



# How to establish Sustainable Performance Indicators? ~ Barriers and Motivations linked to the Designing and Implementation Processes ~

By Ryoko Yatomi

## Executive Summary

This research examines the process of Sustainable Performance Indicators (SPIs) and the relevant barriers and motivations in order to reveal how to implement Sustainable Performance Measurement (SPM) by taking the case of a chemical compound manufacturer who is in the process of SPIs implementation. Through the research, the main barriers and motivations linked to the process are identified as below. These findings also clarify the SPIs' contribution to the practical implementation of sustainability and the importance of internal stakeholders' involvement through the process.

## Background

Increasing Call for Sustainable Performance Measurement (SPM)

- With the spread of international efforts on solving environmental and social challenges, research on SPM has also been promoted in both academic and business fields.
- There are a lot of methods of SPM that have been developed (e.g. Global Reporting Initiative, Carbon Disclosure Project, Sustainability Balanced Score Card, Impact Reporting and Investment Standards).

So many things to consider for implementing SPM

- Characteristics on SPM are;
  - Triple Bottom Line of economic, environment, and social performance
  - Theory of Change: a causal link of inputs, activities, outputs, outcomes, and impacts
  - Uncertain nature of data for measuring sustainable performance
  - Alignment to organizational mission and strategy

Lack of "How" research on SPM

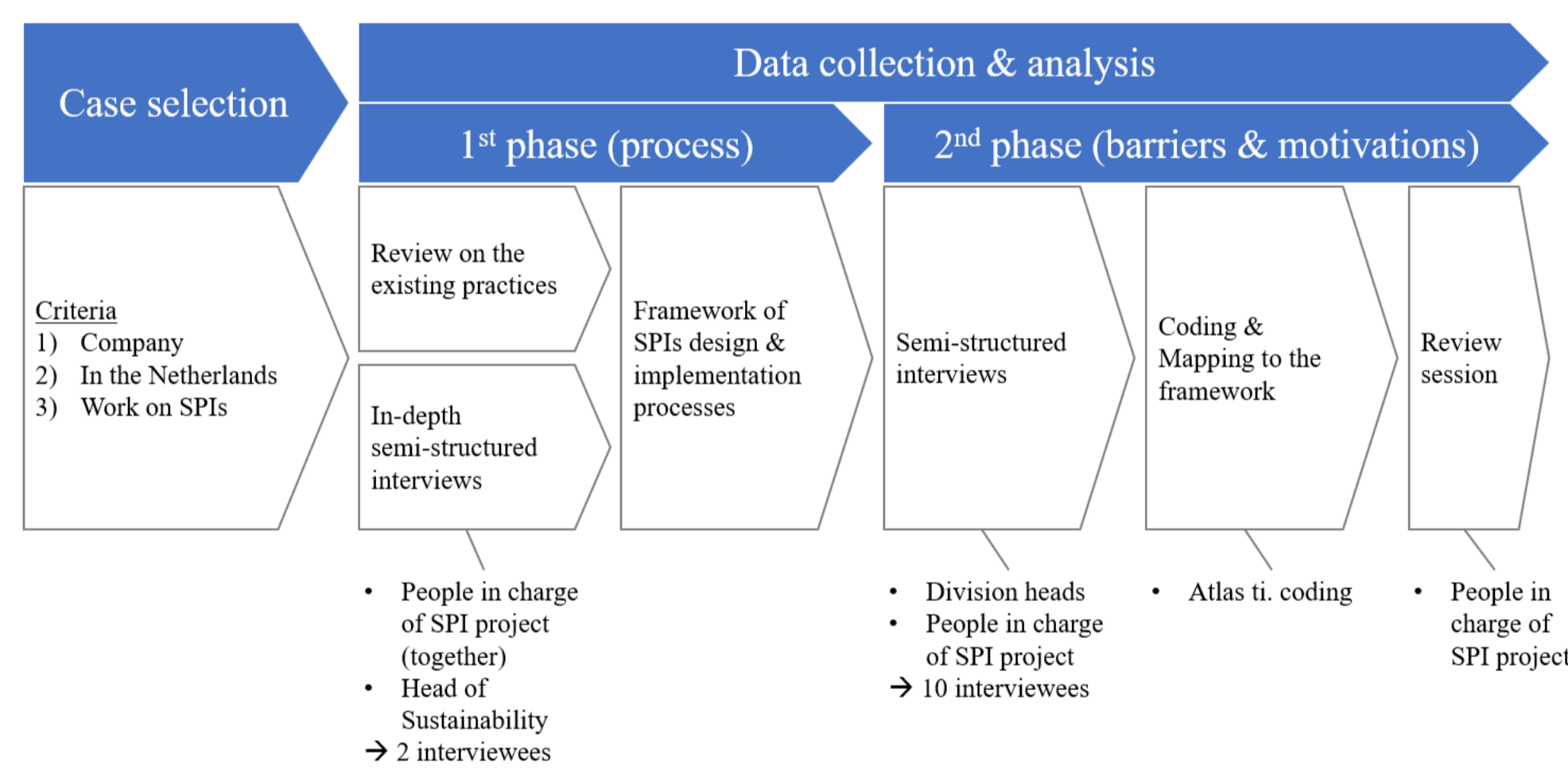
- Even though "What" and "Why" questions around the area are relatively well answered, there is little research on "How" - processes of SPM implementation.
- Thus, it is added value to the research field to take SPIs as an example of SPM and figure out the designing and implementation processes

## Research Question

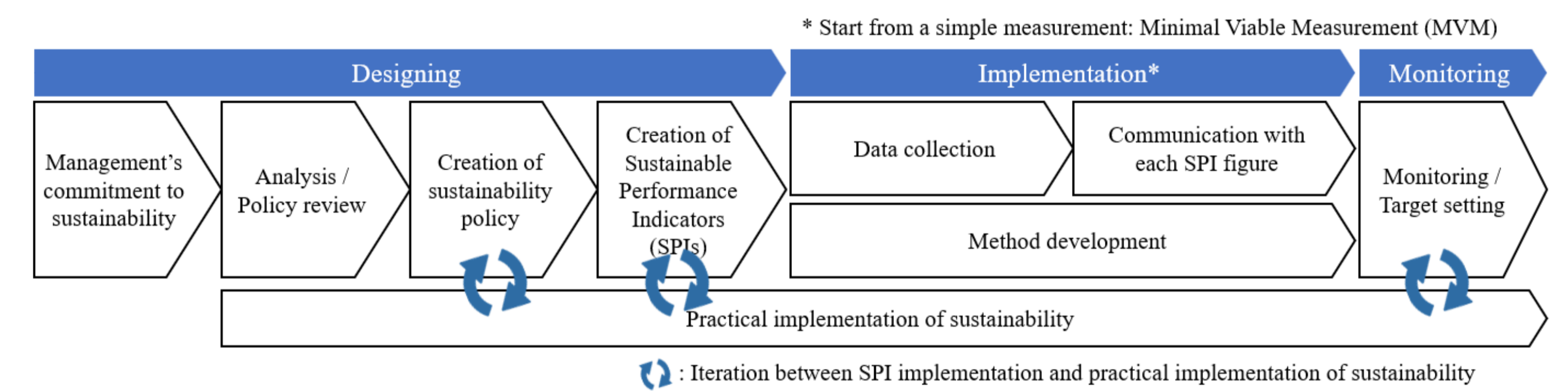
What does **the process** of design and implementation of Sustainable Performance Indicators (SPIs) look like, and what are **the main barriers** and **the motivations** linked to the process?

## Method

- A single case study of a chemical compound manufacturer in the Netherlands



## Result 1. Process Framework



## Result 2. Barriers

Aggregated dimensions	Themes
Changing corporate culture	Changing way of thinking about sustainability
	Instilling SPIs to all employees
	Realizing transparent communication across departments with SPIs
Developing new data management system	Developing a centralized management system scheme
	Positioning of SPIs as a core strategy
	Collecting relevant data smoothly
Achieving fundamental changes for sustainability	Cost / investment decision
	R&D efforts for sustainable production

## Result 3. Motivations

Aggregated dimensions	Themes
External communication about sustainability	Appealing to the community
	Support for disclosure / reporting
Internal understanding of the sustainability goals	Understanding the importance of sustainability
	Opportunity for thinking of technical solutions to achieve the goals
Effective management system for better sustainability performance	Support for decision making
	Showing financial benefits of sustainability
	Professional way of management

## Final Result and Conclusion

- **Cultural change in organizations through the process of SPIs implementation.** Changing corporate culture is a barrier, but a motivation as well. This seemingly contradictory result indicates the significance of the cultural change.
- **Importance of key internal stakeholders' involvement during the process.** This is a key solution to instill sustainability throughout the company.
- **SPIs' contribution to the practical implementation of sustainability.** The SPIs implementation contributes sustainability through the process itself, encouraging the understanding of sustainability within the organization, and visualizing the performance.

