to IT operations.AIOps helps IT operations (IT Ops), development operations (DevOps) operate smarter and faster by using algorithmic analysis of IT data to detect and resolve digital-service issues before they leave an impact on business operations and customers.Doing so prevents failures, ensures uptime, and provides service assurance.

5. Integrated Agile, DevOps, and ITSM Platforms

The management aims at end-to-end delivery of IT services to clients and this is known as IT service management (ITSM). For businesses of various industries looking to modernize their DevOps, ITSM platforms, and agile workflows, automation and integration are essential digital transformations.

The overall result would be an ultimate success in meeting the market needs, excelling in the modern competition, maintaining user satisfaction, and keeping teams aligned and productive.

Sustainability:

The term sustainability is used to refer to an environmental and business sustainability. Environmental sustainability focuses on a way that ensures future generations to have the natural resources available to live an equal, if not better, way of life as current generations. The goals encompass social, environmental, and economic aspects.

Some of the global issues that sustainable business strategies help to address include:

- Climate Change
- Income inequality and Fair working conditions
- Depletion of natural resources and Pollution
- Human rights issues
- Racial injustice and Gender inequality

Approaches to Sustainability

1. **Green Design.** Efforts that optimize individual aspects of product design, for example, replacing virgin plastics with recycled plastics.
2. **Eco-Design.** Focuses on the life cycle of the entire product. For example, selecting low-impact material choices, optimized manufacturing, efficient distribution, and optimized product lifetime.
3. **Design for Sustainability.** Design for sustainability includes design for symbolic and visual communications, design for material objects, design of activities and organized services and design for complex systems or environments for living, working, playing, and learning.
4. **Transformative Design.** Includes all of the above and adds the design of entirely new ways of thinking about the human experience in the future.

An Example of Sustainable Innovation in business

Green Buildings - Leadership in Energy and Environmental Design or LEED is an international symbol of sustainability excellence. LEED's proven and holistic approach helps all building types lower carbon emissions, conserve resources, and reduce operating costs . With the increased demand for green and healthy materials, efficient equipment and fixtures, green buildings became cost-effective and achievable.

Some Key points include :

1. The **Sustainable Development Goals** (SDGs) of the United Nations make tangible improvements to the lives of their citizens. The goals encompass social, environmental, and economic aspects.
2. The **Ivey Innovation Learning Lab** is a new approach to learning that builds unique insights from leading academic thinking and peer-to-peer dialogue with fellow leaders. Participants come from business, government, and academia.
3. Design for sustainability involves transforming linear thinking into **cyclical thinking**. The circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.

Importance of Sustainability by enhancing Digitalisation in Business

Traditional business models have been compelled to "adapt" sustainability in order to meet new market needs as a result of the global shift toward green consumerism as environmental degradation and climate change becomes more widespread and prevalent through :

- Digitizing operations
- Implementing innovative technologies like block chain, cloud, AI, and advanced analytics
- Data sharing with partners

Green Lifestyle and Green Consumption

The concept of green living and consumption has become increasingly popular throughout the world, particularly in developed countries and is rapidly expanding to middle-income and higher-income developing countries. The conscious purchase and use of ecologically-friendly products that do not impair human health or threaten the natural ecosystem are referred to as green consumerism. It stems from a desire to safeguard resources for future generations while also enhancing human life quality.

COVID-19 has prompted consumers to pay more attention to their health and the environment and to actively seek out products that are socially responsible. Green and environmentally-friendly products are prioritised as a key criterion for high-quality products and services as part of green consumerism.

Green IT framework in companies

"Green IT" is an umbrella term for ensuring environmentally and socially sound IT systems and applications. It aims to minimize the negative impact of IT operations on the environment by designing, manufacturing, operating, and disposing of computers and computer-related products in an environmentally friendly manner.

1. **Green workplace:** A workplace that is environmentally sensitive, resource-efficient, and socially responsible, that benefits an organization by reducing energy consumption and unused hardware, enhancing brand reputation and increases employee satisfaction. Green workplaces encourage behaviours such as reducing and avoiding unnecessary video streaming and making more conscious choices like turning off plugged-in devices that are not in use. Going paperless by expanding the use of collaborative tools like green cloud service, deleting junk or unwanted mail and dimming monitors.

2. **Accessibility and inclusivity:** Enterprises should take responsibility for creating accessible and inclusive digital technology through the ways they design, use and maintain digital assets. A green IT strategy should consider developing technologies that are accessible to everyone, including those with different physical and cognitive abilities.

Why Sustainability is Important in Business

Sustainability initiatives can contribute to an organization's overall success and can boost a company's profitability. Environmental, social, and governance (ESG) metrics are often used to determine how ethical and sustainable an organization is. Companies with high ESG ratings consistently outperform the market in both the medium and long term. While sustainability strategies might be an investment in the short term, they can lead to long-term benefits like :

- Ensuring economic ,social and environmental sustainability
- Improving brand image and competitive advantage

Benefits of sustainability in business

- Mitigating risks and high Competitive Advantage
- Ensuring Purpose-Driven goals
- Increasing market for Sustainable Products

Steps to be adopted by businesses to develop sustainability

1. Defining clear business goals
2. Building an effective business management system
3. Constantly developing and innovating business processes

Examples of companies adopting sustainability in the New Business Era

In the fashion sector, fashion brands like Nike, Adidas, Zara, H&M and others have taken steps toward sustainable production, helping to reduce environmental stress and climate change.

- Nike has committed to using 100% renewable energy in its factories by 2025
- Zara has committed to use only organic or recycled cotton, linen, and polyester to create garments by 2025, limiting hazardous production and
- H&M currently uses 35% recycled materials in its products and aims to use only this material by 2030.

  In adopting sustainable production,
- German car manufacturer BMW has launched its i3 electric car, using a technology that saves 50% of energy and 70% of water, where 95% of the vehicle's structure can be recycled.
- Swedish furniture IKEA is also moving towards single-use plastic products in its stores and restaurants, with the goal of reducing its overall climate impact per product by 70%.

Hence these companies focus on "The 3 Ps" namely :

- People
- Planet
- Profit

Contemporary Example of Business, Digitilization and Sustainability

TCS (Tata Consultancy Services) which strictly adheres to its policies :

The Asia Pacific Digital Sustainability Index tracks how enterprises adopt and leverage the digital technology for sustainable outcomes.

The Digital Sustainability Index

TCS collaborated with the Centre of Digital Enterprise (CODE) at the University Of Auckland Business School to create an Asia Pacific focused framework that helps to inform the best practice capabilities demonstrated by leaders, leveraging digital use for sustainability.

This study enables leaders to understand the organisational and technological factors that successfully leverage digital assets, infrastructure and tools for sustainable performance within organisations.

Key findings post implementation of these policies at TCS include :

- Increase in organisational value- 87%
- Increase in market reputation- 80%

Diversity, Equity, and Inclusion

TCS builds a culture of equal opportunity and Diversity Initiative Programmes to nurture and strengthen an inclusive and equitable culture, where each individual feels seen and heard where their contributions are respected and valued.

They have initiatives like 'LeaD' at TCS , Recognition and Reward system for good performing employees. They have:

- 613k employees and 88% millennials
- 153 nationalities represented across the globe
- 35.7% women workforce
- 84% executive roles (including women employees at large)

Conclusion

Digital transformation and sustainability creates a competitive advantage. However, the impact of digital use on emissions and broader environmental and social areas needs active consideration in a company's sustainability journey to minimize the negative impact. There are continuous evolving processes and an enterprise needs to know the technological opportunities and business benefits which enhance value. Digital technologies can enable a company's decarbonisation strategy and accelerate its sustainability index.

- Organizational motivations have to be made which affect the sustainability progress and role of the board and executives.
- Technological factors that are leading to leveraging digital assets, infrastructure and tools for sustainable performance should be incorporated.
- The value of Digital Sustainability must be captured which would harness the ecosystem as an accelerator for Digital Sustainability.

Digital Sustainability can deliver a competitive advantage and is a core belief held by companies leading to inclusive growth. Adding sustainability to digital transformation can help in achieving desired outcomes, revitalise our planet, create transformational ecosystems, address inequality and help us in our journey to a more sustainable and resilient future.

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