

Benchmarking Sustainability Performance of Organizations Using a Multicriteria Approach with Application to Canadian Market

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Abstract

Sustainability involves meeting the needs of present generation without compromising the requirements of future generations. It involves focus on three main pillars: economic, environmental and social for realizing overall performance. Sustainability assessment is very essential to businesses and industries to improve their competition capacity. Majority of the corporations are adopting sustainability practices for corporate progress and improving their business appearance for long term effectiveness, thereby receiving economic benefits as well. In this paper, the authors propose a multi-criteria framework for benchmarking sustainability performance of organizations. The indicators for evaluation are obtained using Sustainalytics database. Multicriteria decision making technique called TOPSIS (Technique for Order Performance by Similarity to Ideal) is used to generate organization rankings. The proposed technique is applied to evaluate performance of 24 companies in two major sectors: manufacturing and service. The selected companies come from the Canadian market. The results of TOPSIS study show manufacturing sector to be doing better than the service sector with average Relative Closeness (C_i) 0.5 and 0.36 respectively. Future work can involve integration of financial KPIs, cross-sector investigation and involvement of MCDM techniques such as AHP for weighting in the proposed study.