Sustainable Enterprise Excellence

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INTRODUCTION

Regulatory compliance, societal needs, environmental considerations, and stakeholder expectations have stimulated enterprise urgency to deliver sustainable results in each area of the familiar triple bottom line: financial performance, environmental footprint, and societal contribution. Excellence models such as those supporting international quality awards have proven beneficial to financial performance. Approaches aimed at enhancing corporate social and environmental performance have accomplished less in achieving their aims and no single approach to triple bottom line optimization has proven adequate.

Sustainable Enterprise Excellence (SEE) provides an integrated solution to this dilemma by transforming triple top line strategy focused on equity, ecology, and economy (3E) into triple bottom line performance with respect to people, planet, and profit (3P). A "Springboard to SEE" model in the enterprise excellence tradition that fully incorporates sustainability is introduced herein, together with an associated graphical and narrative SEE NEWS Report assessment. These yield foresight aimed at next best practices and sources of competitive advantage that advance the quest to become a continuously relevant and responsible organization (CR2O) or, as characterized by Avlonas and Swannick (2009), responsible competitiveness.

BACKGROUND

Sustainability and Enterprise Excellence have long histories, contemporary roots of which can be traced to the 1980s. The Balanced Scorecard (Kaplan & Norton, 1992), European Quality Award (EQA), and America's Baldrige Quality Award (BQA) are counted among highly visible expressions of the enterprise excellence movement. Similarly, contemporary sustainability is associated with the landmark report, *Our common future* (World Council on Economic Development, 1987), and the Triple Bottom Line or TBL (Elkington, 1997) emphasis on societal, environmental, and financial performance, also known as people, planet, profit (3P).

Savvy use of enterprise excellence systems has significantly boosted enterprise financial performance, human capital performance, operations and supply chain performance, and other performance domains, while increasing firm value (Balasubramanian, Mathur, & Thakur, 2005). Such systems, however, have inadequately emphasized social performance and environmental performance so that enterprise excellence systems are fundamentally "1P" with respect to the TBL: profit. In contrast, most sustainability advocates approach the people and planet dimensions of the TBL with great fervor, many such advocates neglect the 3P profit domain, choosing instead to focus on the realities of dwindling resources, environmental

DOI: 10.4018/978-1-4666-5202-6.ch218

degradation, and social fabric erosion so that their philosophy and behavior is "2P."

Disharmony between enterprise excellence and sustainability reflects a "profit versus cost" dilemma, that is, enterprise excellence aims at profit, whereas sustainability is commonly associated with being gained only at a cost. This mental dilemma produces sub-optimization, though in fact profit and cost are complementary aspects of financial performance. Recent introduction of the cradle-to-cradle and Triple Top Line (TTL) concepts (McDonough & Braungart, 2002) suggest a means of reconciling this dilemma wherein SEE should focus on integration of enterprise excellence and sustainability that leverages synergies jointly optimizing the 3P bottom lines so that 3P > 1P (profit) + 2P (societal and environmental sustainability). Integration at this foundational level purposes to deliver enriched organizational performance across an array of dimensions including, but not limited to all TBL areas, and requires embedding cradle-to-cradle culture via transfer and transformation of 3E TTL-oriented strategy into superior TBL-oriented 3P results.

SUSTAINABLE ENTERPRISE EXCELLENCE

Sustainable Enterprise Excellence (SEE) is defined as:

SEE is a consequence of balancing both the competing and complementary interests of key stakeholder segments, including society and the natural environment, to increase the likelihood of superior and sustainable competitive positioning and hence long-term enterprise success. This is accomplished through an integrated approach to organizational design and function emphasising innovation, operational, customer-related, human capital, financial, marketplace, societal, and environmental performance. (Edgeman & Eskildsen, 2013a)

The SEE model herein is called the *Springboard to SEE*. The *Springboard* assesses SEE performance to accelerate transformation of 3E strategy into superior 3P results. *Springboard* assessment combines six *NEWS Compasses* with six *SWOT Plot NEWS Narratives* to yield a combined graphic and narrative *NEWS Report* of learning and foresight targeted at driving relevant and responsible actions and results.

Sustainability and Enterprise Excellence Congruence

Enterprise excellence systems such as those associated with international quality awards are comprised of a model, criteria, and assessment regime by which progress toward excellence and enhanced enterprise competitiveness is determined. More comprehensive is improved national competitiveness – the core motivation behind 1987 Act of the US Congress establishing America's Baldrige Award.

Despite enterprise benefits in areas assessed by the EQA and BQA, these and similar systems devote limited formal attention to enterprise impacts on or contributions toward societal and environmental sustainability. Use of such systems for award purposes unequally allocates 1,000 possible points across numerous areas and criteria. These systems are distinctly performance oriented and while they regard the people and planet TBL domains, disproportionately low weighting of these domains strongly underscores low value for people and planet results, regardless of intention. This may be traced to inadequate TTL equity and ecology strategy formation and deployment delivering similarly inadequate TBL people and planet performance – implying that cradle-to-cradle performance and hence progress toward SEE can be improved.

We accept dwindling resources, environmental degradation, and societal erosion as givens, while simultaneously acknowledging that enterprise sustainability requires financial success. These are aligned or congruent in some respects and