

Managing Organizational Competencies for Sustainable Business Excellence

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Abstract

Contemporary business challenges are predominantly oriented towards creation of an ‘integrated management system for sustainability’ which would integrate the continuous determination for a sustained competitive advantage, as well as the need for a profound creation and implementation of an organizational transformation model that unifies the proper environmental, economic and social changes.

The characteristics of each organizational crisis lead to the need for building and sustaining a ‘model of competitive advantage’ focused on organizational competencies, cultural diversity, developmental imperatives as well as seizing the global competitive risk. In this process, organizational change agents systematically develop and manage a model in which organizational support and job satisfaction on the one hand, and reinforcement and reorientation on the other, enable managing the organizational competencies, as a prior determinant of every competitive advantage.

The necessity for achieving the business excellence lies not only in the developmental path of an enterprise, but also in the tendency for managing the organizational direction towards an ‘organizational renewal’, which is the base for a sustainability of the proposed model of business excellence. The potential of the business excellence is immense, particularly in guiding the planned and continuous organizational changes and development, as a precondition for an ongoing competitive enterprise which is capable of integrating the process and behavioral organizational elements, on a long-term basis. Therefore, advanced enterprises, especially multinational corporations, are entirely focused on creating and managing a ‘model of sustainable business excellence’, as a focal element in the market differentiation and increasing their public value.

Keywords

Organizational competencies, integrated management system for sustainability, organizational renewal, sustainable company, sustainable business excellence.

Introduction

The importance of a proper managerial system for achieving and further development of a competitive advantage and the need for sustainability emerges nowadays as a result of the orientation for an *organic treatment of the integrative segments in every enterprise*, predominantly of their organizational vision and values, structures, processes and the human resources. Among numerous challenges of every prosperous manager, the following managerial implications arise *as most crucial for the future competitive advantage* of the enterprise:

- the inability to predict their future,
- the inability to control their behavior,
- the inability to influence their future trajectory for survival and success.

The inability to predict the future of the business is linked to the potential for managing the composing business elements sensitive to changes, the ones that are most important for determining the direction in the organizational development process, such as quality degree, effectiveness of the cost strategy, efficiency of overall management system, capability for determining the business priorities etc. In this context, it is important to stress that the ‘butterfly phenomenon

effect' is not always in a position to determine and maintain the change direction, the depth and width of the actual changes for organizational competitiveness, and the planning process which should not always relate to the results, but predominantly to the learning model for competitiveness.

The inability to control the behavior of the organization is a managerial implication that pays attention to the thorough need for a proper determination of leadership capacity for organizational transformation. In this context, transparent leadership is related to both internal and external change stimulus, owing to the fact that this approach builds a 'collective organizational intelligence', which determines the potential of the future model of business excellence. The level of importance of these transformations would be best described in the behavior of Ken Kutaragi, the leading R&D engineer in Sony, who managed to make the critical change in attitudes of the Sony leaders, from electronic devices based on analogue technologies (VCRs, television sets, tape players etc.) to value-based products based on digital technologies (Lap tops, Play Stations, PC games etc.) and transform the overall Sony strategy towards a 'premium supplier of complete e-business solutions'.

The inability to influence the future trajectory of the organizational survival and their future success is an indicator of the organizational capacity for building a model of competitive advantage and managing it on a continuous basis. The organizational survival is an evolutionary concept which is connected to transitional organizational changes, whereas future success creation is linked to the transformational organizational changes, especially the ones that are focused and integrated. The model of organizational development of an enterprise should always enable usage of the 'imperatives for changes which derive from the external environment' and a proper 'harmonizing with the internal sources of competitive advantage', as a prior pathway for a sustainable model of business excellence.

The integration of all above implications is connected with the organizational potential for a 'dual management code' which stipulates accommodation of succeeding periods of stability and transformation, as indicators for effectiveness of undertaken changes with the efficiency of its implementation.

1. Organizational change framework for sustainable management of organizational competencies

1.1. Managing company sustainability

In essence, the intention for developing the organization in the direction of the sustainability is a managerial attempt to *integrate the cognitive, learning and excellence elements* of every enterprise with the prevalent competitive advantage model. In this context, the initial necessity is to clarify precisely the *theoretical determination of the sustainable company*, on the following way:

Table 1 Sustainable company and sustainable development

Organization	Definition
Environmental Protection Agency (US EPA)	Environmentally sustainable organization functions in the way that preserves elements and functions of environment for future generation, i.e. positive environmental impacts are larger than negative effects
Sustainablebusiness.com	Sustainable business is business that contributes to an equitable and ecologically sustainable company
World Council for Sustainable Business	For a company, sustainable development means adoption of such business strategy and such actions that contribute to satisfying present needs of company and interested parties, as well as simultaneous protection, maintenance and strengthening of human and environmental potential which will be needed in the future
Sustainable Development International Corporation	Sustainable company may function in a short period of time without negative influence on the conditions of existence and functioning of other groups and individuals, including organizations

Source: Adopted according to Sidorczuk-Pietraszko, 2007, p.212

The fundamental comparison of the above detailed definitions leads to the need for a clarification of the *major characteristics of an existing or a future organizational crisis*. The prevalent features, in accordance with the increasingly important opinion of experts (Boin, 2005; Pearson & Clair, 1998) are the following:

- the presence of potential threats, triggers – turning points and the idea of incubation,

- uncertainty about the resolution of a crisis and its after-effects,
- the urgent need to act, and
- potentially harmful impacts on individuals, organization or society as a whole.

These crisis characteristics imply that each one can influence the managerial potential for creating and maintaining the proper organizational structures and systems, which, in return, could identify and implement appropriate decision change making process, as an answer to the continuously changing internal and external environment. In order to connect the implications of the organizational crisis with the sustainable elements of certain managerial systems, a clear distinction of *management sustainability models* is essential, in our opinion through the following prevalent expert opinion on *system interconnection*:

- Qualitative criteria – Qualitative Management Systems – ISO 9001:2008;
- Environmental criteria – Environmental Management Systems – ISO 14001;
- Safety at work criteria – Occupational Health and Safety Management Systems – OHSAS 18001:2007.

The usage of above stated sustainability criteria in a real business environment leads to a more effective results in evolutionary, transactional organizational changes, than in revolutionary, transformational organizational changes. The main reason for it is the required higher degree of interdependence of the qualitative organizational segments in the revolutionary approach, compared to the transactional ones, which are process detailed, with a major focus on detailed structural preparations for advanced qualitative improvements.

In fact, each of these systems does not ensure, on a short-term basis, profound qualitative enhancements, but is more focused in detailing the ‘critical to quality elements’ and their ongoing improvements. On the other hand, they can easily co-exist in companies simultaneously and can be directly linked to the model of harmonization or equalizing the benefits of social, environmental and economic objectives. As a result, they create a process oriented framework for managing the sustainability in the aim of sustainable business excellence.

In creating an organizational change framework, a prior attention is placed on stimulating planning and implementing of changes required

for sustainability, initially through the concept of empowerment. Having in mind that the overall working empowerment is usually composed of behavioral, verbal and outcome empowerment, the dominant influence towards the organizational change framework possesses the behavioral one, precisely determined in the following way:

- Behavioral empowerment refers to managing in the job, the ability to work in groups with colleagues, and the ability to identify problems that need to be solved.

The process of benefiting from the behavioral empowerment is conducted through *increasing the organizational commitment* – in terms of *perceived organizational support and outcomes*, and *the job satisfaction* – in terms of positive perceptions and attitudes of all employees. Therefore, in unifying the organizational commitment and the job satisfaction, a major influence possesses *the level of confidence and cooperation* among all staff members. In other words, every action that is undertaken by the managers in planning and implementing the changes for sustainability must incorporate the optimally perceived consequences of the actions as well as creating and enhancing the usage of multidisciplinary teams, both for planning and for implementing the sustainable changes.

The actual importance of the sustainability and the sustainable development on the overall company development may best be illustrated on the example of *3M's Pollution Prevention Pays Program*, which possesses the following important sustainability achievements (Bansal, 2001):

- Overall program has been composed of 4850 minor projects which were aimed at reducing the pollution;
- In 10 years, from 1990-1999, company managed to reduce:
 - ✓ the air emissions by 95%,
 - ✓ volatile organic compounds by 85%,
 - ✓ releases to water by 80%,
 - ✓ the production of solid waste by 33% and
 - ✓ energy consumption by 25%.

It is evident that the environmental dimensions have turned from subject to object in the overall managerial approach of 3M in managing a sustainable competitive advantage, which in return lead to 25-40% increase in profitability of various business company units.

1.2. Organizational competencies for sustainable competitive advantage

While treating the dimension of competitiveness through the demands of the sustainable organizational development, it is recommendable *not only to focus on lowering the costs, but more often to increasing the sustainable revenues*. Therefore, a lot of firms are faced with a need for implementing the process of ‘*subscribing to sustainable development*’, which is determined as:

- Proactive process with respect to social and environmental issues, which are inevitably codified in laws and regulations.

The main determinant for the subscribing process is the proactive approach, not the reactive one, as an answer to the increasingly high sustainable issues and treating them in accordance with the level of their influence towards the organizational competitive advantage.

In building the organizational competencies, the dominant role is played by the *organizational change agent for sustainability*, as an individual or a group/team which, in fact, encompasses *various criteria for sustainability* and their implication to the overall competitive advantage. Among numerous change criteria, the most important are *the speed of the proposed changes, the internal or external orientation of the change effects, interconnectedness of the employees, integration with the prevalent model of organizational culture, systemic analyses of the change process etc.* In order to determine the potential of each of them, the change agent is expected to manage the fundamental determinants of creating *the process of organizational renewal, primarily expressed through their purposes*, on the following way:

- *The quality of conversation for action and change* – related to, but more inclusive than, the rate of information flow in a system network;
- *The degree of diversity in its change agents* – affecting the collective intelligence and the capacity for creativity and innovation in the face of change;
- *The richness of connectivity that affects its sense of identity* – expressing the perception of the boundary versus the environment interface;
- *The degree of felt stress among system change agents* – resulting the existing level of anxiety caused by the present control and (dis)incentives;

- *The degree of empowerment of system change agents* – based on the existing authority and control, as set in the organization’s design.

The optimal combination of the above determined purposes, for the striving for sustainable competitive advantage, would vary with regards to the character of the analyzed industry, the degree of complexity of the needed changes and the level of advancement of methodological and empirical knowledge, abilities, skills and experience of the employees, especially of the managers of the enterprise.

In developing and managing organizational competencies, the initial step undoubtedly is clarification of the *proposals for managing competitive advantage*, determined in the following way:

1. National Competitiveness Strategy;
2. National Branding;
3. Sectoral Competitiveness;
4. In-Country Alliances; and
5. Measuring Performance.

All of these proposals create the *change framework on the top management level* for identifying, developing and further profound usage of the desired competencies. At the same time, the process of exploitation, increasing the awareness and employee understanding of organizational competencies is in hands of the middle managers, as intermediary managerial element between the top management and the line managers.

In essence, *organizational competencies* integrate a unique combination of knowledge and applicative skills, with a fundamental aim of guiding the action change programs for competitive advantage. They enable employees better to understand and implement the organizational knowledge and skills on a group/team level, as well as on an individual level. In order to fulfil the intention of a distinguished competitive advantage, each organizational competency must be valuable, rare and impossible (process complicated or costly) for imitation.

The utmost orientation of organizational competencies lies in *its integration with the prevalent management system*, especially in terms of their *appropriateness towards the directions of the organizational development process*. In this context, the simulation, in accordance with our detailed opinion, manifests the following *implementation pathway for organizational competencies*:

- Identifying and agreeing on the key organizational competencies required for the purpose of competitive advantage;
- Creating a unique model for interdisciplinary effecting and advancing the usage of the organizational competencies, in relation with the resource allocation according to the most valuable resource;
- Identifying the applicative change methods for fulfilling the sustainability criteria within the competitive advantage;
- Assessing the current and future potential of the achieved sustainable competitive advantage, through quantitative and qualitative criteria.

Obviously, the proposed implementation pathway focuses on an existing and future understanding of the organizational competencies, which demands an immense and integral detailing of the *characteristics of the organizational competencies*, as follows:

1. Tacitness;
2. Robustness;
3. Embeddedness; and
4. Concensus.

1. *Tacitness* relates to the need for avoiding its imitation, owing to the fact that tacit competences are based on more intuitive knowledge that easily and fully cannot be articulated. In terms of the skills, it stipulates that the experience and the previous company results create the competitive advantage.

One of the most important characteristics of tacit competency is the fact that it is context specific and embodied in organizational routines, which form the basis for creating a specific training program. In this program, the dominant importance is placed on achieving an *articulated competency*, a term that develops a perspective for integration of knowledge and skills that is obvious, evident, vivid and publicly aware.

2. *Robustness*, as a characteristic for organizational competencies is connected to the insensitivity of the organization to every environmental change. The variety of modalities of the robustness starts from vulnerable and finishes with a total robust continuum. The first one are subject to value lost owing to the major environmental changes, especially those that are not under control of the organization. Therefore, its roots are placed in the general external environment, espe-

cially in the economical, technological, political, demographic, legal, international and other types of external changes. On the other hand, the second one leads to a value increases of the competencies, due to the extension of its durability.

The focal importance of the robustness lies in the necessity of avoiding the vulnerable types of changes, due to the fact that the process of unifying the external adaptation is highly connected with the internal integration. On the other hand, an organizational competency in cost containment manifests to be very robust, owing to its value for different environmental changes.

3. As an organizational competencies characteristic, *embeddedness* is dominantly focused on its potential for a proper and entire transfer to another organization and derives from competencies location within the organization.

The primary distinction of the organizational knowledge and skills implies that is placed in employees or physical systems like equipment, software programs, data basis etc., on one hand, and the managerial systems like reward structures and incentive techniques, as well as those encompassed in the organizational mission, vision and organizational culture, on the other hand. Both types bear different nature and potential for influence, *in the range of mobile to embedded*, whereas the first one are highly transferable and subject to imitation, regardless of the second one which are immobile and fairly hard to be imitated.

The main usability of this characteristic is paying proper attention to potential leaving the company of employees which possess enormous knowledge and skills to another, competent company and taking away with them these organizational competencies for competitive advantage.

4. The last, but contemporary increasingly important competency characteristic is *consensus*, dominantly managerial. It is manifested through an agreement, mostly by the managers, on the specific knowledge and skills that is valuable for a certain industry in creating sustainable competitive advantage. In other words, it is the common, shared belief and understanding of the most important knowledge and skills, varying in the range *from total unanimity, as one extreme, to complete disagreement, as another consensus extreme*.

Concensus is usually perceived as a desired tendency, not as an actual state, owing to the fact that it is concentrated, within the management hierarchy, in the top management, whereas at the same time, it becomes increasingly important in

the middle level management, individuals that interpret, transfer and further detail the ‘*agreed organizational competencies*’.

In order to increase its potential, consensus should be at first effected on the same managerial level, and at the same time should be connected with the tendencies that are stipulated with the process and model of organizational development.

In order to be sustainable, organizational competitive advantage should have a *clear impact on the overall performance*, and at the same time arouse an *intensive commitment of all employees, especially of the middle managers*, due to their position of double evaluation of the capacity of the determined knowledge and skills, not only for creating, but also for sustaining competitive advantage. Practical integration of both effects is done through numerous *sustainable management methods*, among which, as most influential ones, in our profound explorations, are the following:

- Workforce downsizing and
- Cultural diversity management.

Even though it has existed more than 3 decades, as a sustainable method that contributes to the competitive advantage, *workforce downsizing* has a dominant influence to increasing the organizational effectiveness, efficiency and organizational public awareness for a human treatment of the employees for gaining applicative knowledge and skills. It is of an utmost importance to stress what it is not, dominantly in terms that the potential overall workforce reduction is a *consequence, not a source of, lacking competent knowledge and skills of the employees for the proposed level of competitiveness*. At the same time, prior orientation of the downsizing should always focus on *processes for competitive advantage*, such as eliminating hierarchical levels, business process reengineering and redesigning, consolidating, eliminating non-functional units, overall reducing of the working hours, concentrating of the needed knowledge and skills on fewer highly qualified employees etc. Therefore, it must be connected with the *employee reorientation approach*, which in fact integrates the downsizing with the sustainable dimensions of the organizational redesign and systemic strategy.

Managing cultural diversity implies to the potential for competitive benefiting from the increasing global trends of different ethnic and gender diversity, which derives from the sustainable potential of *linking the cultural diversity with the overall organizational competitiveness*. It must be

emphasized that the primary effect of managing cultural diversity has always been advanced social responsibility model, and within it, competitive advantage arises from the tendency of implementing external and internal cultural uniform treating of diverse manifestations. In order to form an *integrated organizational benefit* from managing cultural diversity, *key managerial areas for sustainable competitive advantage* are the following:

- costs,
- resource acquisition,
- marketing the competitiveness,
- creativity,
- problem solving, and
- organizational flexibility.

All of above managerial areas affect *the sustainability of the intended business excellence model* through clear distinction that the first 2 are inevitably value diverse and their direction of influence is from the external environment to the internal organizational segments, whereas the remaining 4 are value adding diverse areas, with an influencing direction from the internal to the external organizational environment.

2. Integrated management system for sustainable business excellence

In achieving the desired level of business excellence, it is crucial to interconnect the managerial style with the tendencies in the organizational development process. It means that *the managerial style follows the orientation and depth of the intended organizational development*, a process which lies on the systemic nature of application of behavioural knowledge and skills, accompanied by a proper application of empowerment concept for a profound usage. Actual behavioural simulation of needed *organizational development interventions*, as responses to solving organizational crises, can be determined on the following way:

- Development interventions in the individual behaviour aimed at meeting their objectives and accomplishing their assigned tasks – within this category are used competitive methods like team building, laboratory training (role playing, simulations and on-line learning), survey feedback, coaching, inter-group interventions and models of accompaniment like the very consultation process etc.

- Techno-structural interventions that seek to reconcile considerations relative to structures and technologies, personal and intellectual accomplishments of individuals at work – this category of interventions integrates the following competitive techniques like collateral organizations, parallel learning systems, socio – technical systems, job enlargement and enrichment, semi – autonomous teams etc.
- Interventions in human resource management which are aimed at developing skills, including models of leadership – this category of interventions includes various competitive practices, such as management by objectives, the system of promotion and rewards, career management etc.
- Strategic development interventions that are based on open-system models in order for an organization to maintain dynamic links with the environment – this final category of interventions consists of various competitive techniques, such as organizational learning, development of networks and alliances, strategic usage of the organizational culture, top management planning system etc.

Each manager must be aware that, with regards to the characteristics of the organizational crises, the specific application of organizational development intervention is dependent on the competitive position of the organization within its industry. In this context, although traditional approaches to organizational development usually include individual problem solving and incremental socio – technical changes, as indicated in first 2 developmental interventions, modern approaches pay substantial attention to integrated human resource management and strategic usage of the organizational development process, as stipulated in the last 2 interventions for competitive advantage.

The creation of integrated management system consists of a competitive combination of above detailed management sustainability model criteria, including simultaneously qualitative, environmental and safety at work sustainable criteria. At the same time, this sustainable management system is the contemporary answer to the challenges for competitive advantage, like dynamic changes in the technological, economical and legal external segments, rising costs of training, lay-offs and accidents at work, state treatment of non applying

the environmental regulatory standards, increasing pressure for an immediate profitable results compared to the needs for an organizational development etc. Therefore, what is evident is the emergence of various problems for continual improvement, among which, as most important, are the following ones:

- continuous lack of management and involvement of employees,
- functioning of half-dead systems, which manifests itself by work done by people for the benefit of systems, not by systems for the benefit of people,
- usage of too extensive, expanded and complex systems of documentation, and
- attitude to integrated management systems as if it were a marketing instrument (not an objective itself, i.e. obtaining a certificate), not as an instrument of improving organization's management processes.

The majority of above detailed improvement problems for reaching the business excellence stage are *efficiency oriented*, meaning that the publicly transparent feature of any excellence is implementing qualitative change decisions towards a sustainable competitive advantage. In order to reach and further maintain the stage of competitiveness, the initial precondition for every organizational system is *the integration of the management system with the content of each business excellence model*, which is done through a proper application and combination of the following *measures of sustainable development for competitive advantage*:

1. *Policy measures* - implies to the process of embedding the principles of sustainable development within the companies policy statements, in order to express the governing elements of the mission, vision and strategy of the actual company. It is the prevalent method for enabling employees for a self-governed evaluation of achieved level of sustainability in all 3 detailed criteria;
2. Process improvements – varying in the range of sustainable improvements in the following segments:
 - *Manufacturing processes and service delivery* – simple adjustments for a more efficient usage of raw materials, energy and water savings, compliance

with the ecological standards, protection of the employees at work etc.,

- *Management systems – a focal element of their integration* – referring to positioning the integration of above detailed management sustainability models for the actual and future perspective of the business excellence model, and
- *Stakeholder management* – related to the indirect managerial method for transferring the expectation of the major stakeholders to the top managers, without threatening their influence and integrity in the eyes of all the employees, through various constructive techniques for integration of interests.

1. *Product stewardship* – as a concept which is directly linked to longer life of the products that are sold on their soundness, with a minimal environmental influence, on one hand, and the possibility to disassemble the products quickly and easily and their integral parts to be reused or recycled, on the other hand. A practical example of this kind of behaviour is the range of products of Xerox, which are completely subject to reuse, remanufacture or recycling.

Actual detailing of *the benefits and the barriers for competitive integrated management system in function of sustainable business excellence* would best be presented through the expertise of the following organizational developmental authors, on the following way:

Table 2 Barriers and benefits related with management systems integration

Benefits of systems integration	Source	Barriers of systems integration	Source
Reduction in administration costs ensuring from improvement of internal coordination of actions Benefits connected with improvement of competitiveness Organization development towards integrated responsibility – 3 pillars of sustainable development	Jorgensen et al., 2006	Complexity of external management system Lower efficiency of management Reluctance of employees Increase of management costs Waste of human resources Free exchange of information Increasing amount of paper work	Zeng et al., 2007

Reduction in the amount of used documentation Reduction in cost of maintaining the system Possibility of parallel certification of systems Reduction in personnel	Hamroi, 2008	Implementation costs Lack of involvement of the highest management Opposition of employees Unification of documentation Training of employees	Szymczak, Urbaniak, 2001
Improvement of organizational image Using holistic approach to management of business market Avoiding conflicts between systems Elimination of repetitions and minimization of bureaucracy More effective and efficient external and internal audits	PAS 99, 2006	Lack of knowledge among employees and management Knowledge of what we have and lack of knowledge what we need it for Lack of internal and external demand for systems Bureaucracy Certifying units	Jorgensen, 2008

Source: Adapted according to Ejdys & Matuszak - Flejszman, 2010, pp. 211-212

The very construction of Business excellence model is, in fact, precise detailing and structuring according to their priority of various dimensions of competitive advantage, with a final objective of achieving the interdependence with the key managerial areas for sustainability. Therefore, various excellence models in business possess differences in number and influence of the components that form the sustainable competitive advantage.

The majority of the excellence models are based on quality based business frameworks which are dependent to ‘critical-to-success factors’ (CSF), a term which fundamentally refers to a very limited number of key managerial areas for sustainable competitive advantage in which their outstanding position, internally and externally, would result in a competitiveness that produces superior organizational performance.

The comparison of the advantages of the qualitative frameworks with the business excellence models would be conducted with Kanji Business Excellent Measurement System (KBEM), in order to enable reaching objective conclusions for their potential and interdependence of the constituting contents, in the following way:

Table 3 Business excellence models' content comparison

EFQM	MBNQA	KBEM
Leadership	Leadership	Leadership (prime)
Policy and Strategy	Strategic planning	Delight the customer
People	Customer and Market focus	External and internal customer satisfaction
Partnership and Resources	Information and analytics	Management by fact
Process	Human resource focus	Measurement
Customer results	Process management	All work is process
Society results	Business results	People based management
Performance results		People make quality
		Teamwork
		Continuous improvement and cycle improvement
		Prevention
		Business excellence

Source: Kanji, 2005, p.1073

It is evident that the KBEM functions by prior identification of a few vital organizational competences which have a major influence on the overall organizational performance, followed by their classification in accordance with the potential for managerial control, determining their interdependence and in the final stage, evaluating the progress in measuring the sustainable competitive advantage.

Conclusion

Nowadays, the importance of a proper managerial system for achieving and further development of a competitive advantage and the need for sustainability emerges as a result of the orientation for an organic treatment of the integrative segments in every enterprise, predominantly of their organizational vision and values, structures, processes and the human resources. Among numerous challenges of every prosperous manager, most crucial for the future competitive advantage of the enterprise arise the following managerial implications: the inability to predict their future, the inability to control their behavior and the inability to influence their future trajectory for survival and success.

The major characteristics of an existing or a future organizational crisis are the presence of potential threats, triggers – turning points and the idea of incubation, uncertainty about the resolution of a crisis and its after-effects, the urgent need to act, and potentially harmful impacts on individuals, organization or society as a whole.

In order to connect the implications of the organizational crisis with the sustainable elements

of certain managerial systems, a clear distinction of management sustainability models is essential through the following interconnection: Qualitative criteria – Qualitative Management Systems – ISO 9001:2008, Environmental criteria – Environmental Management Systems – ISO 14001, Safety at work criteria – Occupational Health and Safety Management Systems – OHSAS 18001:2007.

In creating an organizational change framework, a prior attention is placed on stimulating planning and implementing of changes required for sustainability, initially through the concept of empowerment. Having in mind that the overall working empowerment is usually composed of behavioural, verbal and outcome empowerment, the dominant influence towards the organizational change framework possesses the behavioural one.

In essence, organizational competencies integrate a unique combination of knowledge and applicative skills, with a fundamental aim of guiding the action change programs for competitive advantage. They enable employees to better understand and implement the organizational knowledge and skills on a group/team level, as well as on an individual level. In order to fulfill the intention of a distinguished competitive advantage, each organizational competency must be valuable, rare and impossible (process complicated or costly) for imitation.

Obviously, the proposed implementation pathway focuses on an existing and future understanding of the organizational competencies, which demands an immense and integral detailing of the characteristics of the organizational competencies - tacitness, robustness, embeddedness and consensus. In order to form an integrated organizational benefit from managing cultural diversity, key managerial areas for sustainable competitive advantage are costs, resource acquisition, marketing the competitiveness, creativity, problem solving and organizational flexibility.

In achieving the desired level of business excellence, it is crucial to interconnect the managerial style with the tendencies in the organizational development process. It means that the managerial style follows the orientation and depth of the intended organizational development, a process which lies on the systemic nature of application of behavioral knowledge and skills, accompanied by a proper application of empowerment concept for a profound usage.

The creation of Integrated management system consists of a competitive combination of above detailed management sustainability model criteria,

including simultaneously qualitative, environmental and safety at work sustainable criteria. At the same time, sustainable management system is the contemporary answer to the challenges for competitive advantage, like dynamic changes in the technological, economical and legal external segments, rising costs of training, lay-offs and accidents at work, state treatment of non-adherence to the environmental regulatory standards, increasing pressure for an immediate profitable results compared to the needs for an organizational development etc.

The very construction of Business excellence model is, in fact, precise detailing and structuring according to their priority of various dimensions of competitive advantage, with a final objective of achieving the interdependence with the key managerial areas for sustainability. Therefore, various excellence models in business possess differences in number and influence of the components that form the sustainable competitive advantage.

The majority of the excellence models are based on quality based business frameworks which are dependent from 'critical-to-success factors' (CSF), a term which fundamentally refers to a very limited number of key managerial areas for sustainable competitive advantage in which their outstanding position, internally and externally would result in a competitiveness that produces superior organizational performance. It is evident that the KBEM functions by prior identification of

a few vital organizational competences which have a major influence on the overall organizational performance, followed by their classification in accordance with the potential for managerial control, determining their interdependence, and in the final stage, evaluating the progress in measuring the sustainable competitive advantage.

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