Examining the Ways in which Sustainable Investment can lead to Long-Term Performance of the Organisations in the Irish Market

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Abstract

The study is focused on investigating the effect of sustainable investment strategy in accomplishing long-term growth and performance of organisations, mainly in the Irish market. The study also seeks to recognise the ways through which sustainable investment can contribute towards strengthening organisational performance in the long run in Ireland.

The research incorporated quantitative methods, descriptive design and deductive approach to draw Ireland specific data and establish a link amid organisational performance and sustainable investment. A survey technique is used for data collection, and the survey is conducted with twenty-six managers and investors in different Irish organisations. Random sampling and statistical analysis technique are adopted in this study for sample selection and evaluation of data, respectively. Other than this, secondary data is obtained from reviewing the literature.

It is found that the Irish businesses pay adequate attention towards sustainable investment and gives priority to sustainable investment upon recognising its advantages in the form of high growth and performance, maximisation of returns, strong competitive position and high financial return. It is concluded that sustainable investment helps in enhancing economic transactions and improving financial accountability which leads to long term growth of Irish firms. The findings highlight the benefits of sustainable investment for businesses and risk factors concerning sustainable investment which can be considered by organisations and investors prior to making investment decisions. The study also shed light on the contribution of sustainable investment on the long-term performance of organisations.

The study does not focus on the subjective dimensions of the research problems and primarily relies on numerical data, thereby indicating a lack of in-depth assessment.

Keywords:

Sustainable investment, ESG, Ireland, long-term growth, performance

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Chapter 1 :Introduction

1.1 Introduction/Background Context

Sustainable investment refers to investing for the progress of individuals, organisations along with benefitting the society. It is an ideal combination of traditional financial investment with the impact of environmental, social as well as governance (ESG) investment (Swiss Sustainable Finance, 2017). In the current era, investors realise the growing importance of the combination of economic, social as well as environmental ideologies and also the way this combination will generate the best results. There has been a significant development identified for engagement in sustainable investment policies due to the demands of clients and other stakeholders. The primary purpose of sustainable development is to attain the goals related to financial performance, along with contributing to the fulfilment of ESG practices (Krosinsky, 2012). However, the organisations are mostly encouraged to engage in sustainable investment practices due to its added advantage of the improvement in organisations' performance. The significant growth in sustainable investments by organisations has helped them to consider these investment options for achieving sustainability in their performances. Thus the ways should be promoted by which sustainable investment leads to this improvement (Hebbs, 2011). In this context, the current research study seeks to analyse these ways by which sustainable investment practices assist in improving the long term performance of the organisations.

1.2 Rationale for the Research

The current research study has been designed with particular focus to fill the gap that has been present in the research existing in the studies with the help of evaluating the important ways sustainable development can lead to improvements in the organisation's long term performance. This is one of the essential rationales behind conducting the current study on this topic. The additional reason for doing the present research study on this topic is that it interests me, and thus it has been chosen as per my interests and likes. This study will contribute in different ways such as it will be helpful to the business field in supporting organisations of Ireland to understand the primary way's they can use the sustainable development to acquire long term improved performance. The study of this research will also be of significant importance for the researchers in the future to acquire the extensive amount of knowledge about this topic, and thus new ideas can be generated for researching on similar issues in future.

1.3 Research Aim and Objectives

The primary aim of this research is to identify and analyse the ways in which sustainable investment can result in improvement of long-term performance of the organisation in the Irish market. The following objectives have been designed to fulfil the aim:

- To examine the significance of sustainable investment in improving organisational performance.
- To explore the factors contributing to the increased interest of investors towards sustainable investment.
- To analyse the current trends in sustainable investment in the Irish market.
- To identify the ways in which sustainable investing approach has resulted in long-term organisational performance in Ireland.
- To suggest measures for effective, sustainable investment to improve the performance of organisations in the Irish market.

1.4 Research Question

The questions for the research work are presented below:

"RQ: In what ways, sustainable investment can contribute to the long-term performance of the organisations in Ireland?"

1.5 Research Significance

In the current scenario, the organisations are identified to be increasingly engaged in sustainable investments for improving their long-term performance and retain benefits for a longer timeframe. This scenario has arisen because business leaders have understood the importance of managing challenges, including environmental and social issues prevailing in the industry. These leaders also recognise the importance of using sustainability plan in meeting the needs of shareholders as well as improving the performance of their organisations. The organisations are also concerned about the impact of their performances on the society and thus they indulge in sustainable investments to gain long term benefits (Tseng *et al*., 2019). Thus, the proposed research study will help in finding the ways through which sustainable investment can lead to an improvement in long term performance of the organisations. The findings of this research would assist the management of the organisation, including the leaders to utilise sustainable investment for improving the organisation's long-term performance. Overall, the study would assist in providing the usage of sustainable investment for organisations which will also add on to the existing academic database of sustainable investment and managing performance of the organisation.

1.6 Structure of the Research

Chapter 1: Introduction

This is the first chapter of the research, which consist of its background information along with the primary aim and objectives of the research. The section has also detailed the research question and rationale behind choosing and conducting the current research study for the purpose of investigation.

Chapter 2: Literature Review

The literature review chapter has evaluated the viewpoint of different authors related to various theoretical aspects related to the role of sustainable investment in improvising the performance of the organisations. This chapter also provided details about the current trends of investment in the Irish market.

Chapter 3: Research Methodology

This chapter of research methodology has presented the details of research methodology concepts that have been used in the current research study and has helped in directing the process for selecting as well as analysing the data collected.

Chapter 4: Data analysis, Findings and Discussion

This chapter included the presentation of primary findings from the data that has been collected and analysed to derive the core findings.

Chapter 5: Conclusion

This is the final chapter in the current research study, where the final results derived acts as the core conclusions. The recommendations that were identified to be useful are also detailed in this chapter.

Chapter 2 :Literature Review

2.1 Introduction

Sustainable investments include believing in change, and understanding that businesses that address the biggest problems in the world will better develop. The aim is to build improved market models and establish the catalyst for rising numbers of citizens to opt for the future to which we are committed (Krosinsky, 2012). Investors, varying from multinational organizations to individuals, are targeting their investment goals through the mix of conventional investing strategies and financial, social and governance (ESG) perspectives. The aspect of risk is included in all financial transactions. Thus, the investment's value and its revenues vary and the initial amount of the investment can not be guaranteed. Over recent years, investments in renewable investment approaches have risen rapidly and this phenomenon shows no indication of slowing down (Krosinsky, 2012). The review contains the significance of the sustainable investment, factors responsible for investors and Implication of sustainable investment.

2.2 Significance of Sustainable Investment for achieving Long-Term Performance of the Organisation

As per Christensen *et a*l., (2011) Capital markets mainly help in channelizing excess amount from investors to organizations which puts them into good use. The capital market trades generally for long-term securities (Christensen *et al.*, 2011). According to Rayer (2017) since the time the concept of capital return on investment has been conceived, investors have made their choice while investing depending on the gain or loss the investment is causing to the society. Investment choices have evolved with time depending on societal norms and values. As society acknowledges the causes and effects of climatic change, investors also incorporate considerations likewise into their investment choices (Rayer, 2017).

As per Rayer (2017) at the time of taking investment decisions, generally, attention is given on two parameters; profitability that is calculated investment efficiency and risk. However, even if the history of the financial crisis has been the most devastating; concepts like sustainable investment or green investment have been very prevalent and useful in safeguarding the capital market (Rayer, 2017). As per the research of Rathner (2013) recent studies by EUROSIF and as per the studies conducted by Brennan (2017) recent studies by Novethic, investors look at investment positively affecting the society and environment as an act of humanitarianism making a contribution to the development of sustainable investment and multiplying the beneficiaries' interests in the long term (Rathner, 2013 and Brennan, 2017).

The significance for sustainable investment is also depicted from the information obtained from the Statista Portal that showed the value of sustainable investment assets in Europe has increased from 9,885 billion euros in the year 2014 to 12,306 billion euros in the year 2018. The growth in the value of the investment is due to the integration of social, environmental, and governance factors that, in turn, facilitated the investors to analyse, as well as select the best portfolio for making an investment (Statista, 2019). The growth in the sustainable investment has helped the business organisations to look forward to increased investments being made by investors as the products and services provided by business showcases strategic efforts of the business management towards achieving sustainability in business operations (Krosinsky and Robins, 2012).

Similarly, Aho (2013) explored that sustainable investment has the potential to help business organisations achieve higher operational performance and gain in business productivity by two manners. The first one is that the sustainable investment help business management overcomes the issues such as environmental and social harm caused by business operations that, in turn, help in improving the brand image of the organisation in the operating markets. Another advantage is explained by Gomes *et al.*, (2013), i.e. the improvement in sustainable business operations helps in attracting more investors to invest in the business stocks, thereby, helping the organisation to gain access to increased capital for achieving long-term business performance. In this context, the sustainable investment helps business organisations to look beyond the management of basic business operations and meeting regulatory norms to devise competent and innovative business strategies for generating the good brand image and gain increased competitiveness in the respective sectors (Gomes *et al.*, 2013).

2.3 Factors Influencing Investors' Mindset towards Sustainable Investment

According to the studies conducted by Geels (2013), there are four different deductions describing the kind of relation that exists between the financial-economic problem and environmental issues in the contemporary situation. The cause and effect have been shared in the first two views and the other two views show the way forward. The author's first perspective explores the global and financial-economic crises. Cultural problems occurring in today's capitalistic economies, such as development obsession, the oppression of nature and the hegemony of financial capitalism, and the illusion that borrowed money would support production. Nonetheless, paying back the loaned money in the long term is worrying.Contemporary communities have undergone triple crises, including political, socio-economic and environmental problems, in this view. The threefold crisis demonstrated that if cultural and systemic challenges have been established, they would have a significant impact on the sustainability transformation. This resulted in crucial approaches such as the zero-growth economy and employment, time and work allocation. Services such as mobility services, power services, recycling and reuse were needed for solving three crisis situations. The source for zero-growth economy kind of economy already existed in a flourishing local business or social venture based on community, power projects, domestic farmers would set up their markets, cooperatives promoting local food and traditional cooking, sports academy, libraries, fitness centres, conducting music and dramatics in the community, providing training and coaching locally, gardening and prevention of resources (Geels, 2013).

As per Geels (2013), the second viewpoints at the financial-economic crisis and the current crisis interpreted require the channelling and reorientation of finance towards productive and investing effectively for long-term results in the real economy. According to the views, the financial-economic problem might have a good impact on sustainability changes and form the starting point towards the next green wave that is towards green environment and sustainable development (Geels, 2013).

The study of Heinemann *et al.* (2018) has reflected that organisations have integrated different processes for the measurement and communication of performance in relation to ESG issues. In addition to this, there is a positive relationship between the greater involvement on the ESG issues and improved financial performance. Significant evidence from the previous studies also reflects that higher financial returns are produced by the organisations which engage in the practice of sustainable investment. Therefore, financial returns have been considered as a significant factor which has influenced the perceptions of the investors towards sustainable investment practices. Further, Siew (2015) has stated that there is an increase in demand for sustainable investing, from the asset owners, including pension funds. This has been regarded as a significant factor which has resulted in the increased interest of the investors towards sustainable investment.

In the perspective of Khan, Afrin and Rahman (2015), a trickle-down effect has been observed within the investment organisations. The senior leaders within the organisations have been engaged in ensuring that the ESG analysis has been effectively integrated within the operations and financial activities of the organisations which are undertaken by the portfolio managers and analysts. There has been a shift in the approach of the investors and the perception about Corporate Social Responsibility by the corporates. Further, Dumas and

Louche (2016) have stated that sustainable investment has been considered as a kind of fiduciary duty of investment organisations. It has been observed that the failure of considering ESG issues is considered as the failure of performing the fiduciary duty. The rise in the interests of the investors and the requirement for considering the ESG issues is a significant factor which has developed an interest on investigating the ways in which sustainable investment contributes in the long-term performance of the organisations

According to Geels (2013), the third view provides less focus on the causes of the crisis and more focus on the possible ways ahead. In support of this Fouquet (2019) environmental conservation paves the way for future incentives and benefits which will not incur unnecessary costs. Industries have various views on green development and specific forms of outcomes. Green growth means promoting sustainable growth and prosperity and ensuring that renewable capital and conservation infrastructure continue to provide the base of our well-being. (Fouquet, 2019). a) green growth leads to financial growth that utilizes natural resources in a sustainable manner. It is used across the globe to help in industrial economic growth. This will lead to a green economy which reduces the ecological and environmental risks and helps in sustainable development. It is associated with green taxes, which motivates people not to cause harm to the environment rather encourages people to contribute towards things that are good for the environment. Green tax acknowledges negative external factors and helps in improving the well being. b) green growth helps in generating new jobs in green sectors such as, renewable energy, water management, waste management, land management, sustainable transport, and green building. The major contribution should be made towards green investments c) green industrial revolution leads to green growth that requires investing in new technologies, infrastructure, markets, skill-set, and social modifications (Geels, 2013).

According to the findings of Geels (2013), the fourth point of view suggests that the timeline for financial and environmental problems is marked by the causes and remedies. It is important because it addresses the negative side that financial and economic challenges will obstruct sustainable change by shift in social and political conditions and lower investor confidence. As main policy concerns, financial and economic problems have returned and caution that this could disrupt or hinder improvements in sustainability. It does not mean that the sustainability transmission will stop because the environmental issues are always going to be there however, it might slow down. The first three views emphasize on the positive effects of the financial issues on sustainability changes and a combined result; a) the triple crisis can lead to recognizing deep cultural and structural reasons, and providing solutions, b) the financial-economic problems might generate social-political unrest, c) the financial-economic issues might generate a change towards the path of green growth. However, the fourth view looks at the effect as negative (Geels, 2013).

As per Berry*et al.,* (2013) examples of environmental issues are biodiversity loss, greenhouse gas (GHG) effects, climatic change, renewable energy, resource depletion, pollution caused by chemicals, waste management, ocean acidification, and ozone depletion. Examples of social issues are health and medication, workplace health and safety, HIV/AIDS, child labour, labour law, employee relations, diversity, and slavery. Examples of governance issues are bribery, corruption, business ethics, risk management, and disclosure (Berry*et al.,* 2013).

As per Rayer (2017), the investment approach based on SRI has changed significantly with time. In particular, there were certain assets that were strictly excluded however; today there are many multi-layered screening models at the centre of the SRI selection method. The basic approach adopted by SRI portfolios considers a specific account of the firms, such as securities that are evident due to its sustainability as well as social and corporate responsibility profiles. The selection process is conducted on the basis of ESG standards (environment, social and corporate governance), which plays a deciding role at the time of making investment decisions. Companies that are unable to satisfy the ethical, environmental and social criteria are excluded (Rayer, 2017).

As per Rayer (2017) investments tend to concentrate on activities that produce desirable or undesirable results. Sustainability is required when the time comes to decide if the activity is generating a positive or a negative outcome based on the ESG factors. Ethical investing holds a different meaning for different people and institutional investors pool in money to buy financial assets.

• Negative screening discards unethical companies, however, invests in ethically-neutral companies.

• Positive screening considers ethically beneficial companies for investing, and discard ethically-neutral and unethical companies. The major concern with screening is that it can create portfolio partiality towards company depending on size and sectors, restricting portfolio diversification (Rayer, 2017).

As per Rayer (2017) best in class approach includes companies and industries that are considered to be the best operators within a sector. This means choosing the 'least bad' companies in that sector so that it can encourage other companies present in ethically-challenging sectors to improvise. As per the best in class approach, the companies can be demarcated as:

- The positive screening will remove the company based on a sector that is unacceptable. No action from the management can make the company acceptable.
- The negative screening will remove the company, due to its sector.

As per Rayer (2017) investors are concerned if the fund managers do not have experience in ethical investment. Doing a thorough examination might reveal the reality that the fund managers hold no prior experience in ethical investment. The few examples of ethical companies are; companies that are involved in controlling pollution, companies that engage in conserving and recycling measures like waste management, companies that encourage ethical and good employment practices, and companies that encourage sustainability that includes mitigating the climatic change. A company that lacks experience in ethical funding might fail to achieve the required management targets to make it economically viable. This could lead to merging with a conventional fund, closing of the fund, or drifting away from ethical objectives. Having no experience with ethical investing could lead to not having enough resources to develop the fund, unnecessary investment in inexperienced staff with the necessary training and coaching. This could lead to not delivering the expected results and leading to failure, resulting in a decrease of interest in the fund, even closure, merger or change of aim and objectives (Rayer, 2017).

2.4 Implications of Sustainable Investment on Long-Term Performance of Organisations in the Irish Market

According to Pape *et al.* (2011), there are two crucial aspects to sustainable utilization; the significance of change in behaviour and the government's part in giving necessary infrastructure to people so that they get involved in more sustainable way of living. The fluctuation in behaviour is dependent on a mixture of internal and external reasons, according to which the individuals act. External reasons are infrastructure based on consumption that includes technologies that have been working on sustainable production, while internal factors are a person's source of finance, ethics, attitude, knowledge and skill-set. Sustainable consumption requires concentrating on connecting people and infrastructure that requires a multi-nodal network of government. The issues of sustainable consumption are addressed by innovative policies (Pape *et al*., 2011). Government helps in building the cultural context which allows the individual to negotiate on the basis of technology, framework, design of market, the media. Policy inventiveness for sustainable utilization require the involvement of diverse policymakers and the government to help in modifying consumption patterns. The general consumption and household consumption rose drastically as the economy expanded in Ireland. This has led to huge environmental problems that include the rise in carbon dioxide emissions and increase levels of waste. However, not much analysis has been done on the causes and effects of the present consumption patterns, which adds on to the problems and less attention has been given to the content of the policy which drives the operation of consumption practices (Pape *et al.*, 2011).

According to Pape *et al.* (2011) economic instruments act as a flexible and effective tool and play an important role in environmental improvement. Fiscal measures like dues and costing are bound to attract the interests of customers by lending budgetary benefits for pro-environmental nature. However, economic instruments promote sustainable lifestyles. They help in generating high, potentially discriminatory and uncertain costs (Pape *et al*., 2011). This leads to socially reversion instruments, untrustworthy origin of revenue for the government sector and disliked measures with the private enterprise and customers. Researchers have shown that changes in behaviour occur due to incoming of financial incentives that exist for a very short period of time. However, lasting change needs an intrinsic inspiration, which means, the motivation that comes from an individual's inner core rather than an external force. Economic incentives have reduced intrinsic motivation in certain cases (Pape *et al.*, 2011).

According to Pape *et al.* (2011), communicative instruments relate to a person's alertness towards responsibility. Access to correct information regarding the environment will help in increasing alertness, a shift in attitude leads to pro-environmental behaviour. However, an important disadvantage of the communicative instruments is to give information without acknowledging a person or structural reasons that facilitate on receiving such news and the capacity to react on it. A value-action gap is present in-between the way a person behaves and its real behaviour (Pape *et al*., 2011).

According to Pape *et al.* (2011), this gap is created due to a number of barriers, such as financial and institutional restrictions like not getting paid or environmental issues. Accessing information may initiate negative reactions among people who cannot avail sustainable facilities because of their financial situation or due to geographical placement, such as recent attempts to minimize the dependency on the car in the cities of Ireland that have been affected adversely due to the insufficiency of sustainable transport alternatives (Pape *et al*., 2011).

As per Vanags *et al.* (2013) sustainable construction helps in giving an integrated approach and disclosing the existing differences. The word "construction" in wider perspective means involving the construction industry, the construction industry in the public undertaking, and non-government organization. The structure of the study focuses on construction. The sustainable development issues can be solved through a systemic approach on all levels, such as local, national, international and global. The criteria for sustainable development of the construction process are based on technology, sociological, ecological and economical needs. The needs are mainly related to construction industries' policy based on sustainable development that is targeted at continuous development of working atmosphere in the construction site, increased regulation of utilizing resources, and preserving of natural resources in order to resume technologies and to make the most of assets in economic activity that occur in the same building, and in operation, rebuilding, restoration and destruction of the building.

Therefore, enabling the increased production of goods and services, and the assets available at the disposal of the whole society is quite crucial for sustainable development. An important parameter of a sustainable building is to maintain the working standards and microclimate keeping in minds the anatomical needs of the people. It is focused to minimize the rate of falling sick of the employees in construction site and to raise the productivity of the labour. The criteria of a reduced impact on the environment include the needs that are sorted by regulatory orders regarding minimization of emission of harmful gases in the environment and waste management operations of the building, including waste from the construction site that results from bulldozing of the building. As the requirement of clients, scientific researches, environmental condition, the advancement of engineering and technologies change, the requirement for sustainable growth of construction and utilization of sustainable building also change. The policy of national sustainable growth and construction factory include the feedback, aspects and the changes that have been made so that the required changes in the regulatory action can be done in a timely manner and corrections can be made in the national budgetary and revenue policy depending on the case (Vanags *et al.*, 2013).

According to Windapo *et al.* (2012), one of the main reasons for economic growth is the accumulation of capital. Capital accumulation is the increase in the stock capital stock of a country, which may increase due to the following—investing in new buildings, industries, machines and equipment that makes it possible to achieve huge output and income across the nation. Investing in social and economical infrastructure like roads, railway, electricity, and communication combines economic activities and helps in the movement of services and goods between buyers and sellers. Capital accumulation involves the investment in human resources like formal and informal educational practices, vocational training and on-the-job training that leads to skill enhancement and higher productivity. The construction sector has the ability to provide sustainable development and accumulation of capital, the structure brings out the environmental issues and prospects, and shows the correlation between construction, environmental and social issues. The connection between sustainable development and the construction industry has become easy to understand since construction holds high economic importance and has strong social and, environmental influence (Windapo *et al.*, 2012).

According to Cotula (2016), there are four harnessing law for sustainable development wherein the first law is to make sure that public policies and investment decisions depend on the strategies that are based on sustainable development locally and nationally. This is inclusive of government's protection and recommends the practice of political rights for shared action, like freedom of association, and robust defence of advocates from any kind of repression, or constriction of rights. It also includes encouragement by government to promote the participation of the public in policy-making legislation and providing these processes to enhance public movement on strategic policy, free local consultation, taking informed consent while all options are still available and effective legal solutions available nationally and internationally (Cotula, 2016).

According to Cotula (2016) the second law states that getting a fair economic deal includes organizing to encourage comprehensive investments and positive connection with the local economy, tax rules that also involve the methods to learn to avoid tax by fighting, and the rules, standards and establishments that enable the government to get a grip on corporate structures. The economic deals are monitored by governments and the well-written legislation and efficient administrative systems are key factors in tax-related matters and industrial policies. Advocates play an important role by supporting inclusive ways of investment, recommending tighter laws for tax and punishing tax defaulters, and observing compliance with any need for companies to coach, train and provide job to local workers or take help from local suppliers (Cotula, 2016).

According to Cotula (2016) the third law states that addressing social and environmental issues involves well-written and imposed legislation to standardize impact assessments, securing rights on local land, practice labour rights, protection of the environment, monitoring powers effectively, and establishing legal liabilities and solutions. To make the legislation work, well-resourced and accurately mandated government institutions are required. It also needs efficient work done by advocates, such as advocates can utilize legal tools for protecting the land rights of domestic people, farmers working in small-scale, forest dwellers, herdsman and fishermen by documenting their rights to increase their legal protection, provide support to local landlords and their organisations so that they can claim their rights and their decisions can be influenced (Cotula, 2016).

According to Cotula (2016) the fourth law states that it is important to analyse investment through promotion policies. The previous three areas have a scope of improvement in investment preparedness that is the level up to which people and institutions in the nation can recognize the correct kind of investment, completely harness the benefits of the investment and mitigate its risks. Sustainable development also has a suggestion for investment promotion, such as a sustainable development perspective needs a careful thought regarding the choice of policies on the international agreement that promotes international investment, making sure that the investment protection norms do not constrain the capability of states to protect the public interest. Governments can tackle recent developments in investment agreement making and supervision from United Nations agencies (Cotula, 2016).

According to Cotula (2016) addressing capacity challenges - Controlling the law requires not only acute law-making but also efficient governmental and non-government institutions. This varies from government department responsible for the collection of taxes, ensuring agreement with environmental rules and handling investor-state settlement established by non-government bodies or social activity to control and comment on legal improvement and manage public interest lawsuit. The presence of gaps in capacity gives options to government to look for enhancing their scope. These include effective plans for the movement of competence available within the country. The availability of appropriate external support opens up many channels, such as technology-based projects, collaborating with leading universities, seeking professional advice voluntarily, a gathering of experience and skill among countries, and staff help. The issue of capacity is with both government and non-governmental institutions, social mobilization and administrators need to provide an impact towards the government action and hold the decision-makers accountable. National institutions having rural workers need to be prepared properly to assist their people so that their people will have a voice of their own. The capacity support in the non-governmental institutions consists of providing support with existing knowledge, such as with the help of documenting stories of victory and sharing lessons through experience. It may also include the building of relationships between the local and global organisations that can help in providing complementary capacities, such as legal and technical skill-set, providing channels for campaigning, and capacity to move vocal constituencies (Cotula, 2016).

According to Cotula (2016) politics, long-term vision and citizen action- The law that works on natural resource investments includes highly technical legal concerns and controlling the law to make sure that investments help in sustainable development does not just need to tackle the technical issues rather sustainable development requires a vision for the formation and application of the law in real-life projects towards sustainable development. Politics play an important role in this process, and cover areas of taxation, ownership of land and investment promotion. Therefore, controlling the law to make a successful investment for sustainable development is not only the government's or advocates' responsibility. It also needs non-governmental bodies and various social movements to promote, challenge and influence. Most essentially, it needs citizens to be able to handle and manage legal tools to shape their future (Cotula, 2016).

According to the perspective of Verheyden, Eccles and Feiner (2016), the monitoring of growing competition has been considered significant by the organisations in Ireland. It has been observed that the organisation has focused on the use of parameters which reflect upon the success and performance of the organisation have been considered significant in terms of effective management of the short-term, as well as the long-term financial performance of the organisation. It has been observed that ESG index has been considered as the effective parameter for the measurement of the compliance of the organisations towards the norms of sustainable investing. Thus, it is evaluated that the use of ESG index has been considered as significant for the measurement of the performance of the organisation and attaining long-terms performance by the organisation.

Chapter 3: Research Methodology

3.1 Introduction

This chapter offers detailed insights into research methods, research design, and data collection tools incorporated in this study for attaining the research purpose. Selection of methods affects the credibility and authenticity of the work, so it is necessary to choose appropriate research tools. The chapter elaborates the research tools used for investigating the ways through which sustainable investment contribute to the long-term development and performance of Irish organisations. Additionally, alternative methods are also explained with the justification of adopted methods and research ethics.

3.2 Research Methods

Out of three prominent methods; qualitative, mixed-method and quantitative method, the researcher applied quantitative methods in this work to draw figures, extract scientific data and obtain statistics relating to long-term performance and sustainable investment strategies in Irish organisations. Quantitative methods stress upon objective measurements and rely on scientific observation which enhances the accuracy and reliability of results. It is appropriate to use quantitative methods for addressing research goals and establishing a fixed relation between research variables. However, this method does not produce detailed outcomes and does not take into account perceptions and other subjective data, thereby lacking depth in analysis and results (Williams, 2007). Alternatively, qualitative methods that take into subjective analysis and mixed methods that support a combination of quantitative and qualitative methods are disregarded can also be utilised for addressing the research question. Moreover, qualitative methods are disregarded as they do not support numerical analysis and do not facilitate in finding a link between study variables (Buchanan and Hvizdak, 2009). Additionally, mixed methods are not used as using multiple methods consumes significant resources and time and increases the complexity of the work (Williams, 2007).

3.3 Research Philosophy

The belief system, key assumptions and theoretical underpinnings governing the research process is known as the research philosophy. Selection of philosophy, methods, design and data collection tools are interconnected; hence, the researcher opted for the positivism philosophy as it complements quantitative methods and seeks to understand true nature of the phenomenon under investigation by considering it separate from the social constructs and human interactions. Positivism philosophy is applied for objective assessment of the research problem (Creswell and Poth, 2016). Alternatively, the interpretivism philosophy can also be utilised for pursuing the research, but it is rejected as it complements qualitative investigation and it focuses on understanding the research problem in the light of social constructs, opinions and experiences of individuals (Bryman, 2016). Overall, the researcher chose to pursue the study in alignment with the positivism philosophy to generate statistical information about factors affecting the interest of stakeholders concerning sustainable investment and determine the relationship between the long-term performance of businesses and sustainable investment.

3.4 Research Design

Research design influences objectivity, generalisability and credibility of the work and the final outcome. In addition, it connects research components in a coherent manner and entails the process of executing the study. Descriptive design advocates fixed structure follow specific rules and undertakes a rigid process or framework to conduct the whole study. Therefore, it is considered more suitable for quantitative studies than qualitative studies (Myers, Well and Lorch, 2010). On the other hand, the exploratory design supports open-ended inquiry and flexible assessment, and it supports flexibility over rigidity so deemed to be more appropriate for qualitative work. An exploratory design is most commonly used to examine the research problem, which is less explored or investigated in the literature. Thus, the descriptive design is integrated to examine or observe the phenomenon under fixed environment, investigate research variables and answer research questions based on “what” and “how” (Creswell and Poth, 2016). As a whole, the descriptive design is used as it helped in performing scientific investigation and improving the credibility of results by means of numeric. On the contrary, the use of exploratory design is considered inappropriate as it complements qualitative inquiry (Myers, Well and Lorch, 2010).

3.5 Research Approach

The inductive reasoning and deductive reasoning are two main approaches in which the deductive approach focuses on assessing literary concepts and theories with the help of gathered data whereas the inductive approach seeks to generate new theories or concepts from the data by focusing on the generalisation of outcomes (Vanderstoep and Johnson, 2008). The deductive approach produces specific data concerning problem area, and in this study, the researcher aims to produce data regarding Irish organisations and find the link between defined variables, so it is preferred over the inductive approach. The researcher does not seek to generate new theories relating to sustainable investment in this study, so the inductive approach is not applied. Overall, the deductive approach is integrated as it emphasises on fixed structure or rules and supports quantitative investigation (Vanderstoep and Johnson, 2008).

3.6 Data Collection Techniques: Process and Justification of Selected Method

The researcher can use a variety of tools for data collection with consideration to the research methods applied in this study, and as this study uses quantitative methods, both primary and secondary data collection tools are chosen accordingly. Primary data in quantitative studies can be gathered via a survey questionnaire and polls, and secondary data can be acquired with the help of library research or case study (Borrego, Douglas and Amelink, 2009). Alternatively, focus group, observation and interview method are also extensively used for data collection, but they are used for qualitative data collection (Taylor, 2005). It is mentioned that the study intends to gather quantitative data, so the survey questionnaire method is used for gathering numeric regarding the role of sustainable investment in fostering organisational performance and attracting investors in Irish firms.

Survey facilitates in increasing data representativeness, and it is considered a quick data collection process (Taylor, 2005). A survey consists of a total of 10 questions in which the majority of questions are close-ended, and only one open-ended question is included. The questionnaire is designed as per objectives, and it is sent to the participants on the online platform. The participants are given one week to respond to the questionnaire and submit their answers. The survey is conducted after obtaining permission from the target group. The survey is conducted with 26 investors and managers in different Irish organisations. However, the survey was sent over to 40 investors, out of which only 26 complete responses were received. Other than this, secondary data is procured by accessing books, scholarly papers and credible articles relating to sustainable investment in a business context which helped in finding the research gap and assessing the need for primary research. However, the survey method does not generate descriptive and detailed information, so findings lack depth and precise data is produced from its application (Borrego, Douglas and Amelink, 2009).

3.7 Sampling

Total 26 participants took part in the data collection process wherein 26 depict the sample size. The process of selection of participants for accumulating pertaining to the research study is described as the sampling technique. Random sampling technique is preferred in this work over purposive or convenience sampling technique to ensure that the results are free from potential bias. Survey participants are recruited with the help of random sampling to provide equal chances for each participant in the target group and maintain the credibility of data collection (Bernard, 2017). It is beneficial to collect data from Irish firms' managers and investors as they possess correct information about sustainable investment scenario and aware of the benefits and risks of sustainable investment for companies. Random sampling eliminates bias and enhances the validity of results, whereas convenience sampling strategy gives preference to researcher's convenience over the fair or unbiased selection of participants. Moreover, purposive and convenience sampling is applied within studies centred on qualitative inquiry (Bryman, 2016).

3.8 Data Analysis

Data analysis strategy is selected according to the nature of data, and as this study consists of numerical data, the statistical analysis strategy has been adopted in this work. Frequency table and pie charts are used for presenting survey data, and correlation analysis is used for examining survey data. Statistical analysis is suitable for data analysis in studies utilising survey as it helps in determining the link between research variables (Cohen, Manion and Morrison, 2013). Similarly, the statistical analysis helped in finding the connection between organisational performance and sustainable investment. Alternatively, the researcher can use graphical representation methods for data analysis. The thematic analysis method is not utilised in this work as it is useful for evaluating qualitative data and commonly preferred in qualitative inquiry (Cohen, Manion and Morrison, 2013).

3.9 Research Ethics

The university guidelines and ethical requirements are properly followed to maintain the integrity of the research project. Ethical provisions relating to primary research such as data privacy, protection to participants' identities and voluntary participation are fulfilled. The data collection is performed after obtaining permission of the target group, and proper care was taken regarding the autonomy of participants. Data is protected in a password-protected system to avoid data theft and illegitimate access to data. Other than this, secondary research norms are also fulfilled in the form of in-text references, exclusion of unpublished data and plagiarism (Bryman, 2016).

3.10 Summary

It is analysed that the use of a survey, quantitative methods, positivism philosophy and descriptive design is appropriate for accomplishing purpose and objectives of the study and drawing relevant data. Survey method helped in acquiring sufficient quantitative data and random sampling strategy facilitated in minimising researcher’s bias.

Chapter 4: Data Analysis, Findings and Discussion

4.1 Introduction

Data analysis is the technique which allows us to sort and interpret the data with the help of graphs and tables. It helps in the decision-making process by accessing meaningful information from the data (Brandt, 2014). In the context of the proposed study, the primary data has been collected from 26 respondents with the help of a questionnaire to analyse the importance of sustainable investment in the Irish market and understand how sustainable investment can help in improving the overall performance of the organisations. The data has been collected and analysed as per the aim of the study. Each question of the questionnaire has been analysed separately with the help of frequency tables and pie charts have also been generated. The correlation test has been applied to find out the relation between different variables in the study. The entire analysis of the data has been done in SPSS software and results have been generated accordingly.

4.2 Survey Analysis

Demographic Analysis:

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	19	73.1	73.1	73.1
	Female	7	26.9	26.9	100.0
	Total	26	100.0	100.0	

Table 1

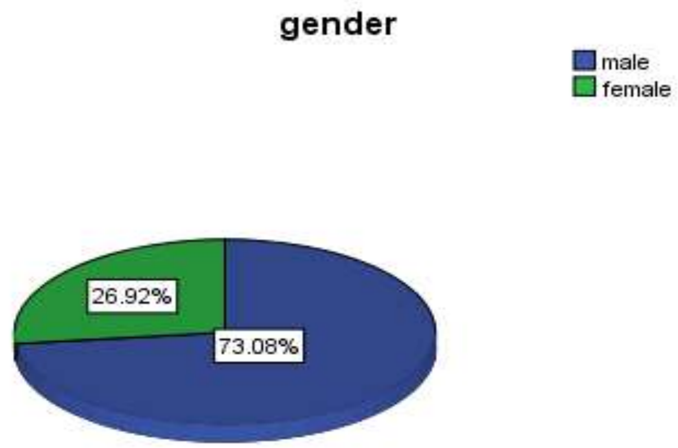

Chart 1

In the study, the Irish investors were surveyed and around 73% of investors were found to be males and only 27% of investors were females (see above figure). It shows that the proportion of female investors in the Irish market is very small as compared to male investors.

Working experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2 years	11	42.3	42.3	42.3
	3-5 years	7	26.9	26.9	69.2
	6-10 years	5	19.2	19.2	88.5
	above 10 years	3	11.5	11.5	100.0
	Total	26	100.0	100.0	

Table 2

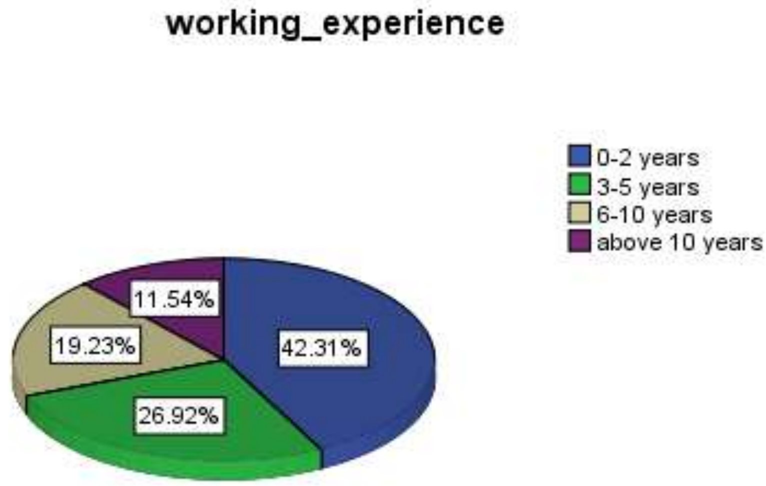

Chart 2

In the study, the respondents were asked about their working experience and it was analysed from the statistical data that around 42% respondents have 2 or less than 2 years of working experience and around 12% respondents have more than 10 years of working experience. Around 27% of the respondents have 3 to 5 years of working experience and only 19% of respondents have 6 to 10 years of working experience (see above figure). It implies that majority of the respondents in the survey have less than 5 years of working experience as investors.

Specific Analysis:

Sustainable investment is beneficial

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	24	92.3	92.3	92.3
	No	2	7.7	7.7	100.0
	Total	26	100.0	100.0	

Table 3

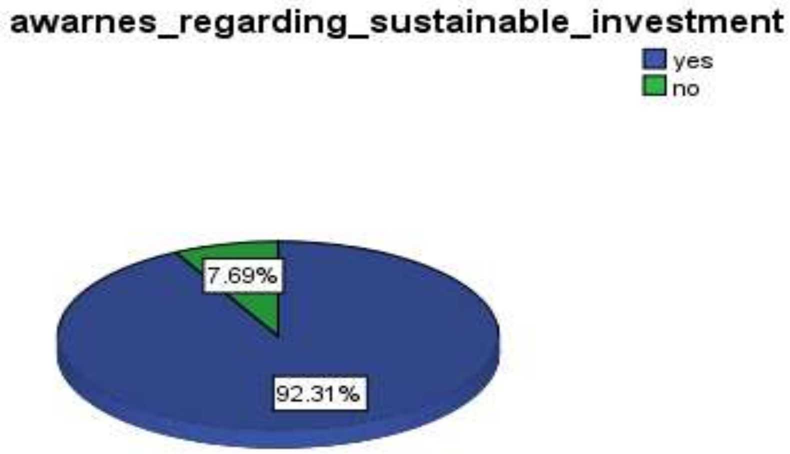

Chart 3

When the respondents were asked about, "Are you aware of the concept of sustainable investment?", it was found that around 92% respondents are aware of the concept of sustainable investment and only 8% respondents are not aware of it (see above figure). It can be analysed that majority of the respondents are aware of the concept of sustainable investment. In recent years, the world has witnessed a large number of environmental issues and thus, it is very important for large organisations to adopt sustainable investment strategies as they will help in keeping the environment safe (Cheng *et al.*, 2017).

Sustainable investment is beneficial

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	24	92.3	92.3	92.3
	No	2	7.7	7.7	100.0
	Total	26	100.0	100.0	

Table 4

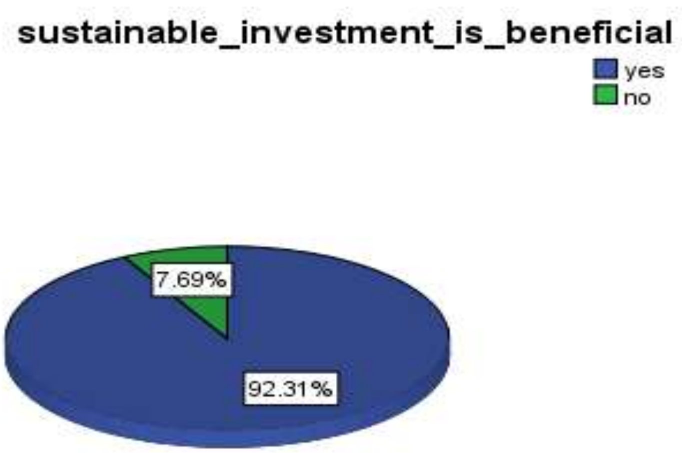

Chart 4

On surveying the participants with the question, “Do you think that sustainable investment is beneficial for your organisation?”, it was obtained that around 92% participants agree that sustainable investment is beneficial for their organisation while only 8% participants think that sustainable investment is not beneficial for their organisation (see above figure). It can be analysed from the statistical data that the majority of respondents believe that sustainable investment is good for their organisation and for the environment.

Factors increasing interest of sustainable investment

		Frequency	Per cent	Valid Percent	Cumulative Percent
Valid	High financial return	6	23.1	23.1	23.1
	Low risk	1	3.8	3.8	26.9
	Market goodwill and size of the firm	3	11.5	11.5	38.5
	All of the above	9	34.6	34.6	73.1
	High financial return and low risk	1	3.8	3.8	76.9
	Low risk along with market Goodwill and size of the firm	6	23.1	23.1	100.0
	Total	26	100.0	100.0	

Table 5

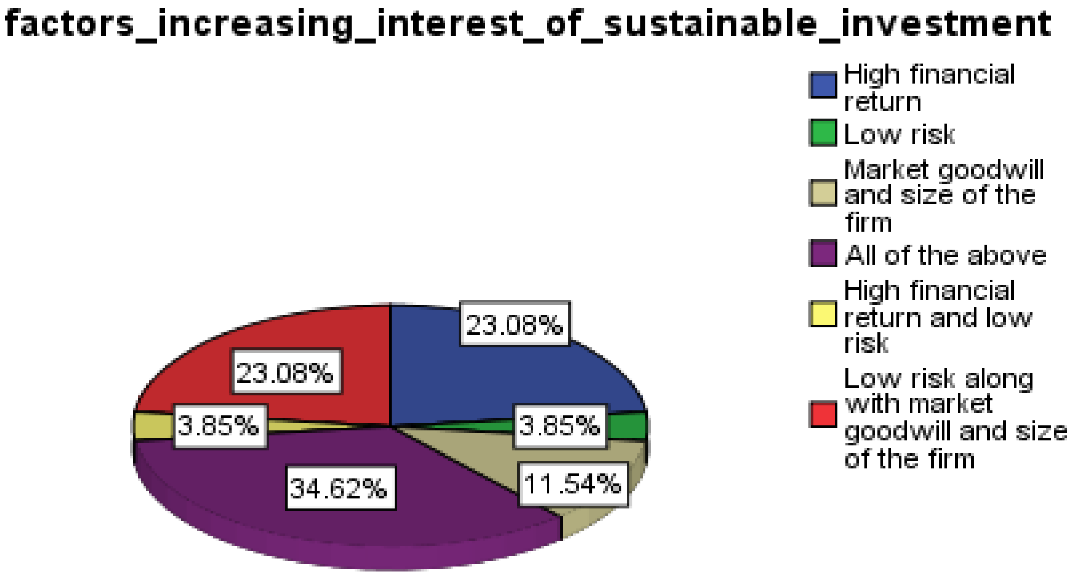

Chart 5

In the study, when the respondents were asked about, "Among the following, which are the main factors that contribute to increasing the interest of stakeholders in sustainable investment?", it was obtained that around 23% of respondents believe that high financial return is a major factor that has attracted the interest of stakeholders towards sustainable investment while 35% respondents believe that high financial returns, low risk and market goodwill and size of the firm are the major factors that have increased the stakeholders' interest in sustainable investment. Only 4% of respondents think that low market risk is the main component of sustainable investment that attracts stakeholders (see above figure). It implies that investors are aware of the various benefits of investing in sustainable projects and thus, they are investing more in sustainable projects.

Benefits of sustainable investment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maximisation of returns for asset owners	2	7.7	7.7	7.7
	Long term growth and high performance	6	23.1	23.1	30.8
	Good competitive position	2	7.7	7.7	38.5
	High financial return	3	11.5	11.5	50.0
	All of the above	6	23.1	23.1	73.1
	Long term growth and high performance along with the good competitive position	5	19.2	19.2	92.3
	Long term growth and high performance along with the high financial return	1	3.8	3.8	96.2

	maximisation of returns for asset owners along with long term growth and high performance	1	3.8	3.8	100.0
	Total	26	100.0	100.0	

Table 6

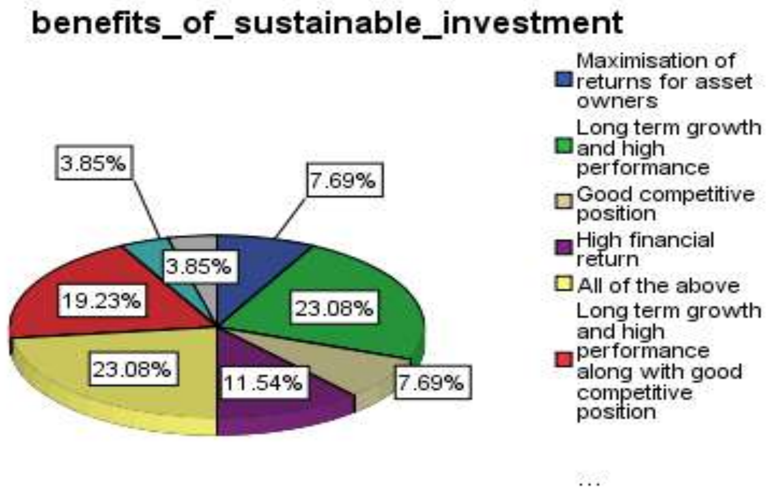

Chart 6

When the participants were asked “What are the major benefits associated with sustainable investment in the Irish market?” it was found from the statistical data that around 23% participants believe that sustainable investments in Irish markets are good for long term growth and high performance of the organisation. Around 19% of participants believe that sustainable investment of organisations helps them in achieving long term growth with a good competitive position. There are around 12% participants who think that Irish market has received high financial returns after investing in sustainable projects and around 8%

participants think that investing in sustainable projects helps the organisation in holding a good competitive position in the market (see above figure). It can be analysed that sustainable investments are not only beneficial for the environment, but they also enhance the overall performance of organisations. Sustainable projects are cost-efficient and attract a large number of customers which improves the sale of the firm (Peloza *et al*., 2012).

Risks associated with sustainable investment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Market volatility	10	38.5	38.5	38.5
	High capital investment	7	26.9	26.9	65.4
	stakeholders' conflicts	4	15.4	15.4	80.8
	Market volatility and stakeholders conflicts	1	3.8	3.8	84.6
	Market volatility, High capital investment and stakeholders conflicts	1	3.8	3.8	88.5
	High capital investment and stakeholders conflicts	3	11.5	11.5	100.0
	Total	26	100.0	100.0	

Table 7

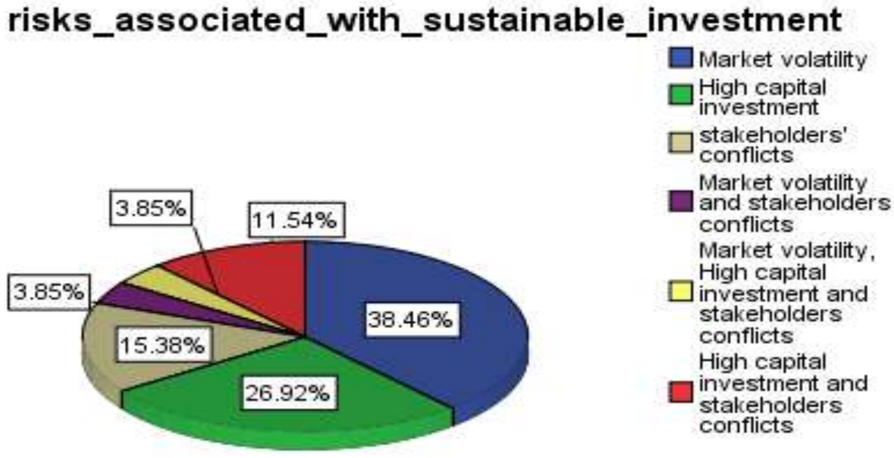

Chart 7

When the respondents were asked about "Among the following, what are the major risks associated with sustainable investment?" it was obtained that around 38% respondents think that market volatility is the major risk associated with sustainable investments. Only 4% of respondents think that high capital investment and stakeholders conflicts are the major risks associated with a sustainable investment (see above figure). It shows that along with a large number of benefits, sustainable investment also has a large number of risks that prevent many organisations from investing in sustainable projects.

Sustainable investment increases the performance of organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	3.8	3.8	3.8
	Neutral	1	3.8	3.8	7.7
	Agree	9	34.6	34.6	42.3
	strongly agree	15	57.7	57.7	100.0
	Total	26	100.0	100.0	

Table 8

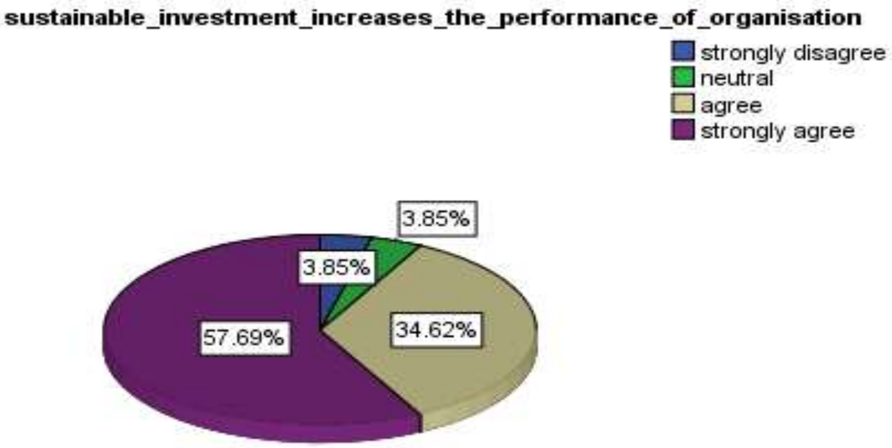

Chart 8

In the study, the participants were asked that "Sustainable investment leads to an increase in the performance of organisations in the long run. Kindly mark your agreement with the above statement." In response, it was noted that around 58% of participants agree that sustainable investments increase the overall performance of the organisations and benefit them in the long run. Only 4% participants disagreed to the point and it shows that majority of the respondents believe that sustainable investment offers long-term profits to the organisations along with keeping the environment healthy and also lays a positive impact on society and hence, firms should focus on long-term benefits of sustainable investments rather than focusing on its short-term benefits (Bansal and DesJardine, 2014).

How sustainable investment increases the performance of firm

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Enhancement in economic transactions	3	11.5	11.5	11.5
	Improved financial accountability	7	26.9	26.9	38.5
	All of the above	9	34.6	34.6	73.1
	Enhancement in economic transactions and Improved financial accountability	6	23.1	23.1	96.2

Enhancement in economic transactions, improved financial accountability, increased transparency and all of the above	1	3.8	3.8	100.0
Total	26	100.0	100.0	

Table 9

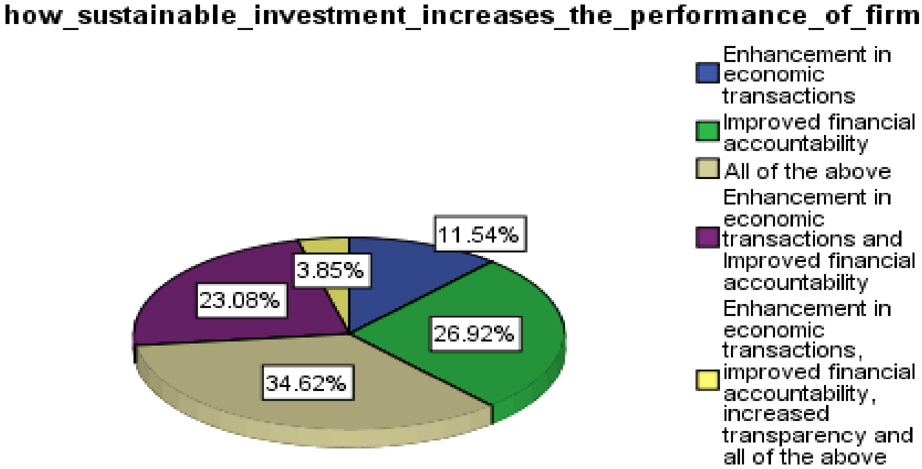

Chart 9

On surveying the respondents with a question, "Among the following, in what manner sustainable investment strategies could lead to an increase in the long-term performance of the organisations in Ireland?" it could be analysed that around 27% respondents think that improved financial accountability of the organisation can help in increasing the long-term performance of organisations. Around 35% of respondents believe that organisations can increase their long-term performance with the help of all listed factors (see above figure). It implies that the majority of respondents think that good financial accountability can benefit organisations in improving their long-term growth.

The last question of the survey was an open-ended question in which investors were asked about the various sustainable steps and approaches that Irish organisations can take to improve their long-term performance. Only 6 respondents answered the open-ended question and it can be analysed from their reviews that Irish organisations have a large capacity and can utilise their natural resources like water to generate electricity; hence, they should promote green products and should implement proper sustainable policies that will help the Irish market in achieving long-term benefits.

Correlation Test:

Correlations

		Factors increasing_interest_of_sustainable_investment	benefits_of_sustainable_investment
factors_increasing_interest_of_sustainable_investment	Pearson Correlation	1	.614**
	Sig. (2-tailed)		.001
	N	26	26

benefits_of_sustainable_investment	Pearson Correlation	.614**	1
	Sig. (2-tailed)	.001	
	N	26	26

**. Correlation is significant at the 0.01 level (2-tailed).

Table 10

Correlation test is applied to identify if the two variables are related to each other or not. Correlation coefficient helps to identify whether there is a positive or negative correlation between the two variables. If the value of correlation coefficient comes out to be less than 1, it means there is a negative correlation and if the correlation coefficient holds a positive value, then there is a positive correlation between the variables (Shevlyakov and Oja, 2016). In this study, the p-value of the test is 0.01 which shows that test is statistically significant and Pearson correlation coefficient is 0.614 which is positive and indicates that benefits of sustainable investment and factors increasing the interest in sustainable investment are positively correlated to each other.

4.3 Discussion

The data findings signify that most of the Irish based businesses are aware of the concept of sustainable investment and believe it as a beneficial approach. The leading benefits associated with the sustainable investment options available in the Irish market include increased returns for asset owners and refined performance. Additionally, sustainable investments also have the capability to support long term growth, significant financial return and strong competitive position. In this context, as per the perspectives of de Souza Cunha and Samanez (2013) in the capital markets, the concept of business sustainability has gained importance and has affected the investment activities being undertaken at varying levels in the stock exchanges on a global scale. With the strategic integration of the sustainability concept in the investment in capital markets, the concept of sustainable investment has gained importance. Sustainable investment mainly focuses on the development of investment activities related to socially responsible investing. In this relation, the investors opting to make business investments considers factors such as environment, social, as well as governance while making strategic decisions related to investing. As per the views of Yeoh (2019) in the process of making sustainable investments, an individual mainly focuses on the value that the investment will provide to the development of the society or environment, as well as the impact that the investment activities have on gaining the financial returns.

Furthermore, Krosinsky and Robins (2012) explored that sustainable businesses operations help businesses to generate long term value and create sustainable investing opportunities. The sustainable investment has also helped the organisations to get access to value-based investing and thereby maintain strong financial performances. On the one hand, Aho (2013) has elaborated that the sustainable investment is providing opportunities for the organisation to gain sustainable competitive advantage, and on the other hand, it provides benefits for businesses to promote socially responsible organisational practices that every business required for sustaining the highly competitive operating markets (Aho, 2013). According to Sassen *et al.* (2016) and Rayer (2017), sustainable investing is regarding the finding of companies that are involved in solving the global challenges and eventually investing in it so that it can be positioned to develop. It is about introducing better methods of doing business and motivating a lot of people to work towards sustainable investment. The combination of the traditional approach of investment along with environmental, social and governance (ESG) perception is encouraging investors to take a sustainable approach towards attaining their investment goals. While there are various solutions to investing, few investors that find that the strategies do not fulfil their requirements. Screening is the most popular method for investing and investing is evaluated on several criteria that correlate with favourable and harmful results. The findings shown by "companies" are graded as good , bad or ethically neutral (no risk or profit). When the review has been completed, an individual will question whether or not legal impartial firms can be stopped. Though it is the most popular approach, still it lacks stability in terms of practice and principle in various geographical areas. ESG strategies have created instability while taking sustainable investment decisions, because of a number of reasons. Investors often give importance to different factors of ESG at the time of creating portfolios, and governance is not being considered as a fundamental factor of ESG strategies, but just as another vertical, such as society and environment (Sassen *et al.* 2016).

On the basis of obtained findings, it is analysed that high financial return, less risk, market image and size of business are the crucial factors accountable for the rising interest of stakeholders in the sustainable investments in Ireland. A large number of studies have pointed towards the reasons which encourage the investors towards sustainable investment. Khan, Afrin and Rahman (2015) have reflected upon the size associated with the investment firms as a significant influencer for undertaking sustainable or responsible investment. It has been observed that the investment industry has been considered as highly concentrated. The large investors have not been considered effective for mitigating certain risks according to the modern portfolio theory, which implies that the investors can maximise returns and limit volatility in a portfolio through a combination of investments from different levels of risks. This implies that small investors have the capacity to mitigate climate change issues as compared to large investment firms.

It is evaluated that dynamic market conditions, a huge requirement of capital and the possibility of conflicts among stakeholders denote the critical risks linked with sustainable investment. Furthermore, it is demonstrated by the data findings that sustainable investment sufficiently raises the performance and efficiency of the organisations functioning in different industries over a long-run. It is due to the relevance of such investments in pacing up economic transactions, providing transparency in business functioning and offering financial accountability. All these dimensions together assure streamlined business operations as per the requirements and interest of the key stakeholder groups. However, investors need to understand the long-run drivers of the success of numerous regions and industries where they are investing apart from considering ESG principles as the foundation of their investment strategy. It is pivotal for investors to contemplate as an inclusive due-diligence in their investment strategies for identifying the main issues around the businesses in whey they intend to invest. As per Berry *et al.,* (2013) socially responsible investing could be explained as the integration of personal values and social concerns leading to an investment decision. It is also known as sustainable, investment, green, or ethical investment, and explain investment strategies that look out to consider profit, as well as societal well-being. Socially responsible investors or sustainable investors motivate corporate practices that encourage issues like environmental administration, customer protection, human rights, quality of jobs and labour, as well as continuous use of natural resources (Berry *et al.,* 2013). These concerning areas are identified by the industries investing in sustainable growth and can be further divided into environmental, governance and social issues (Berry *et al.,* 2013).

As investors have become highly knowledgeable and concerned, it is recommended that companies should start supporting projects associated with adaptation or mitigation of climate change, ecosystems, food security, power, health and education. Efforts must be made by the Irish organisations towards maintaining information regarding their criteria to evaluate ESG principles; and transparency. According to the best-in-class approach, the 'least bad' companies in the sector can gain maximum investment. The comparison between peers helps the management to improve their environmental and social positioning to be the best in their sector and gain investment. In a highly competitive market, this approach can encourage companies, thereby helping in creating a scope of improvements for more investment. The company could be impacted due to an ethical way of investment, called as ‘tilting’, if it can reduce the intensity of carbon, and interference by the shareholder. Investors can gain a lot of advantage through best in class approach as this approach will help in filtering out the companies doing negative practice (Rayer, 2017).

Heinemann *et al.* (2018) have asserted that sustainable investing strategy is associated with positive returns through the evaluation of the 'extra-financial' factors of the organisation with the use of ESG criteria. The use of these criteria helps in attaining accuracy in the process of financing and investing, which has been considered as significant for the purpose of attaining improved performance of the organisation. In addition to this, Flynn and Davis (2017) have stated that ESG criteria is inclusive of the implementation of risk assessment strategies which helps in the evaluation of the different types of risks that affect the business processes and have a bearing on the overall performance of the organisation. The strategy of sustainable investment focuses on the development of mechanisms which help in enhancing the economic transactions, along with the underlying assumption that the improvements will have an impact on the increased transparency of financial accountability. Thus, it is evaluated that the use of sustainable investing strategy can prove to be beneficial in the enhancement of transparency of the organisational processes. Therefore, it has been evaluated that sustainable investment has been considered significant in terms of improving the long-term performance of the organisation in Ireland.

4.4 Summary

It is summarised from survey results and evaluation of secondary data that sustainable investment strategies increase the long-term performance of Irish firms by improving financial accountability and enhancing economic transactions. However, risks factors such as market volatility, stakeholder conflict and high capital investment need to be addressed in a proper manner.

Chapter 5: Conclusion and Recommendations

5.1 Conclusion

The current research project has been pursued with the key goal of investigating the effect of sustainable investment strategy on the organisational performance from the long-term perspective. For studying the pertinent information in alignment with this aim, the research has addressed certain objectives according to which the conclusion section is presented.

In relation to the first objective, it is found that most of the organisations functioning in the Irish market believe that sustainable investments are crucial for business performance, growth and competency. It is found that today most of the investors perceive investments as the phenomenon impacting the society and environment at large by valuing it as a humanitarianism act supporting the growth of sustainable investment and fulfilling the interest of beneficiaries over a long run. Sustainable investment profoundly devotes attention to the investment strategies and activities which are socially responsible. As today people are becoming highly concerned about environmental and societal well-being while making important business decisions, investors have started considering factors like social, environmental and governance while working towards strategic decisions concerning investment. This clearly establishes the need for businesses to offer sustainable investment options for attracting more and more investors to contribute to business growth. The growing relevance of sustainable investments is also evident from the hike in the value of sustainable investment assets from approximately 9, 885 billion euros to around 12, 306 billion euros between 2014 and 2018. This growth has been achieved via the integration of governance, social and environment factors that enabled investors to articulate the best portfolio by judging investments as per these dimensions. The upward trends in sustainable investments have helped many business entities working in Ireland to gain more and more investments by affirming investors that the business offerings and strategic initiatives of the management are centred on meeting sustainability goals.

In the light of the second objective of the research, it is examined that the prominent factors contributing to the rising stakeholders' interest in sustainable investment include low risk, substantial financial return, the scale of operations and corporate goodwill. It is explored that contemporary societies have witnessed triple crisis entailing socio-economic, environmental and political problems. The crisis signifies that if systematic and cultural challenges exist in society, they can largely influence the sustainable transformation of businesses, and this sustainability need can be fulfilled through consideration of sustainable investment options. Further, as per the financial-economic crisis perspective, it is necessary for organisations working in different parts of the world, including Ireland, towards effective and productive investments for benefiting the real economy. The size of business operations and the growing devotion of entities towards different measurement and communication processes in regard to ESG issues; largely support emerging interest in sustainable investments. Evidence also portrays that higher financial returns are generated by the companies valuing sustainable investment practices, and this establishes financial returns as a critical factor influencing the popularity of such investment alternatives. The rising popularity of green growth objectives capable of promoting sustainable prosperity and development while also assuring renewable capital and infrastructure conservation; also support accelerated reliance of Irish businesses on sustainable investments.

In relation to the third objective of the research project, it is identified that sustainable investments are trending in the Irish market due to a range of benefits offered by such investments including maximisation of returns for asset owners, strengthened performance, long-term growth and robust market positions. However, the association of certain risks with sustainable investment plans such as significant capital requirement, market volatility, and dispute incidence between stakeholders is hindering many entities towards the adoption of such investments. It is examined that sustainable investments denote belief in change, and understanding that entities can resolve foremost problems through rigorous development. In alignment with this fact, over the last few years, the demand for renewable investments has increased, and this trend depicts the popularity of sustainable investments.

Sustainable investment in the Irish market is potentially enabling business entities to attain higher operational performance and profits in two ways. One is by assisting businesses to overcome challenges related to social and environmental harm caused by operational activities that, in turn, helps to refine the brand image in the market. Another way is by helping entities in finding more and more investors interested to purchase business stocks, thus expanding capital to pace up revenue generation cycle. Due to such advantages extended by sustainable investment, many Irish businesses have started cultivating benefits of sustainable investment. Still substantial scope for extending the adoption of sustainable investments exists in the Irish market, for which finding appropriate and feasible solutions to connected risks; is essential.

In regard to the fourth research objective, it is examined that sustainable investments lead to rising business performance in the long-term. The stimulated business performance over a long run is permitted by sustainable investments through enhanced economic transactions, higher transparency and triggered financial accountability. It is identified that companies with satisfactory ESG rating are less exposed to risks and the main reason for this is that such companies adopt more robust and stringent methods for risk monitoring. In addition to this, good sustainability rating also supports business organisations in cultivating high profits as, among other aspects, such companies employ a sustainable strategy and are more future-oriented with an exclusive focus on attracting talented workforce and manage a culture of innovation. Thus, it is interpreted that the long-term performance and efficacy of businesses going for sustainable investment is higher than ones not believing in such investments. It is mainly because of higher confidence of their investors, which provides a considerable capital base to embrace changes and promote efficiency.

5.2 Recommendations

In the light of the last objective of the research, certain strategic measures have been proposed under the recommendations heading that can be considered by the Irish firms to improvise business performance via effective, sustainable investment plans.

- ESG (Environmental, Social and Governance); ethical, sustainability and responsible investing are the popular names that are going around in the recent few years. The way ESG opportunities and risks are inserted in the investment process different widely between portfolio strategies and asset managers. It is vital to understand that ESG approaches can vary significantly in terms of what is attained from the perspective of sustainability and the risk-return profile of the strategic approach for investment. The organisations and investors can incorporate Norm-based screening process for making sure that the investments accomplish the essential responsibilities of environment, labour, human behaviour and anti-corruption (Nordea, 2020).
- Many conventional funds, particularly in Europe, undertake a fundamental list of exclusions terms as norm-based screening. The method emphasises on detecting entities which do not comply with the international principles like labour standards, environmental protection, anti-corruption and human rights. Once an entity is pinpointed in the screening, investors can determine whether to embrace an engagement process; or exclude the company for the purpose of attaining a changed behaviour of a company. The deployment of this approach is anticipated to provide a minimal ESG investments level. It is also found that the usage of norm-based screening as the understructure can help organisations to expand across their product offering, and in

case integrated with other engagement strategies, can influence the way organisations function (Nordea, 2020).

- Exclusionary screening, which is also at times referred to as negative screening, depicts an approach where the asset manager or owner excludes specific companies, sectors or economies; from their investment arena in an organised manner. The exclusions are performed based on certain criteria and numerous ways exist, but exclusion is most on the basis the ethical values held by investors or the assumption that an organisation, sector or company does not support sustainable future. It is necessary to recognise the fact that the method needs organisation specific research and evaluation as the criterion for exclusion are usually centred on the revenue generated from the unwanted activity. Exclusions can be considered for individual funds but growingly also at asset owner or asset manager level across the whole product line of assets (Nordea, 2020).
- Responsible investors can also drive a purposeful impact when they consider their equity positions to work for increased transparency, higher reporting or in certain instances, policy alterations in organisations. The shareholders can lobby with the organisational leaders and seek changes by working via prevalent legal structures to mould, instead of challenging, organisational practices and structures. The efforts of shareholders include their consistent engagement on environmental and social issues and thus differentiated from identical actions largely governed by financial motivations. Shareholder advocacy can also be promoted, which is a type of social movement activism seeking changes via direct interaction with the management in corporate practice and social procedures (Camilleri, 2017).

5.3 Future Research Work

In order to explore the importance of sustainable investment in accelerating the organisational performance in the context of the Irish market and articulate ways in which sustainable investment approaches have facilitated organisational efficacy, the presented research work has relied on quantitative philosophy only. The application of quantitative measures although provided accurate outcomes, but at the same point restricted inclusion of detailed illustrations. In order to overcome this limitation, in future researchers can incorporate integrated approach by following a combination of qualitative and quantitative methods to seek holistic information about the subject. In addition to this, the presented study has concentrated on the Irish markets only, which although extended particularistic insights but hindered application scope of the research outcomes. In future, to draw widely considerable results, the researchers can choose two or three markets to obtain comparative insights and reasonably draw common patterns, thus strengthening the scope of the project.

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Appendix: Survey Questionnaire

General Questions:

1. Kindly mark your gender.

a. Male

b. Female

2. How many years of experience do you have as an investor?

a.0-2 years

b. 3-5 years

c. 6-10 years

d. Above 10 years

Specific Questions:

3. Are you aware of the concept of sustainable investment?

a. Yes

b. No

4. Do you think sustainable investment is beneficial for your organisation?

a. Yes

b. No

5. Among the following, which are the main factors contribute in increasing the interest of stakeholders in sustainable investment?

a. High financial return

b. Low risk

c. Market goodwill and size of the firm

d. All of the above

6. Along the following, what are the major benefits associated with sustainable investment in Irish market?

a. Maximisation of returns for asset owners

d. Long term growth and high performance

c. Good competitive position

d. High financial return

e. All of the above

7. Along the following, what are the major risks associated with sustainable investment?

a. Market volatility

b. High capital investment

c. stakeholders' conflicts

d. None

8. "Sustainable investment leads to an increase in the performance of organisations in the long run."

Kindly mark your agreement with the above statement.

a. Strongly Agree

b. Agree

c. Neutral

d. Disagree

e. Strongly Disagree

9. Among the following, in what manner sustainable investment strategies could lead to an increase in the long-term performance of the organisations in Ireland?

a. Enhancement in economic transactions

b. Increased transparency

c. Improved financial accountability

d. All of the above

10. What type of sustainable investing approaches can be used by the Irish organisations to increase the long-term organisational performance in Irish market? Kindly explain in brief..

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