

Knowledge of value creation and sustainable performance

Noorliza Karia*

Universiti Sains Malaysia

Corresponding Author: Dr. Noorliza Karia, Universiti Sains Malaysia, Malaysia. Tel :604 653 2528; Email: noorliza@usm.my

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Abstract

Due to the growing demand for value creation efforts in a firm corporate strategy, there is a need to understand what constitutes value creation and its role in adding value and enabling competitive force and sustainability. This article examines the needs by understanding the conceptual of sustainable performance measurement using value and ethics grounded in literature and Islamic views. The knowledge and insightful understanding about sustainability emerge from multiple perspectives, responsibilities of organizations, religious obligations and ethics. The study discloses that values grounded in the Islamic perspective guide the light to sustainability through justice, balance and moderate. According to halal-based theory, the value creation in halal business model determines the new performance index of sustainable performance measurement. The results indicate the significant value proposition on sustainable performance derived from four P values' creation on Profit, People, Planet and Product/Service. The constructs and measures of sustainable performance measurements are developed and clarified. The results denote that the role of halal value creation in a firm is an innovative and proactive approach which enhances values of competitiveness and sustainability of firms by generating and maximizing profits (economy), excellence products/services (quality), ensuring the well-being of mankind (society) and the planet (universe).

Keywords: Sustainability; Sustainable performance measurement; Halal business model; Value creation; Halal-based theory; Value-based strategy; Universe

Introduction

The future competitiveness of business counts on the value creation in a firm. The value creation provides benefits of profits for firms and values for all stakeholders and universe. This innovative strategy leads a firm to achieve competitiveness and sustainability [1-3], drives cost reduction, and increases in revenues and innovations [3-5]. Consequently, the strategic management of innovation on value creation denotes a critical element for a firm corporate strategy and a main factor contributing to a firm's competitive advantage and sustainability [3]. These innovative and proactive approaches empower firms to increase business values and subsequently improve sustainability performance. In review however, the attention in value-based strategies for sustainable performance research and empirical evidence is relatively limited and little is known about what constitutes a value-based and its role in enabling competitive force and sustainability.

Natural environment is the world crucial issue for competition and changing the competitive landscape in many industries. The current demand for value creation initiatives i.e. environmental, industrial sustainability, green, sustainable innovation, halal value and shared value have increased attention on the concept of sustainable performance [6-8]. Indeed, the change of value in corporate stakeholders has prompted firms to incorporate values for competitive advantage and sustainability [9,10]. Nevertheless, not many firms have incorporated value-based strategy and it is seen slow and immature in the industrial setting [11].

Though efforts in value creation for sustainable performance mechanisms have been done, the literature was suffering from at least five shortcomings. First, the sustainability concept has been recognized since 1970s and yet not many firms proactively or innovatively incorporate value-based strategy into firm's vision, policies or the

mechanism for performance evaluation [12]. Second, a number of arguments call for theoretical and practical relevance to provide a review on value creation in a business and its role in sustainable performance [11,13]. Third, the stakeholders demand for value creation and its implication must go beyond organization and across a supply chain context, yet such value creation efforts are not undertaken as a tool to generate performance [12]. For instance, some view that little is known about value, sustainable performance and an operational performance relationship [13]. Fourth, the research on sustainability should be viewed on the wider concept instead of only focused on environmental i.e. green or eco-innovation and Environmental Management System (EMS) [14]. Finally, the research on sustainable performance should be inclusive across all sectors of industry within the organization or value chains. To date the research on sustainable performance was not comprehensive and more on the manufacturers' or retailers' perspectives [15] consequently, other industries have been ignored [16]. The above reviews and setbacks justify the significant for this study to explore an insightful understanding of a new concept on sustainability in accordance to the lens prescribed by Allah in the Quran and how value creation enriches competitiveness and sustainability.

The purpose of this paper is to review, analyze and synthesize the knowledge of value creation and sustainable performance measurement. This study emerges a new concept about sustainable performance measurement from values grounded in the Islamic perspective which is able to reveal some novelty advancement in research of sustainability and innovation. The paper exploits the Islamic perspective to construct the value creation for robust sustainable performance which transforms into maximum benefits of profits for firms and right values for all stakeholders and universe.

To make these contributions, the paper is organized as follows. We begin with a discussion on the methodology and then present

the theoretical framework used to restructure the reviews. Next we proceed by reviewing sustainable performance and value-based strategy from two different lenses. Last, we discuss the issues arising from our review of the state of the field (strategic management of value-based) before indicating some theoretical inconsistencies and gaps for future study.

Methodology

Given the aims of the paper, it undertakes reviews from two main sources of knowledge as references: (1) the reviewed journal articles and (2) the Quran as displayed in Figure 1. The literature is reviewed and synthesized systematically. First, the paper identifies the related and reliable research about sustainable performance and extend literature and research from a strategic management perspectives that focus area within value-based approach by using related keywords such as value creation, green, environmental, halal, shared value and sustainable/sustainability. The analysis process includes categorizing and classifying the existing literature in sustainable performance, sustainable performance measurement, value creation (across the full range of sustainable performance management) by using papers published into the academic journal databases i.e. EBSCO Business Source, Emerald, Science Direct, Taylors & Francis and Wiley across more than two decades plus (1988 until 2018). To narrow down, prioritization is chosen for tracking the development on sustainable performance studies appear in the published literature. Articles are eliminated from the reviews if they do not have a focus on sustainable performance and/or competitive advantage. In review, this paper focuses only on those papers that develop theoretical arguments or reported empirical findings for the sustainable performance and competitive advantage relationship (Figure 1).

Next, this paper presents the values grounded in the Quran as a references to prescribe the knowledge about good value creation and robust for sustainable performance measurement or a halal business or industry. The knowledge about robust sustainability has been enshrined in the Quran, therefore it is essential to provide the depth understanding about work by viewing the guidelines in accordance to the lens prescribed by Allah rather than depending on personal reviews as a fundamental theory.

Results

Review on sustainable performance

A review on sustainable performance mechanisms is to recognize sustainable performance measurement or index that can help the sustainable business performance measurable and accessible to stakeholders. Sustainable performance is defined as a performance that measures the sustainability comprising at least economic, environmental, social value or incorporating other forms of value from a broader range of stakeholders. A sustainable business innovation seizes economic value whilst counting and causing environmental and social value for the needs of future generations, consequently establishing sustainability development. Consequently, this paradigm shift is a compulsory where business strategies, operations, activities and consumptions should align with the value-orientation by all stakeholders. This in turn creates competitive advantage through superior customer value while contributing to sustainable development of the company and society [17].

The notion of sustainable performance of firms incorporated value-based strategies in business is an urgent commitment to be prioritized by all firms. The sustainable performance of firms is managed by many companies in accordance with the Triple Bottom Line (TBL) concept, the environmental management system standard (ISO14001) which all are not in existence before 1996 [18]. According to Birkin, Polesie and Lewis [18], this new business model of sustainable performance has incorporated environmental and social aspects and is in used by many large companies in Nordic countries. Meanwhile, Nidumolu, Prahalad and Rangaswami [3] suggest that firms aimed at sustainability as ultimate goal will achieve competitive advantage in future. This suggests that sustainability presents an opportunity towards improving performance and gaining competitive advantage by assembling sustainability as a firm's corporate strategy.

Previous reviews in the strategic literature have concluded that the emergence of sustainability dimensions are essentials for performance measurement system towards improving performances and gaining competitive advantages [1,3]. Therefore, there is a need to redesign a business model that integrates sustainability measures along the supply chains and value chains [19-25]. Recently, there have been demands to focus more on enhancing sustainable performance to create

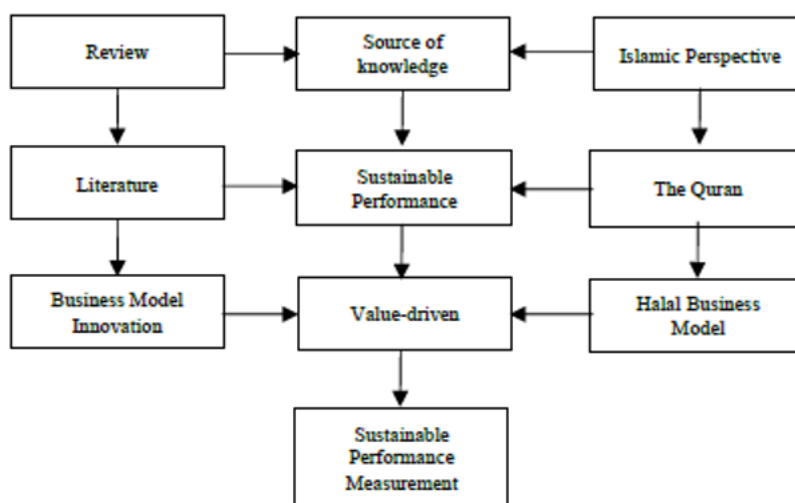


Figure 1: Methodology of sustainable performance measurement

greater environmental and social value while delivering economic sustainability by proposing new business models [18,26,27] and/or by developing business model innovations [7,28-31].

These reviews support the theoretical and empirical evidence of the sustainable business model that may enhance sustainable performance of firms. Stubbs and Cocklin [26] assert that a sustainable business model must include perspectives, a system and firm level; be developed from the TBL approach for a firm's purpose and measure performance. Teece [29] describes that the essence of a sustainable business model is how firms serve values to customers and attract customers by pay back its values and converting it into profits. Meanwhile, scholars suggest that a sustainable business model should go beyond economic value and further incorporate other forms of value from a broader range of stakeholders [7].

Nevertheless, a business model innovation offers a more holistic view that incorporates all three dimensions of sustainability i.e. social, environmental and economic. A business model innovation is about reassessing the value proposition of product/service that firms can offer to its stakeholders. Conventionally, business model innovation is about how firms capture values through transaction values (economic or exchange value, paid by the buyer to the producer; generally defined financially or intangible benefits such as market access), create a new form for the customer values and concern on values such as convenience, quality and well-being [32-33].

Islamic perspective on sustainable performance

Unlike the above reviews, the Holy Quran tells us about the knowledge of the world and humanity. It means "There came to us the Book (Quran) of clear evidence. With (Quran), God showed the streets of peace to those who follow His pleasure, and (with) them out of darkness (of disbelief) to the light (of faith) that brightly lit, with His permission; and (with it) God shows them the right path" [Surah Al-Maidah 5:15-16]. The existent knowledge about values and principles of sustainability enshrined in the Quran explains that Allah (swt) commands us (human being) to avoid doing harm and wasting resources as these acts cause ruin and deterioration of the environment.

"And do good as Allah has been good to you. And do not seek to cause corruption in the earth. Allah does not love the corrupters", (Surat Al Qasas 28:77).

This verse explains that natural environment is everyone responsibility to respect, nurture and care for the environment including environmental corruption, which includes industrial pollution, environmental damage, and irresponsible exploitation and mishandling of natural resources. The Quran states some values and principles on sustainability in order to protect the perfect of universe creatures. The guiding light to promote sustainable performance comprehends:

1. Adl (Justice) - governing human relationships and other living creatures; - treating the natural world with full respect, in a right and fair manner (adl). It means that we as humankind must accept our role as the custodian or agent of the planet, whenever it comes under assault from the actions of our fellow humankind in his/her greed for economic gain and profits.

2. Mizan (Balance) - everything in creation is made to exist in a perfect, harmonious balance (mizan). Think of the sun and the moon, which gave us night and day. Since the beginning of time, for millions of years, we have been able to benefit from this balanced system to raise our crops and to know when to sleep, work and pray. Everything has its place on Earth. Governing is not only human social and economic relationships but also the environment, especially in ensuring the equilibrium of nature, use of resources and life cycle of all species;

3. Wasat (Moderate) – the best in quality or the most honorable, choosing the middle path (not being excessive) in economic planning, social conduct, scientific pursuits, ideological views, material, water and energy consumption;

The Quran outlines the outcome of every human acts i.e. the fundamental principle of organizations (services or goods) is to give benefits to people and God's creatures and to obtain the blessing or pleasure of Allah s.w.t. in this world and the hereafter. To date the research that provides an accurate and representative essence of relevant Islamic scholarly research on the basic of understanding how a firm goes beyond sustainable business innovation is yet to be seen [10]. Research pertaining to sustainable performance and value-based approach in general and as prescribed by Allah in the Quran in particular, remains limited and, almost non-existent research and; asks for more expert knowledge and research. A valid study of this issue should therefore be well constructive which is, why this paper commences to examine value-based strategies and its effect on sustainable performance from the Islamic perspective.

Currently, the need to incorporate the halal value creation into a firm corporate strategy [8] and implement halal business model towards its sustainability have been acknowledged [10]. Empirically, firms incorporated halal value creation enhance the four 'P' of firm's sustainable performance such as improved in profits and values of product/service, people and planet [8]. In the agreement with Karia and Asaari [8], this paper upholds that halal value creation advances a firm's sustainability and ensures accountable business practices. Therefore, value-based strategies of a halal business model as enshrined in the Quran are an exemplified firm that goes beyond sustainable business innovation.

Based on the Islamic-based approach, Karia and Asaari [10] construct the sustainable performance indicators for halal business model. The model discloses the robust sustainable performance mechanisms, encompassing halal value-based strategy in accordance to Islamic thought. The halal business model hence, conveys the firm's accountable sustainability practices and system.

Halal business model

A halal-based concept is about what and how Allah wants us to treat all mankind and universe. It must be halal (permissible) and embraces tayyib (good) in all aspects of human life, spiritual elements, behavior, action and decision and/or value practiced by the Prophet (PBUH) in which bring benefits and welfare to all mankind (mashlahah) and universe. The halal-based strategy is established based upon three elements comprising (1) aqidah – a strong faith, belief, (2) akhlak – covers aspects of good behavior, attitude, ethics, morality that influences acts and (3) Shariah – Islamic law, act which are significantly leading to a halal business, halal services and halal transactions [34-36]. Table 1 discloses the halal-based strategy.

A halal business model has been defined as an innovation of business/organization, a new way of thinking or the new management of organization to treat consumers and meet their expectations in which bring benefits and welfare to all stakeholders [36]. Briefly, a halal business model not only verifies the processes and practices according to Shariah principle, but it is accountable for the values of justice, honesty, truthfulness, sincerity, timeliness and discipline and delivers with humility. According to Karia and Asaari [10], a halal business model as enshrined in the Quran emphasizes the eminence of innovation in business/organization by persistently conforming to the law/ethical/religious requirements, enhancing products/services excellence, maximizing profits and ensuring the well-being of all mankind and universe and ultimately doing for the best and payoff.

Table 1: Summary of value-driven.

| Islamic Perspective | Review Perspective | |
|---|---|--|
| Value creation | Predefine | Description |
| Generating and maximizing benefits of profit, people, products/ service and planet as well minimizing cost and hardship | <ul style="list-style-type: none"> • Environmental • Industrial sustainability • Green • Sustainable innovation • Halal value creation • Share value • Compliance | |
| Profits | Economic value: <ul style="list-style-type: none"> • Firm theory • Investors and shareholder | <ul style="list-style-type: none"> • Forecast a greater need for higher standards for economic performance |
| People | Social value: <ul style="list-style-type: none"> • Society • Quality of work • Employees satisfaction • Suppliers and partners • Government • NGO • Labour practices • OSHA • Employability sustainability • Employment practices | Inhumane working conditions: <ul style="list-style-type: none"> • A code of conduct for labour, health and safety • Organizations add value to their communities by increasing the human capital of individuals and furthering the societal capital of communities • Management of social resources including people's skills and abilities, institutions, relationships and social values |
| Planet | Environmental value <ul style="list-style-type: none"> • A code of conduct for environmental requirements. • Measuring and reporting impacts from key components of their environmental footprints. • Environmental Management System (EMS) • Global Environmental Management Initiative (GEMI) | <ul style="list-style-type: none"> • Reduce or optimize the use of energy, water and agricultural inputs, reduce greenhouse gas emissions. • Minimize water pollution and waste including food waste and landfill usage. • Minimizing manufacturing emissions, waste, water and energy use • Hazardous substance management and restrictions. • Waste water and storm water management. • Air emission management • Solid waste management • Environmental permits and reporting • Pollution prevention and resource reduction • Contaminations of the (local) environment |
| Products/Services | <ul style="list-style-type: none"> • Customers • Green product/service • Halal product/service • Service customer satisfaction through quality • Green or Halal Label and Assurance | <ul style="list-style-type: none"> • Durability, reusability of products to improve design • Creating competitive goods, services and processes which minimize life cycle use of resources and toxics, • A strategic asset that enables to deliver consistently high-quality goods and services to customers on a local and global level |

Consequently, in the context of halal business model, it should encompass halalan and toyyiban in all aspects of operations and actions/decisions such as (1) not violate or conflict with Islamic thoughts, (2) follow terms of agreement, (3) be Shariah compliant, (4) operate and perform with trust, efficient, dedication and honest. This halal service or innovation leads to four 'P' of sustained performance in terms of maximizing profits (economy) and minimizing cost as well; providing quality product/service; enhancing the well-being of society (people) and universe (planet) [10]. Figure 2 displays the holistic view of halal business model development.

By incorporating halal value creation, firms can differentiate their product/service, improve product/service quality, gain profit, and

precisely focus on increase demands for halal product/service by religiously sensitive consumers and non-Muslim consumers as well. Subsequently, firms can achieve competitive advantage, compete in local and global markets and adapt their strategies to suit the changing market and customer demands over time. Halal business model hence, is a robust model that leads to a sustained competitiveness and sustainability.

To summarize, by combining multidimensional views, the paper discloses the sustainable performance mechanisms of firms which can transform into business values and a firm's competitive advantage. The reviews on sustainable performance aim to investigate indicators for sustainable performance measurement from the whole corporate

Table 2: Summarize the reviews on sustainable business, performance measurements and sustainability concept.

| Sustainable business | | | | Performance Measurement | | | | | Sustainability Concept |
|----------------------|--|----------------|---------------------------|---|------------------|-------------------------------|-----------------------|---------------|------------------------|
| Islamic Perspective | Reviews perspective | | | Operational | CSP (Wood, 1991) | BSC (Kaplan and Norton, 1992) | TBL (Klkington, 1997) | Most Research | Dimensions |
| Halal Business | Business and industry common Practices | Business Model | Business Innovation Model | Cost, Quality, Delivery/speed and flexibility | | | | | |
| Product/Service | | | | | | | | | Halal |
| Profit | X | | X | X | X | X | | X | Economic |
| People | | X | X | | X | | X | | Social |
| Planet | | X | X | | | | X | X | Environment |

performance, inclusive within the organization, value chain, external and institutional environmental in all sectors of industry.

Value creation strategy

The industry 4.0 challenge prompted new approaches and efforts for creating a sustainable business innovation which incorporates value creation for innovation sustainability and sustainable competitive advantage, in turn transforming the way firms measure sustainable performance. In order to create a sustainable performance measurement, the holistic views of value creation are critical for generating and maximizing welfare and benefits to other stakeholders (besides customers and the firm) and specifically to society and environment.

The value creation is an intention and positive value dedicated within a firm's corporate strategy [10]. The concept of value creation has appeared albeit few but with different perspectives. In the agreement with the study of Karia and Asaari [8], the sustainable business innovation has been disclosed by previous study by creating new forms of value in product/service offered to stakeholders (e.g. customers, inventors and shareholders, employees; suppliers and partners; the environment and society); and by focusing on benefits of values and profits [32-33], whereby Porter and Kramer [27] consider it as 'shared-value creation'.

By law of nature, proactive and innovative firms will always find way to create value for its shareholders and society by maximizing the positive values and minimizing the negative effects on environmental, social and economic issues. In line with the objective of sustainable business, hence, it is timely to identify solutions that allow firms to capitalize economic value, whilst generating environmental and social value. Therefore build in sustainable business innovation comprehends (1) designing, producing and selling physical products, (2) selling a system of products and services to fulfill specific client demands; (3) developing tools to assist in eco-design of products and more generic business modeling tools and the practical design of value propositions for business models and sustainability; and (4) the tools to assist in evaluating the environmental aspects of products (e.g. durability, reusability) to improve design [7].

There are limited tools only that assists in sustainable business innovation although business models that deliver sustainability are increasingly popular. Some scholars have developed a value mapping tool for firms to create value proposition of sustainability by introducing three forms of value (value captured, missed/destroyed or wasted, and opportunity) and four major stakeholder groups (environment, society, customer, and network actors) [7]. The tools assist firms to create a balanced social, environmental and economic value through

integration sustainability more fully into the core of their business. While not all sustainable management tools are suit for all cases, they can easily be converted to suit that purpose. The most commonly implemented and designed tools are the Sustainable Balance Scorecard (SBC), TBL, and Environmental Management System (EMS). Based on previous study [37], performance measurement and management tool can be categorized into (1) an instrument – e.g. Environmental benchmarking, Environmental reporting), (2) a concept – e.g. design for environment, (3) a standard – e.g. halal standard, MS ISO 1400 and (4) a system - Quality Management System.

The reviews on the new approaches and efforts for capturing value-based strategy in industrial sustainability are the (1) Industrial Ecology model [38], (2) Cleaner production - minimizing manufacturing emissions, waste, water, and energy use [39], (3) Eco-innovation - creating competitive goods, services and processes which minimize life cycle use of resources and toxics [40], (4) Corporate Social Responsibility (CSR) - businesses committing to behave ethically and contribute positively to economic development and society [41], (5) Green or reverse and (6) Halal value creation – generating and maximizing benefits of profit, people, products/service and planet [8,10].

In contrast, grounded in the Islamic perspective the concept of halal business model integrated halal-based theory [10] assures 4'P' value-based strategy: Profit, People, Planet and Product/Service [8]. The halal-based theory [10] explains what, why and how a business integrates the halal value creation, ethics and organization's responsibilities that in turn shape the sustainable performance measurement successfully. The halal business model process involves a business to have a broader impact on generating and maximizing benefits of 4Ps. This certifies that religious obligations, ethics and responsibilities of organizations have stressed for the sustainable business performance (growth and survival of any firm). The halal business model by Karia and Asaari [10] discloses theoretical evidence for insightful understanding concerning the product/service, economic, social and environmental sustainability. Table 2 summarizes the value creation suggested by existing studies. With the growing awareness and attention towards the environmental concerns, a future business need to understand what and how it can enhance its performance with its suppliers and key stakeholders by increasing its core focus on values towards sustainability.

Sustainable performance measurement

Sustainable performance is an elusive concept, hard to define, currently involves halal, green and ethical products/services and a mixed of quantitative-qualitative estimation for sustainability measurement. The sustainable performance measurement should be

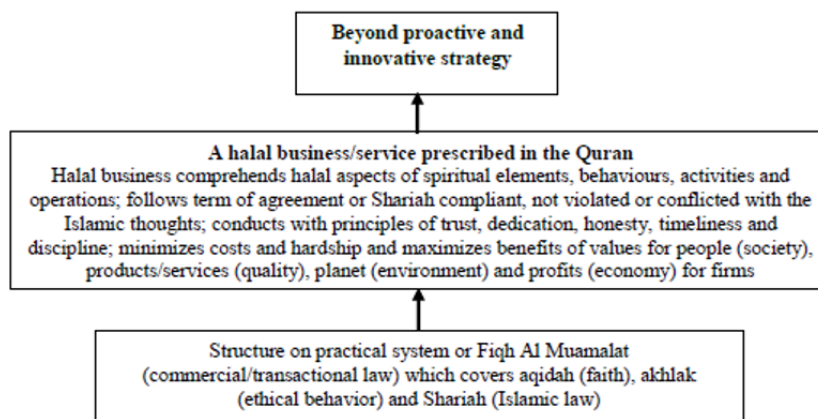


Figure 2: The halal business model.

comprehensive to improve product/service and to ensure that firms perform as the result of sustainable performance. The characteristics of sustainable business emphasize on economic, environmental, social, stakeholder, volunteer, resilient and long-term aspects. Therefore firms need to measure, monitor and manage their performance in multidimensional constructs using a balanced and dynamic set of measurement that facilitates support on decision-making processes. The word 'balanced' implies the necessity of using different metrics i.e. financial vs. non-financial; quantitative vs. qualitative; internal vs external; etc. that provide a holistic view of a firm performance.

Sustainable performance measurement refers to the indicators of work performance, the result achieved in an activity, process or organization unit. It is the process of quantifying efficiency and effectiveness of action which is an important element in enhancing business performance. Business and industry common practices have evolved in the last two decades from traditional industry to the sustainable performance revolved around the economic performance indicators e.g. cost, quality, delivery/speed and flexibility which aim to achieve a balance between environmental and social benefits as indicators of sustainable performance. There are various dimensions of the sustainable performance being used, albeit few with different studies. Some scholars argue that financial indicators alone cannot provide an accurate picture of performance in its entirety, thus business and industry need to expand the boundaries of sustainable performance measurement beyond financial parameters and demonstrate contribution towards sustainability i.e. economic criteria (cost, time, quality, flexibility and innovation), and environmental and social performance measurement.

The previous reviews have appreciated the contribution of theory of Corporate Social Performance (CSP), Balanced Scorecard (BSC) performance and the TBL environmental performance in the performance measurement system. Prior research acknowledges that CSP emphasizes on the benefit for society, stakeholders and the firm itself [42]. Meanwhile, the Balanced Scorecard (BSC) performance measurement system emphasizes on the stakeholder theory [43] and subsequently becoming internal process for measuring performance in most of large organizations. In contrast, the original BSC model does not emphasize on employee, supplier or community perspectives within firm performance [43].

In the last two decades, the attention pay to stakeholders has increased dramatically for measuring firm performance. Freeman

[44] defines stakeholders as the groups of people who can influence or who are influenced by the achievement of a company's objectives such as customers, investors and shareholders, employees, suppliers and partners, the environment, and society. Due to organizations impact on the natural environment and society, the TBL emerged as a new tool for measuring performance [19] whereby firms are liable for more than generating economic value. While TBL recognizes industry certified environmental systems (EMs: ISO 14001), introduced in 1996; that incorporates all stakeholders (local communities, government, employee, suppliers and customers), the BSC incorporates financial, customer/market, short-term efficiency and long-term learning and development factors. But recent studies have acknowledged the absence attributes of social and environmental performance in BSC model and the absence of economic performance in TBL model [45-47].

To fill these gaps (1) Hubbard [45] develops a conceptual based model for measuring organizational performance by adding factors specifically designed to capture a firm's social and environmental performance to create a Sustainable Balanced Scorecard (SBSC); (2) Edgeman and Eskildsen [46] have supported Hubbard [45] to develop Sustainable Enterprise Excellence (SEE) which is distinct in its explicit inclusion of and substantial emphasis on innovation, organizational design, business intelligence and analytics, balancing both competing and complementary interests of organizational stakeholders, and depth and breadth of consideration devoted to societal and environmental responsibility and performance and; (3) Escrig, Munoz, Fernandez and Rivera [47] measures Corporate Environmental Performance (CEP) that is comprehensive and consistent with sustainable development for society and companies as well as stakeholders.

The robust sustainable performance measurement is about to (1) define a sustainable management system which compiles all aspects of sustainability (ethical, economic, social environmental, innovative); (2) measure performance and quantifiable management system goals; and (3) publicly disclose results associated with management systems. The implementation of sustainable performance measures appears in recent times. As conceived by Eccles and Krzus [48], Ahi and Searcy [49] extend review summarizing the characteristics of business sustainability, focusing on economic, environmental, social, stakeholder, volunteer, resilient and long-term aspects.

Empirically, to date, social aspects and the integration of the three dimensions of sustainability are still rare [50]. The existing study inclines to focus on just one or two sustainability dimensions and fail

to inspire the holistic perspective that incorporate all three dimensions of sustainability [7]. Some have concluded that most publications focus on the performance measurement of one or two sustainability dimensions in particular environmental and economic dimensions [37]. The existing reverse logistics research also inclines to focus on the economic and environmental aspects of sustainability where social sustainability has yet to be comprehensively examined [20]. Based on the reviews of the 25 years performance measurement in supply chain, the vast majority of studies exclusively dominates environmental and economic performance measurement, while the study on social performance measurement shows little attention and remain immature research area [20] and an interest lately [37]. However, the number of studies addressing performance in all three sustainability dimensions is increasing recently [51,52], these perhaps explain the paradigm shift of value-based outcomes of sustainable business innovation.

The above reviews uncover that the holistic perspective of value-based outcomes for the robust sustainable performance mechanism research is urgently needed and asks for more expert and research. With the amount of review available data, the study acknowledges the sustainable performance measurement developments and displays the deficiencies of previous performance measurements as displayed in literature (Figure 3).

Table 3 presents the holistic/comprehensive view for the sustainable performance measurement. The existing study on sustainable business and performance measurement is mapped into the halal business model [10]. The halal business model process encompasses the halal-based theory [10] into product/service, profit, people and planet that in turn will determine the sustainable performance indicators. Halal business goes beyond the sustainability dimensions for the performance measurement in business innovation model that attempts to integrate innovation strategy into a firm vision.

Therefore we uphold that the Islamic perspective determines the evaluation mechanism of robust sustainable performance from wider dimensions in terms of obligations towards the God and planet as well as human. It acknowledges that religious obligations (ethics) and responsibilities are critical elements towards (1) aqidah (good intention or visionary), (2) akhlak (good behavior, attitude, ethic, morality and (3) Shariah (regulation or act) which empower feasible solution for sustainable performance measurement. The halal business model facilitates more on value maximization for sustainable performance measurement rather than profit maximization. Karia and Asaari [8] conceptualizes the robust sustainable performance mechanisms of firms as a wider range or new way of performance measurements, which minimize cost and hardship as well as maximize benefits of profits to firms (economy); and benefits of values to product/service (innovation), people (society) and planet (environment).

Islamic thought upholds that an organization being in compliance with shariah law and focus on improving and expanding efficiency

efforts to increase benefits of profits to its business and value chain and values to people, product/service and planet, while sustainable development is “development that meets the needs of the present without compromising the ability of the future generations to meet their own needs” [53]. The sustainable firm is able to meet present needs, exhibit its ability to meet future requirements and plans which are expected by stakeholders and society, and to be profitable, lawful, socially accepted and ethical. The successful implementation of sustainable development should encompass dimensions of sustainable performance measurement by complying with performance index of halal, environmental, economic and society as presented in Table 3.

Discussion

This paper commences the knowledge about the emergence of value creation that encourages business values, competitive force and sustainability performance. The reviews advance the theoretical and empirical evidence concerning the sustainability development and sustainable performance measurement and further contribute to research and literature in sustainability and strategic management field of innovation. The results discover some novelty from the halal business model derived from halal-based theory towards halal value creation and sustainable performance measurement.

First, the reviews exploit the Islamic and literature perspectives to structure the knowledge about sustainable performance and measurement which discloses the innovative and proactive approaches that help firms to increase business value and competitive advantage. Second, the values grounded in the Islamic perspective guides the light to sustainability through justice, balance and moderate. Third, we uphold that the halal business model applied halal-based theory (Karia and Asaari, 2016b) determine the evaluation mechanism for the sustainable performance measurement from wider dimensions based on aqidah (good intention or visionary), (2) akhlak (good behaviour, attitude, ethic, morality and (3) Shariah (regulation or act) which drive feasible solution for sustainable performance measurement.

Fourth the halal business model finalizes the sustainable performance indicators by maximizing profits (economy), excellence products/services (quality), ensuring the well-being of mankind (society) and the planet (environment) [10]. The halal business model operationalizes the dimensions of sustainable performance measurement by complying with performance index of halal, environmental, economic and society. The halal business model incorporated halal value creation towards a firm's sustainable performance represents a clear research and empirical evidence [10]. This implies the fact that firms doing good deeds invite benefits of profits for firms and values for all stakeholders and universe. Finally, the concept of halal value creation derives the main 4P values: Profit, People, Planet and Product/Service. This holistic view of halal value creation advances a firm's sustainability and sustainable performance, ensures accountable, and subsequently provides competitiveness.

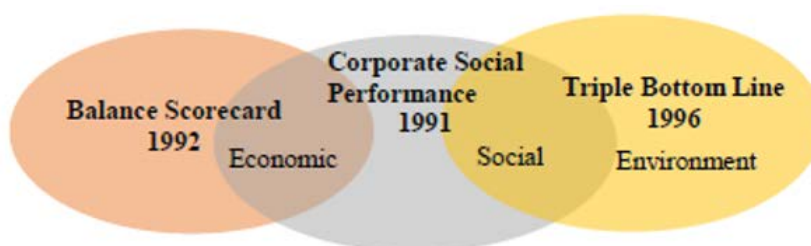


Figure 3: Performance measurement developments.

Table 3: Value creation aspect and criteria.

| Value creation | Description Refer to value making and attaining and sustaining competitive advantage through sustainability Criteria | Criteria |
|--|---|-------------|
| Profit (e.g. Maximize the interest of firm and public) | To Maximize benefits of profits for firms, right values for stakeholder, interest on firms or public by giving a positive impacts on customer satisfaction and loyalty, delivery (goods at the right time and right place. operations costs), resources and capabilities (up grading. equipment. technology and employee education) for operations efficiency and effectiveness. To address the impact of business on the economic performance le reduce production cost, save materials and energies and increase competitiveness. | Economic |
| Product Service (e.g. zero defect, avoid cheating, corruption monopolies) | To conduct services with principles of trust dedication, honesty, timeliness and discipline: or offering product with quality, safety, miry, nutrients, wholesome and hygiene (Security of product, product liability). To address the impact of business operations on the product/service innovation, the treatment of users and the product/service value added. | Halal |
| People (e.g. good action, ethical practices, avoiding all kinds of sins) | To enhance employee commitment (perform jobs with sincere and responsible), employee involvement (well- trained employee performs excellent jobs), career advancement or job satisfaction and community well-being, (good working behavior, equal treatment respect human right, health and safety issues) and organizational behavior To address the impact of business operations on the society, the treatment of stakeholders, and the social value added. | Social |
| Planet: (e.g. maximize benefits to the environment and others: animal welfare) | To care its environment by promoting safety and green environment e.g. environmental management system (EMS), 3R (reduce, reuse, and recycle), green transportation or recent logistics or complying with the law of safety and environment (reduction of pollution, exhausted of resources). To address the impact of business operations on the environment, the treatment of God's creatures, and ethical value added. | Environment |

In brief, this study is timely and utmost important for a future business direction in environmental and sustainability concerns. The halal business model provides a future sustainable business model that empowers sustained competitive force and sustainable performance. It helps industry to move forward in a new and right direction for future business practices and decision making that takes into account the halal and tayyiban, economic, social and environmental concerns and responsibilities.

A future business can engage in halal business model strategically in order to achieve competitive advantage, compete in local and global markets and adapt their strategies to suit the changing market and customer demands and subsequently enhances value optimizations – service improvement, cost reduction, growth, productivity, differentiation and sustainability [10]. It is a firm's opportunity towards achieving competitive force and performance through sustainability [1, 3]. The halal business model assists firms to differentiate their services, improve the overall quality, gain profit and in particular focus on the increased demands for the halal product/services.

Conclusion

This paper reviews and analyses empirical evidences in order to explain the sustainable performance measurement for a future business. The emergent knowledge on sustainable performance measurement is derived from the literature and Islamic thought. The reviews discover the value creation as innovative and proactive approach for value-based strategy towards environmental concerns. Guided by the Islamic thought, the present study discloses the halal business model and halal-based theory to promote and integrate halal value creation for creating the ultimate business values, competitive force and sustainability performance. The results certify the importance of firms to go beyond the existing measurement of sustainable performance.

Since sustainability literature lacking of theoretical foundation, the study contributes to the theoretical development for a future

research in sustainable performance measurement. The study determines four dimensions of sustainable performance indexes like halal, environmental, economic and society. The conceptualization of sustainable performance measurement is constructed and clarified. Future research should further investigate the effects of halal value creation on the sustainable performance measurement. Further, this paper represents some novelty efforts in understanding firm's competitive advantages results from value-based approach and beyond existing sustainability dimensions. Unlike the vast majority of previous studies which focuses on just one or two sustainability dimensions and fails to inspire the totality of holistic sustainability dimensions. Though this paper has highlighted and suggested the halal business model and holistic view of halal value creation, it has some limitations on applied research and available data. Hence, more empirical evidence on value creation and sustainable performance measurement are needed. Other research methods such as a case study, focus group and survey shall be applied to further developing and testing the relevant theoretical constructs and proposition.

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