

Role of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance: An Empirical Study in Manufacturing Organisations

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Abstract

Organizations with strong learning cultures are better able to develop new products, ideas and concepts than those without such an orientation. They are more adaptable in response to changing conditions--whether arising as a result of natural disasters or from competition with other businesses. And this in turn leads to improved long-term company performance. Green innovation refers to the development of environmentally sound products and processes. Sustainable business practices are defined as integrating environmental and social concerns into strategy and operations (such as increasing resource efficiency, labor fairness, or responsible governance).

These practices help companies reduce risks, lower costs; attract both customers and talent; and enhance their reputation. Taken together, this can lead to higher profits as well as a more resilient future. It is shown by the survey that all of these aspects are positive for sustainable business performance. Moreover, the three elements are interrelated: Learning culture breeds good green innovation and operation programmed, as well as sustainable behavior. At the same time green behaviors promote learning and innovation: they are indeed quite the pair! Companies that have a learning culture, invest in green innovation and put sustainable business practices into everyday operations are liable to achieve superior performance not only in financial terms but also by all the standards for environmental and social sustainability. Study survey was conducted among 202 respondents from the manufacturing organizations to know the role and impact of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance. The study concludes that there are significant Impact of Learning Orientation, Green Innovations, and Sustainable Business Practices is found on Sustainable Firm Performance.

Introduction

Businesses today are under increasing pressure to operate sustainably — to balance profit objectives against environmental and social responsibilities. Increasingly, stakeholders—including customers, regulators, investors, and communities—expect firms to conduct themselves responsibly and to serve a positive role in society. According to Su et al. (2020), many firms have intensified strategies towards sustainable firm performance, defined as the triple bottom performance from a firm in environmental, social and financial aspects. Unlike traditional performance metrics which are short-term, mainly focusing on financial outcomes, sustainable firm performance reflects a larger picture, over the long term. A learning orientation is the cultural and organizational backbone for continual improvement. It means

the company vigorously promotes gaining new knowledge, learning from the past and questioning the status quo of how to do business.

As per Wang et al. (2020); characterize organizational learning as a dynamic process producing and combining knowledge that builds resources and enhances performance. In competitive, fast-moving environments, a strong learning orientation helps the company adapt and innovate faster than competitors. This can be in the form of designing products that are more environmentally sustainable to cleaner production processes, or new solutions that minimize waste and emissions. By steeping learning in their culture and way of operating, firms are more likely to see the opportunities for improvements for sustainability and to respond to external pressures or emerging stakeholder expectations.

Green innovation is an application of knowledge and innovation to environmental challenges. This can be in the form of designing products that are more environmentally sustainable to cleaner production processes, or new solutions that minimize waste and emissions. Green innovation directly impacts the “planet” contribution to sustainability, and indirectly also impacts economic performance via efficiency gains or new market opportunities. This idea gels with the belief that being environmentally responsible and being competitive needn’t be mutually exclusive. Classic economic thought once viewed investments to improve the environment as a burden to be minimized, but the Porter hypothesis (which said stricter environmental standards could spur innovation that reduces cost and increases firm competitiveness) Despite, for example, the potential for an initial, costly investment into a pollution-reducing technology, a firm could ultimately benefit from lower use of energy or other resources or from new demand from consumers who want to buy environmentally sensitive products. As indicated by Tjahjadi et al. (2020), green innovations can promote sustainable firm performance by not only enhancing environmental performance but also reinforcing the market position of the firm.

Sustainable business practices make up the operational and strategic context in which learning and innovation occur. These practices include a wide array of actions and policies a firm implements to make sure its operations are sustainable. These include minimizing energy and water use, practicing responsible supply chain management, and ensuring safe and equitable labor practices, investing in community development, and practicing shareholder transparency.

Practices like these allow a company to move from making purely voluntary short-term profits to ensuring long-term value for the business and its stakeholders. Based on Shahzad et al. (2020); this in turn means that implementing green innovations and sustainability practices requires organizational learning — firms must learn how to calculate their environmental impact, and learn from failures in implementation, and share knowledge across the organization about best practices. These three together can collaborate excellently and help to integrate sustainability into any company.

As stated by Guo et al. (2020), education is key to allowing firms to blend learning orientation, green innovation, and sustainable practice. Such a company would be more likely to try to develop and implement green innovations, as they will always be interested in learning more and methods to better their products. At the same time, prioritizing sustainable business practices can help to strengthen a culture of learning (because employees at all levels may need

to learn new behaviors or skills in order to reach sustainability goals) and drive additional innovation (since sustainability-related challenges frequently catalyze creative problem-solving).

Literature review

A learning orientation is an organization's desire to learn and develop. It involves attitudes and behaviors that promote learning, information dissemination, and willingness to change. Organizations having a high learning orientation are assured to have a focus on the learning process, training and innovations. As per Jiang et al. (2018); learning-based organizations are defined as a powerful priority and often have a learning culture that encourages continuous knowledge and adaptability directed towards improvement, as per researchers. These parts work together to create a culture in which employees at all levels are actively contributing to the collection and application of new insights to improve of the business.

Active firm learning develops capabilities that enhance sustainable organizational performance. In a learning organization, the company is continuously looking at new trends (for instance, sustainability issues), what stakeholders want, and testing new ideas. Organizational learning, fundamentally, is a resource capability based on knowledge. This capability bolsters a firm's innovation capacity and enables it to excel in dynamic, competitive contexts. In practical terms, a firm with a learning orientation will be better able to undergo development of new processes or products, extending to those that tackle environmental or social challenges. It can also respond more rapidly to external changes, such as new regulations or consumer preferences, shifting its business model in response to them.

According to Fernando et al. (2019); for instance, companies that are good at learning tend to launch new products more quickly and all the time amortize them, resulting in greater levels of productivity and profitability than their less learning-oriented counterparts. Regarding sustainability, this means that a learning-oriented firm is better positioned to create sustainable products and practices — helping keep it ahead of regulatory pressures and public expectations. Crucially, learning orientation is also an antecedent of the uptake of sustainability initiatives. When a company sets out to improve its environmental or social impact, it faces new challenges and uncertainties—from how to reduce carbon emissions in operations, to how to engage effectively with communities. This is where a culture of learning helps the firm navigate such challenges. Employees see sustainability goals not as compliance tasks to be completed, but as experimental and learning-based objectives to be pursued.

The company is more likely to track results, learn from failures and evolve its methods. A good organizational learning theory, according to which learning from experience can induce behavioral change and ultimately enhance performance. Applying this theory, firms learn from previous sustainability efforts and from lower, less effective stages, slowly construct successful strategies that result better outcome for both environment and company performance. Learning orientation specifically within green or sustainability contexts. A new concept, termed as green learning orientation, has emerged as an organizational learning focus on environmental knowledge and skills. A firm with a green learning orientation is engaged in actively acquiring and creating knowledge about environmental management, clean technologies, and sustainable practices.

It also spreads that knowledge throughout the organization so it can be used. Such firms treat sustainability like any other area of practice — one in which they are constantly learning and improving. A firm that walks the talk will also invest its people to educate them on the new sustainability standards, conduct research and test advanced environmental technologies, and keep up with trends on corporate beacons.

According to Cheng (2020); sets the company up to make changes that eliminate waste, improve energy use, or enhance product sustainability more strategically than a company that doesn't prioritize learning. Essentially, learning orientation acts as a bedrock on which the other two pillars, green innovation and sustainable practices, can thrive. This interplay is supported by the empirical evidence: a survey of firms observed that the firms with greater learning orientation were more proactive in their efforts towards environmental innovation and had appeared to produce better sustainability outcomes as a result. By valuing knowledge and improvement, the firm is constantly upgrading its capabilities in aspects of efficiency and quality (which have financial implications), as well as environmental processes (which have sustainability implications).

Based on Pratono et al. (2019); it also means the firm will be better suited to navigating complexity and long-term challenges that accompany sustainability goals. It has been well documented that organizations who create a real culture of learning, will drive better performance — and the positive impact of this trend continues into the area of sustainability. While our next component, green innovation, highlights how often learning firms are actually at the forefront of creating new environmental solutions (thereby expanding sustainable performance),

Green innovations are innovations that would reduce the environmental impact or improve the efficient use of resources in business activities. They can be new products (think of a biodegradable packaging material), new processes (a manufacturing technique that emits less pollution), or even new business models and services (a recycling program or energy-as-a-service model). What qualifies as a “green” innovation is its intention and impact of making our world a better place to live in. These innovations directly contribute to the environmental dimension of sustainable firm performance and frequently impact the social and economic dimensions as well.

Most green innovation includes innovations of the process, product, or scope; firms intend to attain some environmental aspirations (regulations, emissions, waste) and economic gain (costs, empire, and green market share) at the same time. The integration of green innovations is directly related to the environmental performance component of a firm's sustainability. When a company invests in cleaner technology or greener products, it typically decreases its ecological footprint. Transitioning to renewable energy or increasing energy efficiency reduces greenhouse gas emissions, for example.

When launching a product redesign that incorporates recycled materials, this can reduce resource depletion and pollution. Sustainable business practices are the habits, policies, and practices a company implements to behave responsibly toward society and the environment. These practices are more than just one-off innovations or projects; they reflect a commitment to embedding sustainability into the business. Such matters include establishing environmental

targets (carbon neutrality), recycling/waste reduction programs, ensuring equitable labor conditions in the supply chain, reducing carbon in logistics operations, charitable/community development opportunities and governance, transparency and ethics.

According to Kumar et al. (2020), when the company adopts sustainable practices, it regularly thinks about how its decisions impact its stakeholders and the planet, rather than just short-term profits. Postponed implementation of sustainable business strategies has a complex effect on these firm performance. These attributes impact directly on environmental and social liability, which are components of sustainability firm performance. They indirectly improve financial performance by creating a stronger, more resilient, and more innovative company. Extant literature agrees that firms do not have to choose between profit and sustainability; in fact, sustainable practices often lead to greater profits as a result of increased efficiency, brand value, and relationships with stakeholders. Companies that incorporate these approaches discover that doing good can genuinely lead them to do well, affirming the strategic value of sustainability in business.

Objective

1. To know role of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance.
2. To know the impact of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance in the manufacturing sector.

Methodology

Study survey was conducted among 202 respondents from the manufacturing organizations to know the role and impact of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance. “Random sampling method” along with “Mean and T-test” were used to collect and analyse the data.

Data Analysis

In the total population of study survey males are 57.7% and females are 42.3%. 30.3% of them are below 38 years, 43.3% comes under the age group of 38-48 years and rest 26.4% are above 48 years of age. 25.9% are working as operation manager, 34.3% are supply chain coordinator, 23.9% are quality control technician, and rest 15.9% are working on other designations in the manufacturing organizations.

“Table 1 General Details”

“Variables”	“Respondents”	“Percentage”
Male	116	57.7
Female	85	42.3
Total	201	100
Age (years)		
Below 38	61	30.3
38-48	87	43.3
Above 48	53	26.4
Total	201	100
Designation		
Operation Manager	52	25.9

Supply Chain Coordinator	69	34.3
Quality Control Technician	48	23.9
Others	32	15.9
Total	201	100

Table 2 Role of Learning Orientation, Green Innovations, and Sustainable Business Practices

“S. No.”	“Statements”	“Mean Value”
1.	Green innovations improve the efficient use of resources in business activities	3.13
2.	Organizational learning improves firm’s innovation capacity and enables it to excel in dynamic, competitive advantages	3.16
3.	Product redesign that incorporates recycled materials reduces resource depletion and pollution	3.12
4.	A learning-oriented firm allows innovation and adaptability towards sustainability goals	3.19
5.	Sustainable practices help companies to enhance their reputation	3.21
6.	Green learning orientation is engaged environmental management, and clean technologies	3.15
7.	Green innovations promote sustainable firm performance	3.20
8.	Sustainable business practices minimize the risks while creating value for the firm and its stakeholders	3.14
9.	Learning tends results in greater levels of productivity and profitability	3.18
10.	A learning orientation is the cultural and organizational backbone for continual improvement	3.17

Table 2 shows different Role of Learning Orientation, Green Innovations, and Sustainable Business Practices. The respondent says that Sustainable practices help companies to enhance their reputation 3.21 Green innovations promote sustainable firm performance with mean value 3.20, A learning-oriented firm allows innovation and adaptability towards sustainability goals (3.19), Learning tends results in greater levels of productivity and profitability (3.18), A learning orientation is the cultural and organizational backbone for continual improvement (3.17), Organizational learning improves firm’s innovation capacity and enables it to excel in dynamic, competitive advantages (3.16). The respondent also shares that Green learning orientation is engaged environmental management, and clean technologies with mean value 3.15, Sustainable business practices minimize the risks while creating value for the firm and its stakeholders (3.14) Green innovations improve the efficient use of resources in business activities (3.13), and Product redesign that incorporates recycled materials reduces resource depletion and pollution with mean value 3.12.

Table 3 Impact of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance

“S. No.”	“Statements”	“t value”	“Sig.”
1.	Green innovations improve the efficient use of resources in business activities	1.875	0.031

2.	Organizational learning improves firm's innovation capacity and enables it to excel in dynamic, competitive advantages	2.323	0.011
3.	Product redesign that incorporates recycled materials reduces resource depletion and pollution	1.770	0.039
4.	A learning-oriented firm allows innovation and adaptability towards sustainability goals	2.746	0.003
5.	Sustainable practices help companies to enhance their reputation	3.085	0.001
6.	Green learning orientation is engaged environmental management, and clean technologies	2.166	0.016
7.	Green innovations promote sustainable firm performance	2.916	0.002
8.	Sustainable business practices minimize the risks while creating value for the firm and its stakeholders	2.050	0.021
9.	Learning tends results in greater levels of productivity and profitability	2.604	0.005
10.	A learning orientation is the cultural and organizational backbone for continual improvement	2.502	0.007

Table 3 shows the results of t-test where significant Impact of Learning Orientation, Green Innovations, and Sustainable Business Practices is found on Sustainable Firm Performance. All the factors are having significant value (below 0.05) under significant column.

Conclusion

A learning-oriented firm has ongoing knowledge and skills development that allows for innovation and adaptability towards sustainability goals. Green innovations enable firms to realize environmental benefits, while at the same time increasing efficiency and giving them a competitive edge, connecting ecological with economic win Sustainable business practices entail embedding these improvements in the firm's daily operations and long-term strategy, minimizing risks while creating value for the firm and its stakeholders. Successful green innovation leads to further learning and innovation. More resilient and lasting performance flows to firms that embed learning, innovation, and sustainability into their core strategy. Or, in other words, such a firm can prosper for the long term, benefiting itself, society, and the environment, by adopting a learning mindset, investing in green innovation, and committing to sustainable practices.

The study aims to know different role of Learning Orientation, Green Innovations, and Sustainable Business Practices on Sustainable Firm Performance and found that Sustainable practices help companies to enhance their reputation, Green innovations promote sustainable firm performance, and learning-oriented firm allows innovation and adaptability towards sustainability goals. The study concludes that there are significant Impact of Learning Orientation, Green Innovations, and Sustainable Business Practices is found on Sustainable Firm Performance.

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