

## THE IMPACT OF SUSTAINABLE MANAGEMENT STRATEGIES ON ORGANIZATIONAL PERFORMANCE AND ON ORGANIZATIONAL REPUTATION – A ROMANIAN MANAGER’S PERSPECTIVE

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**Abstract.** *The present study offers an overview on the perspective that Romanian business managers have regarding sustainable management (in all of its dimensions) in their daily life, and its subsequent implications on their business. Relying on the Triple Bottom Line approach, as it has been vastly explained and analyzed from 1994 onwards, our study wants to see whether, from Romanian business managers’ view, there is a perceptual influence between the conceptual dimensions this strategy encompasses, and the organizational performance and organizational reputation, respectively.*

*The research design is an exploratory one, our aim being uniquely qualitative: having a better understanding of Romanian managers’ perceptions on sustainable management and its dimensions, and its implications on their everyday life.*

*Therefore, we conducted a series of structured interviews with Romanian business managers in order to pilot test what the specialized literature has been postulating ever since the creation of the above-mentioned business approach: a sustainable-oriented organization is, to a certain extent, more performant and has a better consolidated reputation. This is why we would rather focus on the latter in the literature review part, instead of on Elkington’s concept.*

*Nevertheless, it is important to mention that this step precedes the quantitative approach, as we manage to have an in-depth understanding on the main challenges and concrete facts that build up to the perception of sustainable management strategies in the Romanian managers’ business life.*

*The study clearly shows that, as well as the all-encompassing main topic (i.e. sustainability), the sustainable management strategies also entail an impressive operationalization, depending on many variables.*

*Notwithstanding, there appears to be a common ground that is starting to receive a clear contour: there is an influence that sustainable management strategies have, at a perceptual level, on organizational performance and on organizational reputation, which are worthy of being further operationalized and explored.*

**Keywords:** *cultural management strategies, economic management strategies, environmental management strategies, organizational performance, organizational reputation, sustainable development awareness, social management strategies.*

### Introduction

Sustainable development should be the goal of a society that will help govern economic, cultural, and environmental development. Research shows that there is a relationship between environmental pollution, exploitation of resources, and climatic change calling

for the establishment of ecological strategies and policies (Popescu et al. 2014). Evidence shows a positive relationship between organizational financial performance and social sustainability, making it essential to understand how organizations can innovatively integrate sustainable development into their practicing theories (Sroufe et al., 2019). A purposeful sample from leading firms in the world showed that a positive relationship exists between sustainable managerial practices that les to social sustainability and improve the firm's financial performance (Sroufe et al. 2019). The study results evaluate organizational sustainable development practices like sustainable management awareness, social management strategies, environmental management strategies, economical management strategies and cultural management strategies effect on organizational reputation and performance.

### **Literature review: organizational performance and reputation**

Once the previously defined social, economic and environmental awareness coined by Elkington (1994) is understood, the concepts of: (1) organizational performance and (2) organizational reputation emerge as a consequence of the former.

#### **Organizational Performance**

Organizational performance is the basis of a company's survival. It results from the correct functioning of different variables of interest, covering areas as diverse as human resources, marketing, business management, strategy and information systems (Hult et al., 2008).

Bititci et al., (2012), understand that the ultimate goal of Organizational Performance research is to explain how Organizational Performance can be improved, adapted and sustained to help firms improve their profitability and long-term survival.

Kaplan and Norton, (1992), when defining their Balanced Scorecard, state that organizational performance depends on both financial and non-financial indicators capable of assessing the extent to which organizational goals and objectives are achieved.

Some authors, including Richard et al. (2009), have distinguished between organizational performance and effectiveness, stating that while the former refers to the market attitude and shareholder returns, the latter represents a broader concept that, in addition to financial performance indicators, includes indicators of operational efficiency, customer satisfaction, corporate social responsibility and other results that go beyond financial quantification.

Ultimately, organizational performance can be defined in terms of financial ratios such as return on assets (ROA) and return on equity (ROE), market outcomes, human resource-related outcomes (such as job satisfaction and commitment, knowledge transfer (Zbucnea et al., 2019), or knowledge management (Hargitai et al., 2021), respectively) or organizational outcomes (productivity, service quality, new product development). In comparison, performance indicators can be measured with subjective information such as performance indicators, innovation efforts, and performance of human resource practices, among others (Razouk, 2011).

### **Organizational Reputation**

Reputation is one of a company's most important intangible assets, to the extent that recent research studies have focused on analyzing its impact on company profitability.

Reputation is an antecedent of satisfaction and loyalty that business management often neglects. On the other hand, studies claim that more than half of the reputation effect is mediated by satisfaction.

This means that reputation can only partially be considered a result of consumers' own experiences with a company. To achieve consumer loyalty, organizations need to create both a good reputation and high satisfaction (Gardberg and Fombrun 2002). Fombrun defines corporate reputation as "a perceptual representation of a firm's past actions and future prospects that describes the overall attractiveness of the firm to all its key stakeholders compared to other prominent rivals" (1996: 72).

Reputation is a socially shared impression, a consensus about how a company will behave in a given situation. It is, in short, how a company conducts, or is perceived to conduct, its business (Bromley, 2002). It refers to the "attitudes and beliefs about the company held by stakeholders, which have been shaped by the organization's own communication processes" (Middleton and Hanson, 2002).

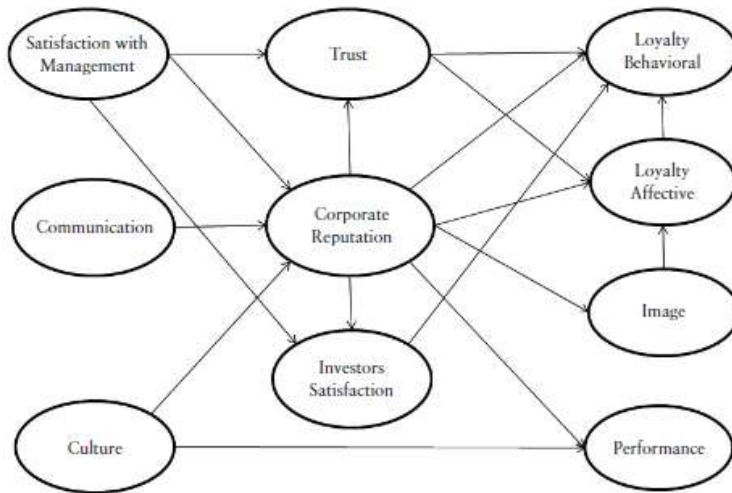
According to Larkin (2003), "the biggest obstacle to making a case for building, maintaining and managing reputation is how to measure it effectively". In this framework, corporate reputation is interpreted as an intangible asset that offers a sustainable competitive advantage due to its valuable, rare, inimitable and non-substitutable nature. Moreover, it captures accumulated impressions from inside and outside (Chun, 2005).

Perceived corporate reputation can be understood as individuals' impression of a company, based on the company's ability to deliver valuable results to all stakeholders (Fombrun et al., 2000).

In order to manage reputation, it is essential to analyze its behavioural effects. For example, it is believed that customers are more loyal to the products of companies with good reputations (Morley, 2002). However, empirical evidence on the effect of reputation on the formation of customer satisfaction and loyalty is scarce, so loyalty management could benefit from this research.

It is an immediate mental image that individuals conceive of an organization. However, it is formed over time, based on what the organization has done and how it has behaved, which means that it evolves as a result of consistent behaviour that engenders trust (Balmer and Greyser, 2003).

Shamma (2012) concludes that "the construct of corporate reputation is correctly conceptualized as the integration of corporate concepts such as corporate identity and corporate image". Furthermore, the sum of all images developed resulting from stakeholder perceptions forms the corporate reputation. One of the subsequent developments of corporate reputation's conceptual model can be seen in figure 1.



*Figure 1: Corporate reputation – a conceptual model (Casimiro Almeida & Matos Coelho, 2015)*

### **The Organizational culture**

According to MacIntosh and Doherty (2007), organizational culture is defined as the set of core values, beliefs and assumptions that are guided by leaders and shared by employees. They set the tone and explain how procedures are carried out within organizations.

Freiling and Fichtner (2010), argue that corporate culture reflects the values and beliefs that are absorbed and shared by employees. Therefore, a strong culture influences the financial performance of an organization. In addition, culture leads to greater consistency in employee behaviour regarding coordination and control, improves goal alignment and increases employee commitment and effort.

Freiling and Fichtner, (2010) examined the direct and indirect effects of organizational culture and corporate reputation on financial performance. Their work showed that a more robust corporate culture leads to a higher reputation rating, leading to higher financial performance.

### **Methodology: a concise overview**

#### **Problem statement**

Sustainable development should be the goal of a society that will help govern economic, cultural, and environmental development. Research shows that there is a relationship between environmental pollution, exploitation of resources, and climatic change calling for the establishment of ecological strategies and policies (Popescu et al. 2014). Furthermore, evidence shows a positive relationship between organizational financial performance and social sustainability, making it essential to understand how organizations can innovatively integrate sustainable development into their practice

theories (Sroufe et al., 2019). A purposeful sample from leading firms in the world showed that a positive relationship exists between sustainable managerial practices that lead to social sustainability and improve the firm's financial performance (Sroufe et al. 2019). The study results evaluate organizational sustainable development practices like sustainable management awareness, social management strategies, environmental management strategies, economic management strategies and cultural management strategies' effect on organizational reputation and performance.

Therefore, this paper's main objective is to summarize the key literature on the use of objective and subjective measures, assessing organizational performance and reputation to provide empirical results in research conducted on performance measures reported by middle and top management to determine how it influences firm performance and profitability.

The model is based on seven variables that try to measure the perception of business managers on each of them:

1. Sustainable Development Awareness
2. Economic Management Strategies
3. Social Management Strategies
4. Environmental Management Strategies
5. Cultural Management Strategies
6. Organizational Performance
7. Organizational Reputation

For each of these variables, it is defined:

- a. The literature that has dealt with the subject
- b. The indicators through which each of these can be measured.

It is also important to mention that each variable will be studied through a survey applied to market professionals, to investigate the internal and external elements in the exercise of sustainable corporate strategies of businesses, which will allow the development of new management applications and models for sustainable decision making. Also, we would like to highlight that the whole instrument measures managers' perceptions in the business field.

### **Operationalization of the variables: definition and indicators**

<b>Variable</b>	<b>Operationalization</b>	<b>Definition</b>	<b>Indicators</b>
<b>1. Sustainable Development Awareness</b>	The degree to which the manager is aware of the main aspects that build the sustainable paradigm.	"Essentially, it is the economic sustainability of the business, in the medium and long term, to maintain the economic profitability of its productive activities. For this, it is necessary to contemplate new	1. Reducing environmental impact by purchasing and consuming high-quality, durable products. 2. Use of recyclable materials or products 3. Splitting waste

		<p>concepts of risk and opportunity associated with the triple bottom line aspects. Furthermore, it requires that the economic, environmental and social dimensions are integrated and interact in balance and are managed in an integrated manner" (KPMG, 2019).</p> <p>In other words, the ecosystem provides the factors of production that underpin economic growth: land, natural resources, labour and capital. Economic sustainability manages these resources so they are not depleted and remain available for future generations (Beattie 2021).</p>	<p>4. Do not mix hazardous waste with general waste.</p>
<p><b>2. Economic Management Strategies</b></p>	<p>Concrete business strategies applied that may fall under the sustainable development paradigm.</p>	<p>Economic sustainability is the use of different strategies to employ, safeguard and maintain human and material resources optimally, to create a responsible, beneficial and sustainable balance in the long term (Bascom, 2016). Moreover, as a business strategy, sustainability</p>	<p>For a company to be economically sustainable, it must be profitable, but not at any cost:</p> <ol style="list-style-type: none"> <li>1. Compliance, good governance and risk management.</li> <li>2. Immediately stop using fossil fuels or chemical fertilizers.</li> <li>3. Pay for or repair the damage done.</li> </ol>

		emerges as a new paradigm for the internal management of organizations, presenting itself as a new option to the traditional growth and maximization model of profitability (Portoles de la Torre et al., 2009).	4. Unemployment rate 5. Poverty rate
<b>3. Social Management Strategies</b>	Concrete inclusive and equalitarian policies adopted in the decision-making process.	Figuroa López and García de la Torre (2018) highlight that the sustainable paradigm, from a strategic perspective, takes into account stakeholders so that managers take on the challenge of sustainability and achieve more significant competitive advantages and benefits in general. They argue that adopting corporate responsibility policies, improve corporate performance and brand positioning. It aims to ensure that economic activity improves the quality of life for all, not just a few (Barrios Vera, 2010).	1. Employee training policies. 2. Policies for work-life balance. 3. Women's participation 4. Strengthening of a development that does not perpetuate or deepen poverty and social exclusion, 5. Social justice and social participation in decision-making, so citizenship is a fundamental part of the development process.  Cultural diversity  *Monitoring the results obtained
<b>4. Environmental Management Strategies</b>	Concrete business strategies applied that take into account the environmental dimension.	Corporate environmental responsibility is essential to protect future generations and to achieve	1. Reduce water consumption Policies for efficient water use:

		<p>sustainable and equitable development for humanity. However, current production and consumption patterns do not guarantee that future generations will have the same capacity as today to meet their needs (Gollier, 2016).</p>	<p>2. Reduce energy consumption                  * Policies for efficient use of resources                  *Promote employee participation                  *Monitor results achieved</p>
<p><b>5. Cultural Management Strategies</b></p>	<p>Concrete business strategies applied that may fall under the sustainable development paradigm.</p>	<p>Only through the public promotion of a sustainable culture that reaches all levels (business, consumers and citizens) and a sound policy based on the long term, will it be possible to redirect the current problem towards a viable and lasting solution. Therefore, undermining the prevailing mindset is the first and most crucial step toward developing new forms of governance and operations. Altering the values and norms that govern the choices of every aspect of a company is the key (Doppelt, 2010).</p>	<p>1. Decent and stable workplaces                  2. Access to health care                  3. Incorporate ethical principles voluntarily, not by imposition of regulations.                  4. Culture of responsible consumption</p>
<p><b>6. Organizational Performance</b></p>	<p>The concrete set of financial and non-financial indicators that are taken into account in addressing the organization's needs and objectives, that</p>	<p>Organizational performance focuses on explaining how organizational performance can be improved, shaped and sustained to</p>	<p>1. Relationships between HR practices and firm performance.                  2. Effects of people</p>



	<p>may fall under the sustainable development paradigm.</p>	<p>help firms improve their long-term profitability and survival (Bititci et al., 2012). It can also be defined as a set of both financial and non-financial indicators capable of assessing the extent to which organizational goals and objectives are being met (Kaplan and Norton, 1992). It refers to performance in achieving shareholder return, organizational effectiveness, financial performance, operations efficiency, customer satisfaction, corporate social responsibility and other outcomes beyond financial quantification (Richard et al., 2009).</p>	<p>management on operational performance measured in terms of cost, quality, delivery, and flexibility.</p> <p>3. Profitability. Establishing that both organizational commitment and HR practices are significantly related to operational performance measures.</p> <p>4. ROA and ROE to measure the variation in performance caused by new management practices with the involvement of HR functions within the business and corporate strategy.</p>
<p><b>7. Organizational Reputation</b></p>	<p>Concrete intangible assets that are taken into account in addressing the organization's needs and objectives, that may fall under the sustainable development paradigm.</p>	<p>Corporate reputation is a driver of economic performance. Therefore, corporate reputation has become an essential field for academic research and the development of reputation management actions (Barnett,</p>	<p>1. Delivery of high-quality products.</p> <p>2. Fair treatment of employees</p> <p>3. Good financial performance</p> <p>4. Satisfaction to explain loyalty</p> <p>5. Meeting expectations</p>

		<p>Jermier &amp; Lafferty, 2006). There are empirical studies with approaches to measuring corporate reputation, ranging from specific exploratory approaches that simply describe the construction of reputation (Walsh &amp; Beatty 2007) to studies that incorporate more sophisticated models of corporate reputation into a broader nomological network. The latter regards corporate reputation as an intangible asset that interacts with antecedents and economic consequences related to the firm (Money &amp; Hillebrand 2006). The increase in corporate reputation is due to new policies, which generates being prepared to face adverse situations that may arise due to profits obtained over a long period (Pérez, Espinoza &amp; Peralta, 2016).</p>	
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**Table 1: Construct matrix (Advanced by the author)**

### Operationalization of the variables: objectives, hypotheses and interview questions

Variables	Objectives	Hypotheses	Interview Questions
<b>1. Sustainable development awareness</b>	<p>O1: To investigate the relationship between sustainable development awareness and economical management strategies, from the Romanian business managers' perspective.</p> <p>O2: To investigate the relationship between sustainable development awareness and social management strategies, from the Romanian business managers' perspective.</p> <p>O3: To investigate the relationship between sustainable development awareness and environmental management strategies, from the Romanian business managers' perspective.</p>	<p>H1: There is a positive relationship between sustainable development awareness and economical management strategies.</p> <p>H2: There is a positive relationship between sustainable development awareness and social management strategies.</p> <p>H3: There is a positive relationship between sustainable development awareness and environmental management strategies.</p> <p>H4: There is a positive relationship between sustainable development awareness and cultural management strategies.</p>	<p>Q1: Are you familiar with the sustainable development paradigm? What does it mean for you, in your specific area of business?</p> <p>Q2: How would you describe your experience with creating and implementing sustainability policies? What is the major challenge?</p> <p>Q3: If you had to choose one area of sustainability to focus on, what would it be? Why?</p> <p>Q4: Which is the primary input from financial/economic data to your business' sustainable strategy (if any)?</p> <p>Q5: Which is the primary input brought by social management strategies to your business' sustainable strategy (if any)?</p> <p>Q6: Which is the primary input from environmental management</p>

	<p>O4: To investigate the relationship between sustainable development awareness and cultural management strategies, from the Romanian business managers' perspective.</p>		<p>strategies to your business' sustainable strategy (if any)?</p> <p>Q7: What is the primary input of cultural management strategies to your business' sustainable strategy (if any)?</p>
<p><b>2. Social management strategies</b></p>	<p>O5: To investigate the relationship between social management strategies and organizational performance from the Romanian business managers' perspective.</p> <p>O6: To investigate the relationship between social management strategies and organizational reputation, from the Romanian business managers' perspective.</p>	<p>H5: There is a positive relationship between social management strategies and organizational performance.</p> <p>H6: There is a positive relationship between social management strategies and organizational reputation.</p>	<p>Q8: When it comes to social management strategies, what are the things that you would say that can directly affect organizational performance?</p> <p>Q9: When it comes to social management strategies, what are the things that you would say that can directly affect the organizational reputation?</p>
<p><b>3. Economical management strategies</b></p>	<p>O7: To investigate the relationship between</p>	<p>H7: There is a positive relationship between</p>	<p>Q10: Whenever we talk about economic management strategies, what are</p>

	<p>economical management strategies and organizational performance, from the Romanian business managers' perspective.</p> <p>O8: To investigate the relationship between economical management strategies and organizational reputation, from the Romanian business managers' perspective.</p>	<p>economical management strategies and organizational performance.</p> <p>H8: There is a positive relationship between economical management strategies and organizational reputation.</p>	<p>the things that you would say that can directly affect organizational performance?</p> <p>Q11: Whenever we talk about economic management strategies, what are the things that you would say that can directly affect the organizational reputation?</p>
<p><b>4. Environmental management strategies</b></p>	<p>O9: To investigate the relationship between environmental management strategies and organizational performance, from the Romanian business managers' perspective.</p> <p>O10: To investigate the relationship between environmental management strategies and organizational</p>	<p>H9: There is a positive relationship between environmental management strategies and organizational performance.</p> <p>H10: There is a positive relationship between environmental management strategies and organizational reputation.</p>	<p>Q12: Regarding the environmental management strategies, what are the things that you would say that directly affect organizational performance?</p> <p>Q13: Regarding the environmental management strategies, what are the things that you would say that directly affect the organizational reputation?</p>

	reputation, from the Romanian business managers' perspective.		
<b>5. Cultural management strategies</b>	<p>O11: To investigate the relationship between cultural management strategies and organizational performance, from the Romanian business managers' perspective.</p> <p>O12: To investigate the relationship between cultural management strategies and organizational reputation, from the Romanian business managers' perspective.</p>	<p>H11: There is a positive relationship between cultural management strategies and organizational performance.</p> <p>H12: There is a positive relationship between cultural management strategies and organizational reputation.</p>	<p>Q14: Do you think that cultural management strategies affect organizational reputation? How?</p> <p>Q15: Do you think that cultural management strategies affect organizational performance? How?</p> <p>Q16: How would you describe the organizational performance in your business sector, from a sustainable point of view?</p> <p>Q17: How would you describe the organizational reputation in your business sector, from a sustainable point of view?</p>

*Table 2: Methodological matrix for the operationalization of the variables (Advanced by the author)*

**Techniques and instruments for data collection**

The data collection to be used in this research will be in the natural setting where the subjects and objects of research occur; the data collection techniques will be

observation, the survey in its two modalities (interview or questionnaire), documentary analysis and content analysis.

### **Study population and sample**

The present study will be based on a non-probabilistic sampling, mainly because of the niche targeted. Therefore, to ensure that there is plenty of data about the views of Romanian business managers, we consider it would be best to have a sample full of people meeting this criterion.

### **Data processing and analysis techniques**

The data will be analyzed using the NVivo software for the qualitative part (interview) and both SPSS and SmartPLS for the quantitative part (questionnaire).

Smart-PLS is a software for "variance-based structural equation modelling using the partial least squares path modelling method" Hernández Sampieri et al. (2014). It is used for data analysis in research studies. It starts with a "Measurement Model" and then adds a particular value to the variables' interrelations, therefore helping in observing if there is any kind of influence from one to another.

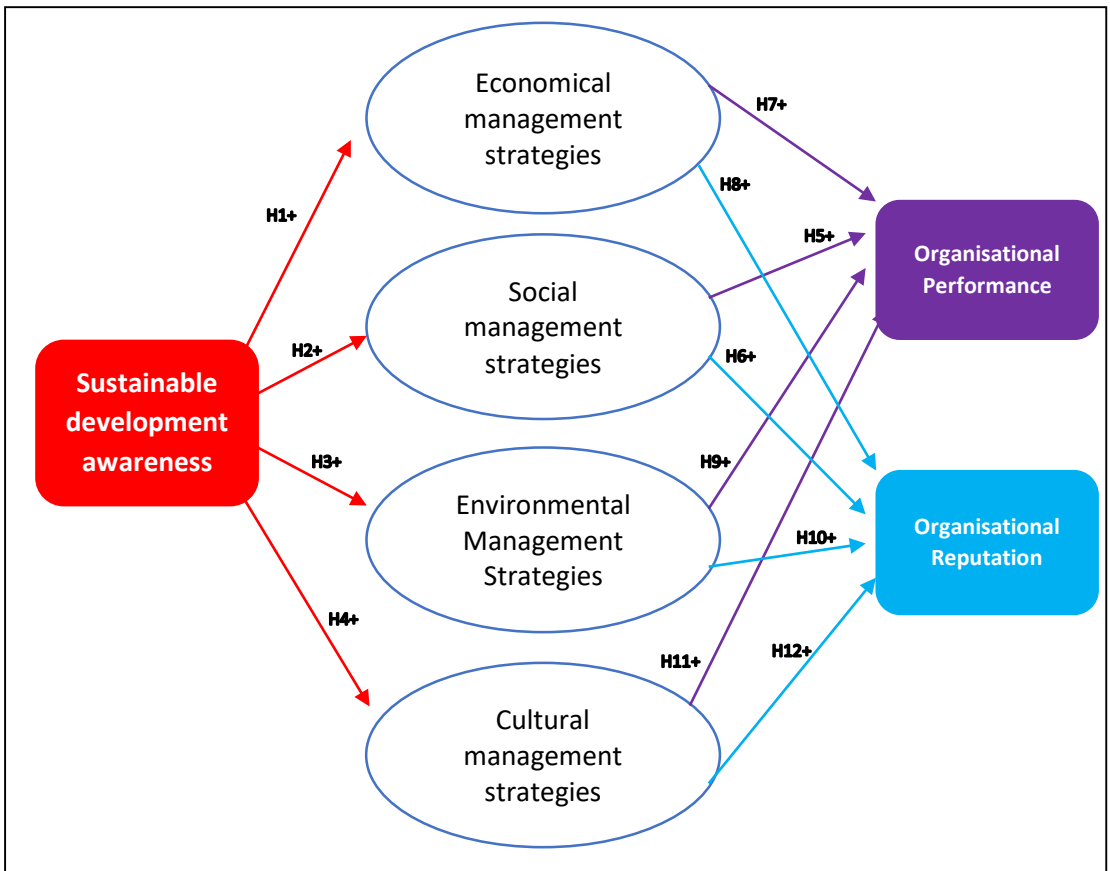
This model provides important reliability in assessing the internal consistency of constructs. Reliability in SMART-PLS is assessed by "Cronbach's alpha". Validity is assessed by establishing convergent and discriminant validity.

One of the main objectives of multivariate statistics is to increase "the explanatory power of empirical testing of theory, or to increase theoretical knowledge in cases where it is scarce" (Statsoft, 2013).

This empirical research model allows for the simultaneous examination of a series of dependence relationships between independent and dependent variables. This statistical technique shows the relationships between constructs ("latent variables") and indicators ("observable variables"). In this way, the researcher can assess the contribution of each item, or, in other words, detail which indicators define each construct. In addition, it assesses the reliability of constructs and indicators.

The partial least squares (PLS) approach is based on the analysis of variance. This implies a more flexible methodology as it does not require parametric assumptions on the data distribution, i.e. it uses non-parametric tests. "PLS models are used under predictive and non-confirmatory situations" (Hair et al., 2017: 2).

### Theoretical conceptual model



*Figure 2: Research model  
(Advanced by the author)*

### Sustainability and sustainable management strategies through the lens of Romanian managers – preliminary conclusions of the findings

The present research compares literature conclusions with the perceptions of Romanian business managers to understand how they cross paths with the sustainable paradigm and at which business levels.

We have seen that a specific profile is starting to get portrayed by the managers' perceptions collected in our qualitative approach, even if the sample, at the moment of the presentation of this report, consists of a reduced number of respondents (the process of data collection is still ongoing).

As well as what happens in the theoretical dimension, we see that the empirical one gives us a broad spectrum while management professionals are asked to comment upon what sustainability is for them. *For example, community welfare, well-being for the*





The next question starts with the set of questions that prove the broad scope of the sustainable paradigm, not only regarding its definition but also its implementation. Focusing on one field within the comprising scope of the sustainable paradigm proves to be all-encompassing: education, sustainable communities and buildings, packages and people. These divergent answers offer a glimpse into what managers think their businesses' sustainable competitive advantages look like, fitting their organizational needs and, as it is only natural, sheltering their future development perspectives.

Moving forward, another apparent unexplicit theme is unfettered: the financial /economic, social, environmental, and cultural management strategies' toll on the business' sustainable strategy (within the *Sustainable development awareness* subfield).

The financial dimension's input is either connected with the specificities regarding the production process of the end product, or being put under the large umbrella of responsible management of financial issues.

Besides, the social dimension's input was ruled out by one of the managers, even though references to the social activities of the business were made and detailed. For the others, the social dimension was directly linked to human resources management, acknowledging that strategies concerning people directly influence the overall business strategy.

Then, the environmental dimension's input surfaced concepts like waste management, and circular economy, all answers seeming to converge: the business' infrastructure has to be designed to reduce pollution and to be cost-effective. However, the operationalization of this reached common ground will vary from business to business. Notwithstanding, it is essential to mention that examples of actions were provided, yet none of the respondents mentioned a sharply-defined operationalization contextualized to their business's needs.

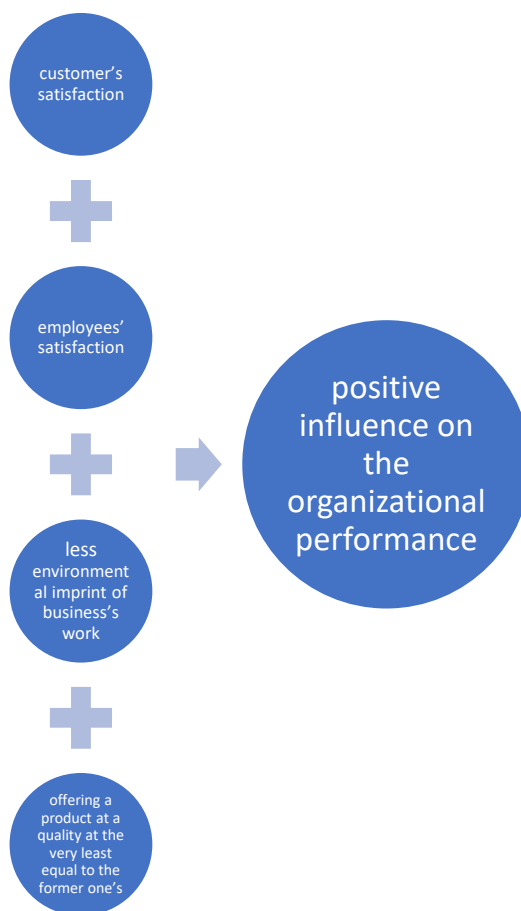
Concerning the cultural dimension's input, we observed its exclusion from two of our interviewees. The other two linked it with a people-oriented perspective, which might gain a certain degree of relevance depending on the organization's dimension and culture. Nevertheless, it is vital to understand that one of the peculiarities of culture is its emergent character, meaning that it is not deliberate.

The next subfield, *Social management strategies*, changes the focal point from a not clearly delineated action-based perspective to a result-oriented approach. Our aim here was no longer to understand a conceptualization, but to understand the direct implications derived from the daily put into use of the studied concepts. From this point onwards, we wanted to see the added value each variable might entail, articulated on a bi-dimensional scale, in terms of business performance and reputation.

Therefore, various relations have been established:

- **Social management strategies -> organizational performance**

Under this relation, a series of relations crystalized:



**Figure 5: Social management strategies' influence on organizational performance (as depicted by the interviewees) (Advanced by the author)**

Also, the interviewees have underlined the positive influence of the conditions both outside and inside of the business world. This pinpoints towards an inside-out perspective when approaching the social management dimension in business, if the final aim is to keep all the expectations covered.

○ **Social management strategies -> organizational reputation**

It seems that in this relation, it is essential to see whether the end user interacts with employees or directly with the product. If it does with the former, a people-oriented strategy is enhanced and developed, as the employees become promoters of the business, so they have to be motivated, very well trained, and up to date with the business's core values to avoid any kind of misrepresentation. The social management strategies seem to rely on the business's human resources if this were the case.

If, on the contrary, the interaction happens with the product, then the business should pay attention at all the levels of the product and ensure a comprehensive lookout for the product (production, marketing, communication, etc.), because, in this case, the product

itself is the promotor of the business. Therefore, social management strategies are transformed into marketing, communication, and management-reinforced policies if this were the case.

- **Economic management strategies -> organizational performance**

Another distinction comes into action: product vs service.

In the case of a product whose target falls within the B2C spectrum, a reluctance toward too many changes has been noticed over the years. Despite that, if any significant changes should be made, they should be presented gradually. All the more reason to adapt gradually and only when it is compulsory if the product's target falls into the B2B spectrum: sustainable collaborations require steadiness and reliability.

Apparently, a service requires clearer KPIs, with a time-based monitoring and assessing schedule.

We can see that, regardless of the target, even though changes and adaptations keep many companies in business, there is a certain degree of reluctance when we approach this concept which appears to be directly linked with economic management strategies in a sustainable framework.

- **Economic management strategies -> organizational reputation**

Seemingly, here we maintain the dichotomy of product vs service.

Products seem to rely on the same attributes as they did in the case from above (of organizational performance), just that now they seem to have to pass the proof of time, which gives them fairness, consistency, and trustworthiness. By doing so, they become assets directly influencing the organizational reputation.

In an apparently conservative narrative, the sustainable innovation concept is brought forward, suggesting that sustainability and innovation go hand in hand and can positively influence organisational reputation if they are part of an economic management strategy, fact that has been successfully proven before, in recent studies (Stănescu et al. 2021).

In the case of services, an organisational-centred paradigm is depicted, as all the responsibility that the product has is now falling on the shoulders of the business and its reputation.

These two perspectives have a convergent point: organizational reputation needs time, numbers, and consistency to be proven.

- **Environmental management strategies -> organizational performance**

Much to one's surprise, we see that environmental management strategies are a catalytic factor of change, due to external regulation policies, or to each market's standards. Nevertheless, as was presented before, change must be comprehensively managed to fulfil its productive potential.

Accordingly, we notice a determining relationship between the two elements (innovation and environmental management strategy) being sketched. Even so, as previously mentioned, there is a lack of solid business strategy, leaving aside legal regulations.

- **Environmental management strategies -> organizational reputation**

In this case, 3 out of 4 interviewees linked this relationship with risks and liabilities, envisaging the negative repercussions they might have on the organizational reputation. Taking into account the coercive motivation depicted in these responses, we make an educated guess by saying that we expect our 10<sup>th</sup> hypothesis (i.e. *There is a positive relationship between environmental management strategies and organizational reputation*) to be confirmed by our further research. It appears that its significant level of risk might turn it into a managerial hotspot, stressing thereby the importance of environmental management strategies.

- **Cultural management strategies -> organizational reputation & performance**

Cultural management strategies appear to be the most challenging ones for Romanian managers, as they might not be a part of the market in which a business activates, or they might be portrayed as relevant only in intercultural environments. Here we have come across responses that altogether treated cultural management strategies' influence on organizational reputation and performance. This might be a sign of the novelty of the topic in the Romanian business reality, hence, its lack of awareness among management professionals in the market.

- **Organizational performance**

By asking managers to define this concept in their own words, from a sustainable perspective applied to their context, we came across with an important, yet previously acknowledged, distinction: B2B and B2C. It looks like this concept acquires quite different meanings when it shifts from one type of business, to another.

On the one hand, in B2C, the conceptual sphere of organizational performance interlocks perfectly with the one of financial performance. Thereby, we assume that as long as there are economic restraints, we cannot really talk about a far-reaching organizational performance, but rather about an organizational performance seen through finance. On the other hand, in B2B, the concept of organizational performance encompasses many more aspects, such as: business relationships, collaborations and "out of business" activities.

- **Organizational reputation**

According to the answers received so far, it looks like the point agreed upon is perception (consumer and competition), valid for small businesses and, as a business starts to evolve, it might add up some other quantifiers too, such as: awareness, which is a valuable asset when it comes to further development, and shared history (both with businesses and clients), which generates trustworthiness.

## **Final considerations and limitations**

Our aim during the methodological design was to ensure that we piloted the main findings corresponding to each research dimension, hypothesis, objective and variable developed upon the literature review, given the all-comprising and inclusive character of the studied phenomena.

Understanding Romania's social economy evolution and the contribution it has impacted to a sustainable economy is vital. Therefore, businesses should emphasize adopting new creativity and innovative measures to create new business models and strategies that support sustainable development. Moreover, businesses should embrace the concept of the sharing economy to become innovative and creative, create new business models, create effective business assets and business management, and improve employee working conditions (Zbucea et al. 2018).

In addition, businesses' role in sustainably supporting urban development is vital in determining organizational performance and reputation. The interconnection of different stakeholders and the community is linked with a common goal of supporting development locally, making the stakeholders and public administrators engage at different levels to facilitate sustainable development (Zbucea et al., 2021). It gives individuals a sense of belonging as it stresses the importance of community innovativeness and their initiatives to enhance sustainable economic growth, poverty eradication, and individual development.

Overly, culture should be used to stress the importance of community inclusivity and creating mutual trust between companies and the local communities in society. In addition, culture stresses the importance of respecting the rule of law, the importance of democracy, the value of solidarity, and importance of solidarity. Sustainable management strategies should therefore respect the individual culture and support societal inclusivity from the business side, too, as it will help build an organizational reputation and improve organizational performance (Zbucea et al., 2021).

Based on our preliminary findings, it has become clear that these discussions help us grasp the real issues and perceptions of Romanian managers when coming across a sustainable-oriented business strategy which, as we mentioned, has gradually become widespread. The input offered undoubtedly enriches our perception and helps us adjust and narrow down the quantitative research so that the present research could be even more reliable, relevant and valuable to nowadays' Romanian business managers.

The following steps will consist of a thorough content analysis performed with NVivo software to ensure that everything is double-checked and standardized. From that point onwards, the presented research model / hypotheses might be adjusted according to the received input (and each variable's quantifiers will be enhanced). Finally, a cross-check table with the main changes after the pilot test (interviews) will be presented.

From that point onwards, the quantitative instrument will be designed and launched online (questionnaire-based survey), to a more extensive, significant number of Romanian business managers. In addition, the personal network and snowball technique will be used.

Lastly, the collected data will be processed in SPSS to confirm the reliability of the study. Subsequently, the data will also be processed in SmartPLS to get a variance-based structural equation modelling, which is ultimately the main methodological aim of the present PhD thesis.

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