

A FIRM'S MARKET PERFORMANCE: HOW DOES SUSTAINABILITY PRACTICE INFLUENCE IT?

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ABSTRACT

The study's central theme is sustainability practice. It aims to measure the impact of sustainability practices on market performance. The study is quantitative, and data was obtained through a structured questionnaire using a five-point Likert scale. Different firms, such as manufacturing, non-manufacturing, and service support, run the survey by sharing the data (n=200). Data were analysed through Smart PLS version 4.1.0.0, employing a structural equation model (SEM) technique to measure the impact of exogenous variables. All three variables (Employee engagement in sustainability, corporate social responsibility, and environmental concern) positively and significantly impact sustainability practice. Thus, the study's central finding is that sustainability practice positively influences the market performance of the firms, and the association is also significant. Companies that adopt sustainable practices can differentiate themselves in the market, potentially improving their competitiveness. Companies can exploit the notion that sustainability is a highly efficient technique for stimulating growth. Integrating sustainable principles can lead to long-lasting economic advantages. The novelty of this work is that it considers sustainability practices to determine the impact on market performance. Future work can be conducted on the specification of market performance, such as sales growth, return on investment (ROI), return on assets (ROA), and earnings per share (EPS).

Keywords: Employee Engagement, CSR, Environmental Concern, Sustainability Practice, Market Performance

1. INTRODUCTION

In the 21st century, a significant problem for humanity is discovering an equitable and enduring method of generating, using, and existing (Jefroudi & Darestani, 2024). Firm sustainability has been prioritized as a matter of great importance (Kantabutra, 2024), as it enables enterprises to adopt methods that contribute to addressing the challenges faced by humanity (Huseyn & Abasova, 2024). The World Summit on Sustainable Development defines sustainability as a balancing act between three factors: social development, focusing on environmental preservation as a critical aspect of sustainability, economic profitability, and environmental conservation (Zabihian-Bisheh et al., 2024). From a business perspective, sustainability refers to a company's ability to meet the needs of its current and indirect stakeholders while ensuring that it does not compromise its potential to meet the demands of future stakeholders (Heikkurinen & Bon-

nedahl, 2013; Rego et al., 2017). In the present competitive environment, businesses have various challenges, such as promptly adjusting to evolving client requirements, improving product quality, and boosting operational flexibility and effectiveness (Gangwani & Bhatia, 2024), and these problems significantly hurt market performance. In this phase, sustainable practice, client loyalty, and trust yield the most significant advantages to overcome the challenges (Islam et al., 2021). The long-term viability of a company hinges on its ability to maintain strong market performance and attract new customers (Jamal et al., 2024). Consistent patronage and positive recommendations from devoted customers can attract new clientele. A firm's reputation and competitive advantage are enhanced by consistently demonstrating steady and dependable market performance (Çağlıyan et al., 2022). Customers increasingly choose sustainable products or adopt sustainable lifestyles because of their ecological and health benefits (Kuzmak & Kuzmak, 2023). According to a Segal (2023) survey, 50% of consumers stated that sustainability was among their top 4 factors when purchasing. Additionally, respondents from various countries expressed willingness to pay an average premium of 12% for products with a reduced environmental impact. According to the IBV survey by Cheung et al. (2022), 64% of customers reported purchasing ecologically sustainable or socially responsible products. (Maduku, 2024) found a substantial increase in consumers adopting a more environmentally conscious lifestyle than the previous year. Increasingly, businesses are recognizing the imperative of incorporating sustainability concepts into their strategies and operations to achieve long-term success and contribute to addressing the pressing environmental, social, and economic challenges our globe faces. The worldwide sustainability needs to be improved. To satisfy human needs, annually utilize resources equal to the capacity of practically 1.8 planets (Wackernagel et al., 2020).

Moreover, fulfilling statutory sustainability criteria can be time-consuming and expensive, especially for SMEs. Sometimes, manufacturers need more time to create sustainable products when pressured to highlight short-term financial gains over long-term sustainability objectives, restricting investment in sustainable practices (Wu & Pagell, 2011). Especially for companies with complex worldwide supply chains, it can sometimes take time to ensure that all vendors adopt sustainable practices (Riaz & Farid, 2023). Companies could also need more relevant knowledge to help identify problems connected to sustainability (Tandon et al., 2024). Companies demand 28% premiums for more sustainable items - much more than customers are ready to spend. Though consumers are prepared to pay extra for these products, almost half of consumers in developed economies and over a third in fast-growing areas say living sustainably is too expensive. Defining how companies manage the relevant data needed for sustainable activities is essential. To our knowledge, no thorough model exists now that helps businesses make decisions when facing a sustainability issue by precisely linking all necessary elements. More clarity on the suitable strategy for managers to handle the several doubtful aspects of the sustainability problem will help transform them into practical actions (Schrettle et al., 2014).

Sustainability substantially impacts a company's performance, promoting resilience and long-term success (Fazlollahtabar, 2022). Firms can reduce their carbon footprint by embracing sustainable practices and contributing to global climate change mitigation efforts (Thomas and Bhaumik, 2024). These methods help to identify and mitigate environmental and social risks, protecting the organization from future crises and reputational damage. Furthermore, implementing sustainable practices ensures that the company's operations have a good influence on the environment and society, which aligns with ethical commitments not to harm. Sustainability can create new market opportunities, particularly in areas or businesses that highly value environmentally friendly products and services. Sustainable performance management systems can help organizations involve stakeholders and address the wicked sustainability challenge (Allal-Chérif et al., 2023; Kalogiannidis et al., 2023; Kantabutra, 2024; Keränen et al., 2023; Theerabunchorn et al., 2024).

The paper's most innovative feature demonstrates the considerable capacity of sustainability

practices to uphold a firm's strong market performance. We are pioneers in this field, having achieved a feat no one else has accomplished. However, a study has been conducted on the correlation between sustainability practices and financial performance in Sweden, a developed northern European country (Pham et al., 2021). Nevertheless, they should have provided explicit insight into a company's sustainability and market performance. Another article investigates the impact of sustainable business strategies on profitability. This research examines the extent and accuracy of information regarding environmental, social, and governance (ESG) practices, focusing on strategic disclosure (Cerciello et al., 2023). Also, a study titled "The impact of companies' environmentally sustainable practices on economic performance" was conducted by Ali Qalati et al. (2023). This article solely focuses on the economic performance and does not consider the entire market performance. In the Indian context, a study paper has been conducted on the relationship between sustainability performance and a firm's market performance. The study demonstrates that enterprises' sustainability has beneficial and detrimental impacts on market performance (Jyoti & Khanna, 2023). Another paper titled "Factors Affecting the Sustainability Performance of Financial Institutions in Bangladesh: The Role of Green Finance" primarily examines the impact of green finance on both banks and non-bank financial institutions in Bangladesh (Zheng et al., 2021).

As far as we know, research on this topic has yet to be conducted in Bangladesh. This study offers valuable insights to marketers on how to generate income, achieve high market share, and sustain market dominance over a long period. This study gathered data directly from numerous organizations, firms, and companies, providing marketers with detailed information for achieving optimal growth. This study aims to conduct a thorough investigation to assess the influence of sustainability practices on a firm's market performance. That means the initiatives can significantly impact a company's performance in the market and plans to conduct business ethically and ecologically consciously. Thus, this study illustrates the favorable association between a company's dedication to sustainability and its market performance.

2. LITERATURE REVIEW AND HYPOTHESIS DESIGN

2. 1. EMPLOYEE ENGAGEMENT

Employee engagement has become a significant subject for scholars and business professionals because of its substantial influence on employee performance, behavior, attitude, and organization's long-term viability and competitiveness (Sharma, 2022). The employee's experience encompasses factors that influence employee engagement, management support and collaboration, and organizational dedication to identity and development (Başar, 2024). Employee engagement may considerably affect employee retention and loyalty (Alanazi et al., 2023). Therefore, transformative leadership and employee engagement are inextricably linked, as effective human resource management strategies foster a more productive and efficient work environment (Noor et al., 2023), which promotes sustainable practice. Employee engagement and creative behaviour are significant; employee engagement directly affects sustainability activity (Ghani et al., 2023). Because it ensures continued success, expansion, and competitive advantage in the market, sustainability has risen to the top priority list for most companies (Kim & Hall, 2021). To ensure successful practices and sustainable performance, workers must be actively involved in the necessary and productive activity that shows up as acting techniques (Prentice et al., 2023). It has always been seen as a crucial factor in determining the success of an organization (Ly, 2024). To attain enduring sustainability (Marrucci et al., 2024), organizations prioritize the following strategies to preserve employee creativity: designating appropriate roles, providing feedback, minimizing time pressure, and encouraging innovative thinking (Jaboob et al., 2023).

Employee engagement impacts sustainable practice because, as the unsung heroes of every company, employees are the ones who put the leaders' beliefs, aims, and objectives into action. They also have the power to make or break the company's performance (Dey et al., 2022). Conversely, disengaged employees are satisfied with their work and position and are motivated to work (Jeha et al., 2022). This leads to their disloyalty to the organization, low productivity, and increased likelihood of departing the organization whenever the opportunity arises (Obuo-bisa-Darko & Sokro, 2023).

H₁: Employee engagement (EE) has a positive impact on sustainability practice.

2. 2. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate social responsibility (CSR) refers to the policies and practices adopted by organizations that extend beyond the pursuit of profit or compliance with legal obligations; it has become a crucial strategic priority in several sectors (Schaefer et al., 2019). Corporate Social Responsibility (CSR) is a strategy that enhances both the quality of life in society and a corporation's competitive advantage by presenting a positive image to customers (Mahmood & Bashir, 2020). CSR is a strategic approach that organizations use to achieve long-term sustainable performance (Chang & Yu, 2024), and it is a key component of modern business practices, reflecting the increasing awareness of the relationship between company actions and the welfare of the community (Mkadmi & Ali, 2024). Sustainability-oriented social responsibility impacts the quantity and radically of corporate innovation from employee and environment-oriented social responsibility perspectives (Chang & Yu, 2024). CSR significantly builds emotional bonds between companies and customers, increasing positive behaviours and attitudes like repeat purchase intentions, satisfaction, and loyalty. Several research had shown a connection between the level of corporate social responsibility and the financial success that organizations achieve (Balqiah et al. 2023; Wang et al., 2024). Researchers have shown that businesses that participate in socially conscious activities outperform their competitors financially, and corporate social responsibility (CSR) is a well-researched aspect that influences a company's overall success (Sindhu et al., 2024).

H₂: Corporate social responsibility (CSR) has a positive impact on sustainability practice.

2. 3. ENVIRONMENTAL CONCERN

Significantly, there is a rise in environmental consciousness (Arisal & Atalar, 2016). Nevertheless, it is essential to tackle the obstacles related to stability, quality, and sustainability to achieve prosperous commercial use (Kim et al., 2024). Moreover, promoting ethical or green consumerism, health, and social benefits can increase consumers' motivation to buy organic food more frequently, thus promoting its consumption and consumption habits (Tandon et al., 2020). The sustainable performance measuring indicators were established based on sustainability's economic, social, and environmental aspects (Degnet et al. 2022; León-Bravo & Caniato, 2023). Ecological concerns are fundamental principles that greatly influence consumers' actions and interactions with sustainability (Haj-Salem et al., 2022; Maduku, 2024; Tandon et al., 2020).

Recent studies have shown that sustainable people are more likely to engage in ecologically beneficial actions daily, including conserving energy, actively engaging in recycling programs, reducing driving, and using public transit (Franzen & Bahr, 2024). Moreover, businesses focusing on sustainability could contribute to solving significant environmental problems (Mansouri & Momtaz, 2022). The main objectives are to achieve sustainability and promote significant progress in both the economic and environmental sectors (Wang et al., 2024). The transition

towards sustainable supply chains (Ding et al., 2016) has pushed companies to coordinate their activities with what is considered to be ecologically sustainable performance (Acquaye et al., 2018; Dey et al., 2011; Hassini et al., 2012; Jaehn, 2016; Mastilo et al., 2024). Sustainability may enhance the organization's long-term competitive advantage by considering environmental, social, and economic aspects (Buranasiri et al., 2024). Business sustainability is closely linked to the management practices of owners and managers since sustainability challenges are environmental (Katenova & Qudrat-Ullah, 2024).

H₃: Environmental concern has a positive impact on sustainability practice.

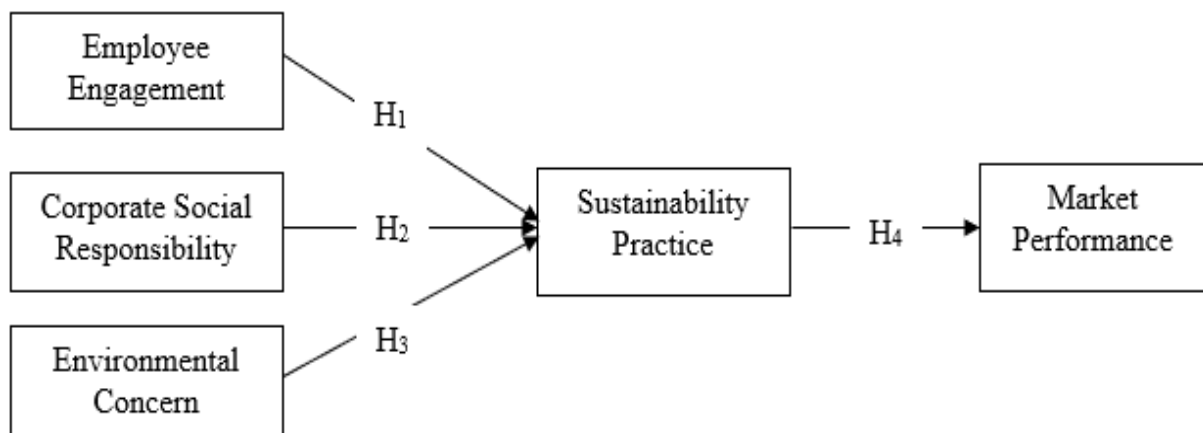
2. 4. SUSTAINABILITY PRACTICE AND MARKET PERFORMANCE

Companies now see their environmental responsibilities as a tactical tool to boost their competitiveness since environmental protection is becoming more pressing (Nogueira et al., 2023). Companies are facing market pressure due to the growing ecological shame brought on by climate change, insufficient resource management, pollution control, and environmental management. Corporations often establish sustainability initiatives, which include creating environmentally conscious products and supporting sustainable consumption via marketing efforts (Khan et al., 2023; Kantabutra, 2024). The implementation of green process innovation, which is a vital and essential method, minimizes the adverse effects of environmental deterioration; it enhances the efficiency of organizations' processes, enabling firms to get a deeper understanding of market competitiveness and the need to maintain sustainable performance (Sun & Nasrullah, 2024). In order to stay in business for the long haul, companies must implement business innovation models and digital capabilities that lead to sustainable results (Chen et al., 2024). Researchers in today's digitally-driven business landscape emphasize the synergistic effect of strategic digitalization and digital competencies in fostering sustainable and innovative practices (Chen et al., 2024). Sustainable innovation practices in supply chains and market performance are positively influenced by the dynamic capacities of market sensing and innovation, according to another research (Barreto et al., 2024). Furthermore, additional empirical studies are needed in developed and consumer-driven nations to clarify the connections between environmentally conscious supply chains and sustainable marketing campaigns (Garg et al., 2024).

H₄: Sustainability practice has a positive impact on market performance

2. 5. CONCEPTUAL FRAMEWORK

Figure 1. Conceptual Framework



Source: Developed by Authors

3. RESEARCH METHODOLOGY

3. 1. SAMPLING

Sampling is a method used by researchers to carefully choose a smaller number of representative items or individuals from a predetermined population. These selected subjects are then observed or experimented on in order to achieve the goals of the study (Sharma, 2017). Convenience sampling is the predominant sampling method utilized in psychology. Unfortunately, papers often neglect to address the importance of sampling composition and sampling procedures, which directly impact the results' reliability, applicability, and reproducibility (Scholtz, 2021). Nonprobability Convenience samples are commonly used in developmental research due to their practicality and are expected to continue being used. This is because probability samples are expensive, and the existing probability samples are not suitable for studying developmental topics. Therefore, researchers should consider convenience sampling (Jager et al., 2017). This research utilizes the convenience sampling method, which is a quantitative approach. The questionnaire is fully structured and does not contain any open-ended questions. The result was obtained using a five-point Likert scale, ranging from strongly disagree to agree strongly.

According to Hair et al. (2010), a study like this should have a sample size at least five times bigger than the entire number of questionnaire items. Despite PLS's reputation for handling tiny samples, meeting the minimum sample size requirement should not be your primary objective. According to previous studies, route modeling is best initiated with a sample size of 100 to 200 (Hoyle, 1995). This study used a sample size of 200 to ensure reliable results. Dhaka, the capital of Bangladesh, was selected as the sampling site for this study. Manufacturing, non-manufacturing, and service enterprises engaged in the study to provide their responses.

3. 2. DATA COLLECTION

300 questionnaires were distributed among manufacturing, non-manufacturing, and service firms. A total of 200 questionnaires were received in return. Of these 200 respondents, All were aware of sustainability, and we proceeded with the analysis with the response of 200 respondents who were mindful of sustainability.

Table 1. Respondent's profile

Particulars		Frequency	Percentage
Are you aware of sustainability?	Yes	111	55.5
	No	89	44.5
	Don't know	0	0
	Refuse to answer	0	0
Organization Type	Manufacturing	111	55.5
	Non-manufacturing	60	30
	Service	29	14.5
Gender	Female	78	39
	Male	122	61
	Other	0	0
Age (Years)	16-20	0	0
	21-25	67	33.5
	26-30	109	54.5
	Above 30	24	12
Designation	Jr. Officer	18	9
	Officer	71	35.5
	Executive	81	40.5
	Manager or above	30	15
Experience (Years)	Below 2	54	27
	2-5	124	62
	6-10	22	11
	Above 10	0	0

Source: Authors' own research (Survey Report, 2024)

Table 1 indicates that most respondents are manufacturing firms (55.5%). A maximum number of respondents are male (61%), and most are from the 26-30. Every respondent has work experience, and only 27% of respondents have less than two years of experience. 62% of respondents are having 2-5 years of experience. There were no respondents with more than ten years of experience. There might be staff with more than ten years of experience, but they might be busy with other work and could not respond to the questionnaire.

3. 3. MEASUREMENT MODEL

Partial Least Squares Structural Equation Modelling (PLS-SEM) is a second-generation method used to analyze data inside structural equation modeling (Hair et al., 2021). Vinzi et al. (2005) suggested that Partial Least Squares Structural Equation Modelling (PLS-SEM) is beneficial for performing causal-predictive analysis in highly complex situations and with minimal theoretical information. In contrast, several other studies use the PLS-SEM approach instead of the covariance approach because of its superior advantages (Hair et al., 2011; Kline, 2023). It should be noted that reflective measures generally show the connection between the concepts and the specific evaluation items (Hanafiah, 2020). To validate a reflective measurement model, it is crucial to understand its internal consistency, which may be evaluated using measurements such as Cronbach's alpha and composite reliability (Puška et al., 2018).

Furthermore, assessing the convergent validity by analyzing loadings and average variance retrieved is essential. It is crucial to evaluate the discriminant validity (Hair et al., 2016). Structural equation modeling (SEM) techniques are well-suited for identifying essential components, analyzing complex hypothetical interactions, and evaluating the strength of correlations between factors. These methodologies enable researchers to assess the overall influence of predictor factors on the outcome variable using a well-organized model incorporating diverse items and constructs (Hair et al., 2021; Sarstedt et al., 2023).

4. RESULTS

Table 2. Reliability and Validity Analysis

Variables	Item Code	Convergent Validity		Internal Consistency Reliability		Collinearity Statistics
		Loading > 0.70	AVE > 0.50	Cronbach's alpha > 0.70	CR > 0.70	VIF < 3 or 5
Employee Engagement (EE)	EE1	0.781	0.577	0.822	0.846	1.887
	EE2	0.739				1.656
	EE3	0.752				1.347
	EE4	0.776				2.392
	EE5	0.750				2.381
Corporate Social Responsibility (CSR)	CSR1	0.888	0.754	0.918	0.918	3.646
	CSR2	0.885				3.867
	CSR3	0.927				4.193
	CSR4	0.814				2.111
	CSR5	0.822				2.168
Environmental Concern (EC)	EC1	0.809	0.700	0.893	0.898	2.142
	EC2	0.782				1.952
	EC3	0.821				3.435
	EC4	0.908				4.594
	EC5	0.858				2.998

Variables	Item Code	Convergent Validity		Internal Consistency Reliability		Collinearity Statistics
		Loading > 0.70	AVE > 0.50	Cronbach's alpha > 0.70	CR > 0.70	VIF < 3 or 5
Sustainability Practice (SP)	SP1	0.949	0.772	0.923	0.928	3.266
	SP2	0.946				3.629
	SP3	0.947				3.642
	SP4	0.759				1.551
	SP5	0.769				1.716
Market Performance (MP)	MP1	0.855	0.730	0.907	0.915	2.975
	MP2	0.888				3.610
	MP3	0.913				3.998
	MP4	0.758				2.071
	MP5	0.851				2.738

Source: Author's research results/contribution

The measuring model's internal consistency dependability is assessed using Composite Reliability (CR) and Cronbach's Alpha (CA). While CA assesses a construct's dependability, CR gauges how effectively it is mirrored to its assigned elements (Wong, 2016). When each construct's CR and CA are more than the cutoff value of 0.70, the measurement model's internal consistency dependability is deemed suitable (Hair et al., 2019). Table 2 indicates that the indicators' loadings vary from 0.739 to 0.949. As a result, the findings show that the internal consistency reliability of the items used to represent the constructs is good, as its cut-off value is 0.708 (Hair et al., 2011). A set of indicators that are thought to assess the same construct is referred to as having convergent validity. Average Extracted Variance (AVE) is typically used to test for convergent validity, which measures the strength of correlations between items anticipated to represent the same latent concept. Convergent validity is deemed sufficient when constructs have an AVE value of at least 0.50 or higher (Henseler et al., 2015). The AVE values for each component in this study range from 0.577 to 0.772. To determine if the indicators are multicollinear, the Variance Inflation Factor (VIF) statistic is used. If the VIF value is less than 5, multicollinearity is not a major concern, according to Hair et al. (2016).

Table 3. Discriminant validity: Fornel-Larcker criterion

	CSR	EC	EE	MP	SP
Corporate social responsibility (CSR)	0.868				
Environmental Concern (EC)	0.535	0.837			
Employee Engagement (EE)	0.573	0.190	0.760		
Market Performance (MP)	0.674	0.429	0.459	0.855	
Sustainability Practice (SP)	0.688	0.657	0.473	0.773	0.879

Note: The bold diagonal numerals represent the square roots of AVE

Source: Author's research results/contribution

The Fornell-Larcker criterion is employed to evaluate the discriminant validity of measurement models within structural equation modeling. The square root of the average variance extracted (AVE) for each latent variable must exceed the correlation between that variable and any other latent variable. These findings meet all the criteria needed to prove the reliability and validity of reflecting measurement models. The Fornell-Larcker can display the construct with more sig-

nificant variation with its indicators. **Fornell and Larcker (1981)** proposed that the AVE value for every construct should exceed the correlation value with the other constructs to accomplish this. Fornell-Larcker values are displayed for each build in Table 3. In order to facilitate cross-row and column comparisons with correlation values in other constructs, AVE values are bolded and positioned diagonally. The analysis's findings demonstrate that each AVE's value is higher than the correlation values for the other constructs, demonstrating satisfactory discriminant validity. This indicates no overlap between the constructs utilized in this investigation and the others.

Table 4. Discriminant validity: Heterotrait-Monotrait ratio (HTMT) matrix

	CSR	EC	EE	MP	SP
Corporate social responsibility (CSR)					
Environmental Concern (EC)	0.584				
Employee Engagement (EE)	0.666	0.317			
Market Performance (MP)	0.739	0.464	0.533		
Sustainability Practice (SP)	0.746	0.712	0.519	0.841	

Source: Author's research results/contribution

Another technique for evaluating the validity of discrimination is the Heterotrait-Monotrait (HTMT) criteria. According to (**Henseler et al., 2015**), discriminant validity between two reflective concepts is established when the HTMT score is below 0.90. The correlation results' HTMT ratio is presented in Table 4, where it was discovered that neither an internal nor an external connection existed between the constructs. Because the value range in Table 4 is less than the 0.90 threshold value required by **Gold et al. (2001)**, discriminant validity was established for the study's components from 0.317 to 0.841; the constructs are sufficient for discriminatory validity. There was no problem with discriminant validity because all of the HTMT values were far below the 0.90 threshold.

Table 5. Collinearity Statistics (VIF) - Inner Model – Matrix

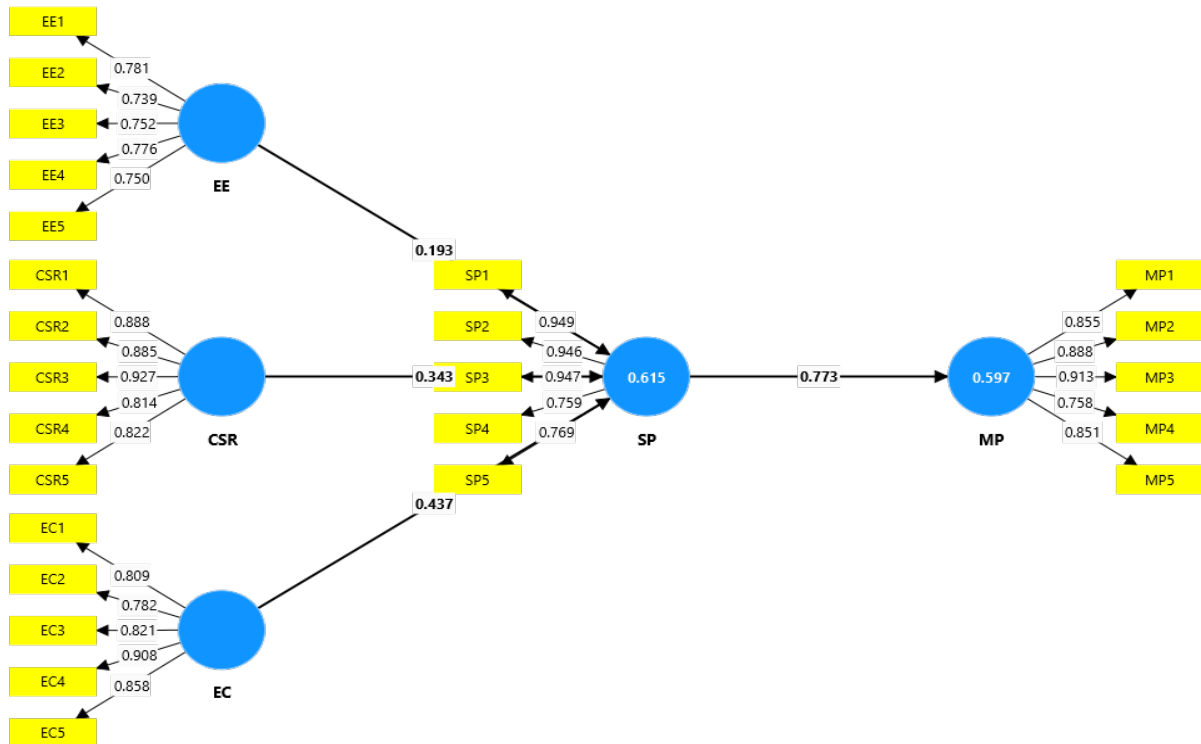
	CSR	EC	EE	MP	SP
CSR					2.069
EC					1.441
EE					1.533
MP					
SP				1.000	

Source: Author's research results/contribution

Table 5 presents Collinearity Statistics utilizing the Variance Inflation Factor (VIF) for the predictors within an inner model. The Variance Inflation Factor (VIF) identifies multicollinearity, a phenomenon where a model's predictors (independent variables) exhibit significant correlation. Severe multicollinearity can exacerbate standard errors, diminish statistical power, and render coefficient estimates unreliable. The software Smart PLS fully automates this process, producing variance inflation factors (VIFs) for every latent variable within a model. A VIF exceeding 3.3 is recommended to indicate pathological collinearity and suggests that a model might be influenced by common method bias. As a result, when all Variance Inflation Factors (VIFs) derived from an extensive collinearity evaluation are equal to or below 3.3, the model can be

considered free from common method bias (Kock, 2015). The findings presented in Table 5 demonstrate that the model is free from common method bias.

Figure 2. Model resolution by Smart PLS using PLS-SEM algorithm



Source: Author's research results/contribution

Table 6. Path analysis

Hypothesis	Estimates (β)	Standard deviation (STDEV)	T statistics ($ O/STDEV $)	P values	Decision
H ₁ : EE → SP	0.193	0.061	3.144	0.002	Accepted
H ₂ : CSR → SP	0.343	0.110	3.124	0.002	Accepted
H ₃ : EC → SP	0.437	0.066	6.638	0.000	Accepted
H ₄ : SP → MP	0.773	0.039	19.718	0.000	Accepted

Source: Author's own research results/contribution

Table 6 displays the results of the bootstrapping hypothesis analysis. The investigation's results corroborate every hypothesis. Based on the findings of this study, it can be concluded that Sustainability Practice (SP) depends on Employee Engagement (EE), Corporate Social Responsibility (CSR), and Environmental Concern (EC), which is also has a positive and significant impact on Market Performance (MP). The researchers calculated the sample's p-value and t-value in a structural model to evaluate the proposed hypotheses. The proposed hypotheses are supported if the t-value is more than 1.96 or the p-value is less than 0.05. The monitoring of the H₁ hypotheses: Employee Engagement ($\beta = 0.193$, t-value = 3.144 and p-value = 0.002) effects are endorsed, H₂ hypotheses: Corporate Social Responsibility ($\beta = 0.343$, t-value = 3.124 and p-value = 0.002) has a positive and significant impact on Sustainability Practice (SP), H₃ hypotheses: Environmental Concern ($\beta = 0.437$, t-value = 6.638 and p-value = 0.000) positively connected to Market Performance which is mediated by Sustainability Practice (SP) and H₄ hypotheses: Sustainability Practice ($\beta = 0.773$, t-value = 19.718 and p-value = 0.000) significantly and positively influence the Market Performance. Thus, H₁, H₂, H₃, and H₄ hypotheses are supported this path analysis.

5. DISCUSSION

Scholars and policymakers have elaborated broad initiatives for sustainable and circular growth in response to the negative repercussions connected with industrial operations. Many diverse parties must collaborate on these initiatives to meet industrial sustainability and circular economy goals (Arbolino et al., 2022). Moslehpour et al. (2022) demonstrated a clear and meaningful connection between sustainable corporate practices, technology utilization, organizational culture, and sustainable performance. They also guide regulators in drafting legislation to enhance sustainable organizational performance by implementing sustainable corporate practices.

Therefore, this study is the first to precisely identify the broader factors that influence sustainable human resource management (HRM), which lead to employee engagement, and examine their effects on the sustainable performance of corporations in a developing country. The study suggests that management should prioritize acquiring monitoring capabilities and recruiting environmentally conscious people to achieve social fairness and ecological conservation goals (Khaskhely et al., 2022). CSR is a crucial term in promoting sustainability practices; moreover, the CSR of sustainability significantly impacts a firm's performance (Bacinello et al., 2020; Orazalin, 2020). Besides that, environmental concerns also influence the market by leading sales as they positively impact consumer behavior (Maduku, 2024). A study discovered that sustainable performance is influenced by employee engagement in sustainability practices, corporate social responsibility (CSR) in sustainability practices, and environmental sensitivity. Assessing the profitability of sustainability projects has become a significant concern for CEOs, particularly when top-level managers anticipate financial gains from their company's environmental, social, and governance (ESG) activities. In the 2024 KPMG U.S. CEO Pulse Survey, 74% of CEOs expressed their anticipation of substantial returns on investments in sustainability within the next five years. According to KPMG, the results do not definitively prove a cause-and-effect relationship between sustainability outcomes, investments, and financial outcomes. However, they estimate correlations that could provide valuable insights for company executives (Bhattacharyya, 2024).

The study has assessed the result based on the conceptual framework. The predictor variable specifies that employee engagement positively influences sustainability practice. So, a qualified staff member with sound knowledge about sustainability can play a significant role in their job. If they do not have sound knowledge and are not intended, then the organization cannot practice sustainability anymore, though they are aware of it. The second predictor is corporate social responsibility (CSR). This is a crucial function for manufacturing and non-manufacturing firms to contribute to society and even reach mass people to build public relations without advertisement. This study's result was positive and significant, meaning that CSR about sustainability significantly influences sustainability practice. The third and last predictor is environmental concern, which positively and substantially influences sustainability practice. To determine how effective sustainability practice is, this study also has a response variable called market performance that reflects a business's effectiveness in the market, often demonstrated by an increase in market share. Sustainability practice positively influences the market performance of the firms, and the association is also significant.

6. CONCLUSION, IMPLICATION, AND FUTURE WORK

Today, sustainability is all about using cutting-edge tools and strategies beyond normal environmental practices. Companies are turning old materials into new goods to be more environmentally friendly and reduce the need for new resources. Another creative way to reduce waste and lessen its negative environmental effects is to encourage companies to make goods and

packaging that break down naturally. Biomimicry is also used by businesses to make products and solutions based on nature. This leads to results that are both useful and good for the environment.

In light of the research results, the core aim of the study was to figure out how sustainability practices influence market performance. The research found that sustainability practice has a remarkable positive and significant influence on market performance. The estimated value reflects a strong association and influence, too. The predictors in this study are employee engagement, corporate social responsibility (CSR), and environmental concern. Of these three predictors, environmental concern influences sustainability practices the most. So, this study recommends that every firm pay attention to sustainability practices as it is clear that they lead to cost and significantly influence market performance.

Sustainability research provides policymakers with insights into the enduring ramifications of their policies. This study frequently catalyzes innovation in several industries, promoting the creation of environmentally sustainable products and services. Companies that embrace sustainable practices can distinguish themselves in the market, potentially enhancing competitiveness. Companies can leverage the concept that sustainability is a highly effective strategy for driving growth. Incorporating sustainable principles can result in enduring economic benefits. Energy efficiency decreases utility expenses, while sustainable supply chain strategies can reduce operational costs. Sustainability studies frequently establish new industry norms and standards, guaranteeing that businesses operate ecologically and socially responsibly. The transition to sustainability has catalyzed the expansion of green technologies and renewable energy industries. Enterprises that innovate in clean technology, sustainable products, and services frequently generate new markets and revenue streams.

The study used a limited number of constructs. There might be more constructs as predictors of sustainability practice. This study has a limitation: the market performance did not specify the indication. Overall, we considered all the indicators like productivity, ROI, Sales, and Growth while measuring market performance. Further study could be conducted on the assessment of market performance using additional predictors of market performance and the identification and specification of core indicators of market performance and how they are influenced. Besides that, we advised conducting further studies using stratified sampling techniques.

Conflict of interest

There is no conflict of interest.

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Authors Contribution

Conceptualization, MAB, MBH and FE.; Methodology, FTL, SE MBH, and MKH.; Software, MRI, FTL, FE and MAB.; Validation, MBH.; Formal analysis, MAB, FE, SE and FTL., Investigation, MRI, FE and MBH.; Resources, MKH, FE and SE.; Data Curation, FE, FTL, MKH, and SE.; Writing- original draft—MAB, MKH, FTL and SE.; Writing—review and editing, MAB, MBH, and FE.; Visualization, MKH, SE and FE.; Supervision, MBH.; Project administration, SE and FE.; Funding acquisition, MBH. All authors have read and agreed to the published version of the manuscript.”

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Appendix

Questionnaire

Dear Respondent

We are going to conduct a study on “**A Firm’s Market Performance: How Does Sustainability Practice Influence It?**”. The findings of the survey will help us as well as to provide some sort of recommendation to take initiative by the policymakers. Your participation is significant to assess. The answer will only be used for research purpose and there will have no invasion of privacy.

Best Regards

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Personal Information

Are you aware of sustainability? (a) Yes (b) No

- | | | | |
|------------------------|-------------------|-----------------------|---------------------------------|
| 1. Organization Type: | (a) Manufacturing | (b) Non-manufacturing | (c) Service |
| 2. Gender: | (a) Male | (b) Female | |
| 3. Your Age (years): | (a) 16 - 20 | (b) 21-25 | (c) 26-30 (d) Above 30 |
| 4. Designation: | (a) Jr. Officer | (b) Officer | (c) Executive (d) Manager/above |
| 5. Experience (years): | (a) Below 2 | (b) 2-5 | (c) 6-10 (d) Above 10 |

Empirical Information

Please read the following statement carefully and select the appropriate number that indicates your overall evaluation regarding the statements. (Notes: 5=Strongly Agree, 4=Agree, 3=Neutral, 2=Disagree, 1=Strongly Disagree.

Variable	Statements	5	4	3	2	1
Employee Engagement	I enjoy the support of this organization's management regarding sustainability					
	I am furnished with all requisite training to effectively execute my job responsibilities.					
	I receive proper recognition when I fulfil my usual work responsibilities with excellence.					
	I am satisfied with my chances for promotion.					
	There is a fair amount of work that I need to do every week.					
CSR (Corporate social responsibility)	I believe the CSR can help to minimize the negative influence on the sustainability practice.					
	Our company's physical space can demonstrate efforts to create a sustainable environment.					
	The significance of social responsibilities towards society is emphasized by our organization.					
	Our company is concerned about the community.					
	Our company's CSR engagement had a good impact on people.					
Environmental Concern	I am concerned about environmental degradation					
	Our business plans to carry products that can be used again.					
	Our company is giving more attention to the use of green products					
	Our primary focus is on the development of products and processes that minimize our ecological footprint.					
	Environmental considerations are a driving force that directs our business strategy					
Sustainability Practice	Our company's leadership practices sustainable social responsibility.					
	Our businesses increase our social empowerment.					
	Our company uses utilities sustainably.					
	The profitability-wise economic performance of our organizations is commendable.					
	Our firm is proactive in mobilizing financial and technical resources					
Market performance	Our local market continuously changes and have a strong capability in developing new knowledge and skills.					
	As measured by sales growth, our company's economic performance is satisfactory.					
	Our company is capable of taking prompt, wise decisions.					
	Our company combines and allocates resources effectively.					
	Our company is experiencing consistent growth in sales, profitability, and productivity on a daily basis.					