

# “PROFITABILITY AND SUSTAINABILITY: LONG TERM SURVIVAL”

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## ABSTRACT

*Local air and water pollution in Haryana many more other challenges facing due to corporate execution on daily basis by a common man. The issue is whether company considers the social responsibility. Nowadays, stakeholder recognizes the responsibility and importance of sustainability. The main goal of this paper is to highlight the relevance of social responsibility for the long term survival by the businessman for profit purpose. this paper suggest that they may have made up a system for improved costing, capital budgeting , performance evaluation or product design actually they are not develop an integrated plan of sustainability.*

***Keywords:*** *competition, sustainability, long term survival.*

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## INTRODUCTION

Competitiveness is a market feature to give the right to manage and assess the society resources primarily to those who use them most efficiently. In different economic or management encyclopedias and vocabularies, competition is described as a contention of producers and traders for better farming and goods' realization conditions as well as for the entrench in the market, noting that competition stimulates culture development of economics and management and leads ineffectively working producers to bankruptcy.

Sustainability has been defined as economic development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. For businesses, this includes issues of corporate social responsibility and citizenship along with improved management of corporate social and environmental impacts and improved stakeholder engagement.

In this description the main point of competition is revealed, but for identifying the competitive producers or characteristics of their systemic view towards competitiveness factors or circumstances upholding competitiveness, costs and outcomes of factors to reach certain level is needed. Still identification of such system, revealing levels of competitiveness factors, needed means and extent of costs, as well as integrated interaction outcomes of these factors, is a difficult problem and difficulty grows as the competing subject changes, ie when we shift from separate subject to overall region or country as a subject (Aiginger 2006).

The content of competitiveness conception can and should be different as the subject itself changes, as well as the activity environment of this subject. Development of competitiveness – it is the identification of competitiveness factors and their appearance circumstances, – and

creation and realisation of their fostering and development mechanism. Sustainable competitiveness development or competitiveness sustainability insurance – it is the realization of above-mentioned circumstances and mechanisms, after choosing a certain competitiveness development guarantee and risk management tools. For countries, where resident business does not dispose higher technologies, or countries which do not have strategically important natural resources and which have just soaked up fundamentals of market economics (eg Lithuania, Latvia), it is necessary to insure that every business unit, every decision of government, every feet of its territory would become competitive and completely responsible for their survival and value, if these countries want to become equal EU members (Poland Competitiveness... 2007; Tumpel-Gugerell 2007). Along with that, the sustainability of the competitive powers growth is the cornerstone of success.

## **REVIEW OF LITERATURE**

Although the natural environment clearly is a very important element of sustainability, sustainability is much more than a function of the natural environment alone (Global Environment Facility 1998). Sustainable development has taken the center stage in strategic planning initiatives.

According to the World Commission on Environment and Development (1989), sustainable development is defined as “development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.” Clearly, this concept reflects a much broader societal alarm about degradation and depletion of natural resources. But tourism is becoming, more than ever before, sensitive to and dependent on a high-quality sustainable environment (Eccles 1995; Ing 1995; Nelson, Butler, and Wells 1993).

## **CASE STUDY**

### **WAL-MART: THE PARADOX OF MANAGING SUSTAINABILITY**

Wal-Mart has been under much scrutiny from social activists. The company faces an enormous challenge in balancing low prices with various social concerns. The essence of the Wal-Mart business strategy is to offer products to the consumer at the lowest price possible. But critics say that Wal-Mart achieves this by paying its employees lower than a living wage, not providing an adequate employee healthcare plan, and forcing local businesses to decrease their wages. It is also challenged by activists regarding the sourcing of its products and the impact on employees in foreign factories that manufacture its products. For these reasons, some communities have stopped Wal-Mart from entering their neighborhood. Additionally, Wal Mart’s environmental footprint is huge. It is the largest private user of electricity in the United States and has the country’s second largest fleet of trucks. It also has the potential to have a substantial impact on sustainability through its supply chain with over 60,000 suppliers. Wal-Mart is making an effort to become more sustainable. CEO Lee Scott has articulated several goals: reducing solid waste by 25% over three years, eliminating 30% of energy used in stores, doubling the efficiency of the vehicle fleet over ten years. It is also offering products to appeal to a larger customer group including organic foods. Consequently, it has become the biggest seller of organic milk and the biggest buyer of organic cotton in the world.<sup>6</sup> Wal-Mart is also addressing its stakeholders. Scott has said, “We’re trying not to look at critics as annoyances . . . We’ve changed as a company. We’re getting past the dea that everyone who criticizes you has an ulterior motive and wants you to ail.” However, critics continue to question whether Wal-Mart will succeed in its plans and whether its intentions are credible. Some have called its efforts publicity stunts and empty

promises.<sup>8</sup> But others see this as the world's largest retailer making a new and important commitment to sustainability. And, when companies as large as Wal-Mart make changes in their worker and environmental practices, they can move throughout their global supply chain. But trying to simultaneously improve sustainability performance while maintaining the low pricing that is critical to its strategy and its consumers is a considerable challenge. This is at the center of achieving excellence in social and financial performance and making sustainability work.

### **SUSTAINABILITY AT CEMEX**

CEMEX, a leading global cement company headquartered in Mexico, has been recognized for its commitment to sustainability. Since launching its Eco-efficiency Program in 1994, CEMEX believes it has saved over \$60 million. This achievement was primarily due to the following:

- Developing and implementing new technology
- New plant design
- Recycling and reusing materials
- Reusing wastes as alternative fuels
- Using alternative raw materials
- Selective mining techniques

Patrimonio Hoy (PH) is a program that CEMEX developed to promote social and economic development in Mexican communities. PH allows low-income families to obtain services, cement, and other building materials on credit. CEMEX organizes the customers into groups of three families, which collectively pay off the debt. The program has served more than 100,000 families since 1998 and its net profits exceed \$1.3 million.<sup>11</sup> Identifying the impacts created by an industry can aid in the development and implementation of a sustainability strategy. The cement industry embarked on a collaborative research project to identify the challenges and opportunities in achieving sustainability. The environmental issues include:

- Depletion of nonrenewable resources (i.e. fossil fuels)
- Impacts of resource extraction on landscape and environmental quality
- Dust emissions
- Other emissions including nitrogen oxides, sulfur dioxide, and carbon monoxide

The industry has positive and negative social impacts. Communities are concerned about health effects, worker safety, noise, and dust. On the other hand, in many developing countries, cement companies are contributing to improved roads and sewers and training workers. The economic issues include job creation and economic growth due to the development of cement facilities and financial prosperity for the company.

### **CONCLUSION AND SUGGESTION**

Companies with either high or low social and environmental impact, companies small and large, manufacturers and service companies, with large community affairs or environmental, health, and safety (EH&S) staffs, and with no full-time EH&S staff at all.

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