

ORGANIZATIONAL DEVELOPMENT OPTIONS TOWARDS SUSTAINABILITY

Patricia Ingrid, Keller

Universidad Nacional de Misiones

Facultad de Ciencias Económicas

Ruta Nacional Nro. 12 – Km. 7 ½, (CP 3304) Miguel Lanús, Misiones, Argentina

E-mail: patricia.i.keller@gmail.com

SUMMARY

The implementation of business strategies that build value throughout the supply chain of goods and services and simultaneously contribute to sustainability is one of the most difficult to address in practice. So for the present study we researched the possible strategies, identifying those options to successfully integrate the dimensions of sustainability into organizational development from a systems perspective and its possibilities and limitations. The characteristic activities of the five possible choices - risk management, image building and reputation, productivity and efficiency, innovation and market development - can be implemented in pure form, in combination or sequentially. In this way you can build competitive advantages in the context of sustainability, which allows the company to achieve greater chance of success, not only in the short term but also medium and long term.

KEYWORDS: Competitive Strategies; Organizational Development; Sustainability.

INTRODUCTION

The major benefits offered by the markets which are considered relevant aspects of sustainability, on the one hand and the problems that arise when such issues are completely ignored, generating a growing number of companies the interest to operate more responsibly, To do this, because these companies need to improve their survival and development, and the best position in the current and future markets requires the development of competitive advantages in an explicit strategic framework that allows the achievement of these objectives, not only short and medium, but in the long term.

For the development of such advantages in this context, it must be noted that organizational sustainability is an economic concept based on the premise that the future economic success of an organization will depend on achieving positive returns, both economical, social and environmental.

Applying the definition of sustainable development in the Brundtland Commission (1987), which is achieved by meeting the needs of present generations without compromising the satisfaction of future generations, we analyze the administration trying to find ways and means through which organizations manage their survival and present development, without compromising the potential to achieve similar goals on behalf of future generations. For that, according to Promberger et al, (in Matzler K., 2003, p. 290)⁽¹⁾, based on three basic principles for organizational sustainability, which are capital maintenance, retention in the markets and the principle of organizational value creation in the three dimensions: economic, social and environmental.

According to Stead et al (2004) is possible to integrate the three dimensions that include the concept of sustainability in the strategies described by Michael Porter (2000) of differentiation, cost leadership and position in market niches.

In this framework, socially responsible investing, is generated - through the activities defined in the particular strategic framework - products and services that are also socially and

environmentally responsible, produced and marketed in accordance with good practices that contribute to sustainable human development and care for the environment. This process takes into account not only the benefits for shareholders, but also the elements and actors (suppliers, employees, banks) in the production chain, as well as other actors in the public relations, such as communities, political groups, governments, media, etc..

Therefore, in designing strategies from organizational systems must be taken into account on the one hand, the internal strength of the system and on the other, the characteristics of the environments in which it is desired to compete possible policy options and its possibilities and limitations.

The aim of this study was to research, identify and analyze precisely the possibilities and restrictions of such options, whose implementation will build an organizational development path towards sustainability.

DEVELOPMENT

1. The dimensions of organizational sustainability

The three dimensions of sustainability - ecological or environmental, social and economic - both coexist in the environment, and within the organizational system.

In the first dimension, ecological, taking into account that society needs to meet environmental sustainability and future needs as the environment not only provides much of the raw materials for survival, but also provides services and environmental benefits. They may include the production of oxygen, absorption of noise, space for various activities, both economic and recreation and even the functions of the cultural identification of people locally and regionally.

The economic dimension is about maintaining the capital, which should differentiate the different types of it: economic, natural and social.. Since each company is required for certain types of capital and combinations that characterize good performance, it is important to maintain an appropriate level, so as not to consume beyond its capacity for regeneration and recovery. This

has been developed in various methods and techniques that can be applied to each case.

To achieve sustainability from the social dimension, it follows the principle of equity which in turn follows the principle of social justice. This aspect can be achieved through the practical implementation of values for sustainability, both internally and externally to the company. Examples of such values are honesty, respect for law and individual freedom, defense of cultural identity and positive fluid communication with staff and working with surrounding communities.

2. Business strategies towards sustainability: definition and background most relevant to this work

Overall, according to Müller-Stewens and Lechner (2004), business strategy is defined by the line of thought that determines where the company wants to compete and how to create value in this field. In particular, when Stead et al. (2004) refer to sustainable competitive strategies to those designed to provide competitive advantages to organizations, gaining an advantage by minimizing external opportunities and external threats in the three dimensions of sustainability. This reference shows the close link between strategic thinking and thinking for sustainability, since it is a long-term orientation, which includes the survivability of the future organization and organizational adaptation to their changing environment, as said by Huelsmann (2004). To do this, Müller-Stewens and Lechner (2004) propose to consider the structural context components on the one hand and the components of strategic context on the other.

Most companies have strategies for sustainability, do so for competitive issues, I e tap the potential ecological and social sustainability for their activities aimed at generating economic benefits.

Several authors have researched and developed strategic options for sustainability, by deriving valid concepts of strategic management tradition.. Among them include studies developed by Dyllick et al (1997) under the research project Ecology and competitive capacity in the Institute of St. Gallen in the 90's.

In Argentina, the Argentine Institute of Corporate Social Responsibility (IARSE, 2010) has

enunciated 7 dimensions of corporate social responsibility – values and transparency, workforce, environment, suppliers, consumers, community, government and society - in which the enterprise deployment of best practice reflects a commitment to sustainability. However, to select those practices consistently generate value and also to contribute to organizational development, you must select a strategy to guide the actions in the medium and long term. To achieve this, we have analyzed the policy options described below, combinations of these or others that are related to sustainability.

3. Strategic types towards sustainability

Based on the above studies and the contributions of social and ecological sustainability on business development of Leitschuh-Fecht y Steger (2003), they can be identified, from a systems perspective, five types of basic strategiew, which are explained below.

3.1. Types of safe strategy for reducing and controlling risk

This type of strategy leverages the competitive advantages from reduced risk and control respectively, so the most important tool for implementation is precisely the risk management.

In business, risk and uncertainty results reflect unknown and / or variable in nature, material and human systems. Risk is the characteristic of a system linked to the possibility of occurrence of different outcomes. Controversy exists regarding the definitions of risk and uncertainty. For Schuyler (2001), the series brings an opportunity of positive risk, while the downside risk implies a threat to the organization.. For others, this word is used when an impact may occur generally high and unfavorable or negative, implying a threat.

In general, the risks associated with sustainability are often caused by problems of social and ecological environment of enterprises.. These risks may come from various fields and caused by multiple causes, such as climate change, genetic engineering or even resulting from poverty of the surrounding population. Indeed, the action of some companies can have very direct effects on the environment, as when fires occur, emissions and effluents of substances harmful to health, soil,

air and water, and also in industrial accidents, etc.

The aim of the strategy towards sustainability its insurance rate is, to the best according to Dyllick et al. (1997), the reduction and control of those risks to defend the positions reached in the market. This is done to ensure some degree of success against the potential consequences that could be threatening. This type of strategy works in order to maintain the structure in response to claims that could arise, for the above mentioned types of crises, by the society.

From the empirical point of view, as Leitschuh-Fecht and Steger (2003), this strategy is stated as anticipating and limiting risk. Obviously, to the extent that increase the adverse effects of globalization, exposing organizations to these risks is increasing and therefore also increases the convenience of taking the necessary precautions within a strategic framework for this end.

To meet the objective of risk management oriented towards sustainability, Haller (2002) places particular emphasis on the locations, technologies, processes and products.

To ensure that location and technology one can implement technical risk management systems. To ensure processes are needed internally in the organization, legal security, so that all business processes are carried out in accordance with applicable law and also to legitimize itself from the social point of view, in the three dimensions of sustainability.. This means that, from a financial point of view the company should be subject to internal and financial audits, while from a social point of view, they should be respected, particularly the activities of trade unions and audits of security and occupational health and behavior codes.

From the ecological point of view, it is advisable to follow environmental management systems ISO 14000 or other types suitable for this purpose.. A company that follows this path at its headquarters in Argentina, after having problems with environmental groups in Chile, Arauco (2004), which aims to implement the strategy of such insurance, for which it has committed to effective environmental management and responsibility.

Risk management towards sustainability can be of two types: passive or active. In the first case, your application by itself can be useful while the market and society does not replace the products offered by organizations other suitable substitutes. This risk exists especially in a

demanding market and / or awareness on sustainability issues, which perceived slowness on the part of the business to provide quality, made to be transferred to the image of it and hurt the demand for other products that the company provided. In the international market for commodities in the agricultural sector for example, it is also possible to transfer the risk of lack of credibility to other companies in the country of origin. This can be exploited by international markets, to bar the entry of agricultural products in that country.

A risk management towards sustainability is active, as opposed to passive, a first step towards further implementation of other strategies with better competitive advantage.

3.2. Kind of reliable Strategy: Improveent of the image and reputation

Given the socio-political origin of the issue of sustainability, both trust and credibility that an organization values are particularly sensitive to changes in the perception of the people around. This type of competitive strategy takes advantage of improved image and reputation for practical implementation of which the most important tool is the administration of communications.

An image is a complex representation and somehow, a fictional object, whether an organization, company, product, person, event or brand. The image has a cognitive component (knowledge), an affective (opinions) and connotative (actions), and builds in some way, the personality of your image to Healthcare Providers. For the diffuse nature that the process of forming the image has, it is very likely to be influenced both positively and negatively, by events, verbal expressions or campaigns. Indeed, according to Merten (2002), the image can be constructed or modified and is still a unstable building, which requires constant attention.

An image linked positively to sustainability is built from the manner by which an organization deals with the demands and challenges to contribute to sustainability.

The aim of such a strategy is concerned, first insure against risks to reputation - as may be caused by accidents or critical non-governmental organizations - and the other, building the reputation values that enhance the existing such as those based on market values of their products or even securities of the company.

In a survey conducted by the WEF (World Economic Forum), mentioned by Lunau (2004) estimated that for companies worldwide, 40% of the market capitalization is based on its reputation. In the case of crisis caused by situations that might arise, for example in cases of disputes arising from projects, work accidents, suspicion or doubt arising from financial audits), a good image - which is the capital of reputation - can be help to get ahead in times of crisis.

Broadly speaking, there are strategies for building a good image and others to ensure a good image already established. The first are rather offensive and look like marketing strategies. There are very successful campaigns, such as per unit of product purchased helps to contribute to objectives in the social and / or ecological areas.

Strategies to ensure the image is rather defensive and resemble risk strategies. In this regard, it can be argued that good management of corporate social responsibility is not just good will, but to avoid unnecessary risks. Therefore, a strategy of building a positive image and linked to sustainability is complementary to the strategies of cost and differentiation.

From the empirical point of view, image strategies have effects at the level within the organization about the people who work there, as well as externally, on the environment, including customers through branding and / or the brand image of a particular product.

The most effective way to convey a reliable picture is through concrete actions of the organization. Examples of corporate actions that help create a good image are those based on reducing environmental pollution, such as reduced waste and emissions, either in the form of more efficient or by using techniques of purification and recycling. An example can be cited here an Argentine company is vertically and horizontally integrated in the agribusiness chain, Grobo (2009), which implements, among others, a program of agricultural waste management.

To build a good image from the point of view of social sustainability, it can include all necessary measures to prevent accidents as well as training and training in this regard. Finally, without excluding other actions, Ulrich (2001) cites the donations made to community and ecological purposes. Examples of this case in Argentina are donations Mendoza SA power stations., Bodegas Lopez, Banco Galicia, Siemens, etc. a la Fundación. Conin the Foundation

carried out a powerful and prestigious job in recovering malnourished children.

Many times when unexpected contingencies occur, the company faces an overload of information. In these cases, good management of the crisis requires, according to Levy (2002), from the administration of communications, actions such as organizing an emergency communications network, the establishment of an assessment center and allocation of information and assemble a communication network design star, I e from the center coordinates the activity of the various groups. However, to cope with such situations it is necessary for management of communications to have previously carried out at least one crisis exercise for non-critical conditions, to raise awareness, educate and train staff in the knowledge and skills necessary for the case.

Most importantly, in implementing the type of reliable type strategy in general, is the coherence. Regarding this point Sywottek (2004) argues that the most exemplary actions lose weight in this framework, if the central business acts irresponsibly and that is disseminated to the public. Therefore, while the core business is not geared towards sustainability, social or ecological projects of a company or organization will be convincing.

The image can be formed by the administration of communications. This point was explained by Seydel (1998), based on the observation that active communications within the organization, motivation and identification of people who work there, and in parallel, these people act as organizational image multipliers outwards, I e, towards the environment. Moreover, according to Michelsen and Godeman (2004), public relations activities are directed out of the organization, acting on the company and / or the financial market.

Finally, we should add that the image can be formed through cooperation with reliable and reputable partners or shareholders. In addition to donations and sponsors, Andriof et al (2003) point out that there are other ways to implement communications strategies. To make matters related to the location of an industrial site of a company, you can organize dialogues with the residents of that place, to build trust and acceptance that will be particularly necessary in case of occurrence of crisis. In matters related to new technologies employed (which could arouse

suspicion or fear, for example) talks and lectures can be very useful to various audiences, both to hear the views and fears that there might be such as to explain these issues and improve standard confidence of the people around. This type of action is implemented by Aramark (2009), the Central Restaurant, a multinational company leader in institutional power in Argentina provided some 70,000 daily services.

2.3.3. Efficient strategy type: enhancing productivity growth and efficiency

Productivity linked to sustainability is achieved from a higher level of social and ecological efficiency in companies that apply these concepts to their internal processes. This means that through more efficient use of energy and inputs used, costs are reduced. This particular achieving benefits in all three dimensions (social, ecological and economic) as a product of an approach to the implementation in which all parties win. Therefore, according Stead et al. (2004), the objective of the strategy is to efficiently meet the social and environmental requirements with the best possible cost.

Indeed, Reinhardt (2000) noted that the implementation of an efficient type of strategy is carried out through cost management following the guidelines for sustainability. From the ecological point of view, prevention of pollution is an important concept to sustainability. In contrast to the kind of more expensive solutions, which are usually added at the end of the production line, environmental care measures are integrated in the organizational production processes.. So some authors as Leitschuh-Fecht and Steger (2003) argue that throughout the process, can be reduced not only energy costs but also raw materials and a decrease in waste production.

In short, eco - efficiency - one of the most popular concepts of organizational sustainability and spread out by Schmidheiny (1999), allowing on the one hand to reduce environmental damage, and on the other, also lower costs. This means more than just minimizing costs and environmental damage per unit produced.

Another approach is to implement social measures - efficiency, whose concept is based on strengthening the ability of collaborators and partners in a venture, with the emphasis on social

issues of particular interest to those involved, and thereby reduce costs.

While this strategy has been disseminated and applied by companies for some time, they have not yet exhausted the possibilities for the potential to save energy and waste. In the sawmill industry and that of yerba mate (*Ilex paraguayensis*) for example, some actions included in the concept of eco-efficiency could be carried out using sawdust in the first case and second, thicker stems which are not approved by the Food Code as a component of the final product. This will diminish - and could benefit volume - the residue by compressing them in the form of briquettes, as demonstrated by Kanzig, R., et al. (2006). In addition you can increase the efficiency of combustion and the consequent decrease in production of greenhouse gases in sapecado (TN exposure to 20 to 30 seconds to flames) in the process of industrialization of the yerba mate, using alternative methods (Galeano, C. et al., 2006).

From a social point of view, internally one can focus on the costs of organization and development of staff skills through training in this regard.. This could be achieved by promoting lifelong learning, increasing process efficiency and providing opportunities for individual and professional development in this context, among other benefits.

3.4. Innovative strategy type: market differentiation

In every organization there are potentials that can be developed to improve the economic position, building competitive advantage in the short, medium and long term, by technical, social and organizational administration innovation. This requires the implementation of the type of innovative strategy shift towards sustainability, which leverages the competitive advantages that are built with strategic activities of market development. Most important for its implementation is therefore the strategic work in public relations and lobbying.

In general, when speaking of innovations currently referred beyond scientific discoveries for the production of goods and services, to improve and optimize routine processes and procedures generally used after a systematic analysis for this purpose. At this point one must distinguish, according to Busch and Liedtke (2005), two types of innovation: the social one and the one

referred to the processes. While early innovations are implemented by the organization within the company, its communication processes and organizational culture, the latter are implemented by the innovations of technology and production processes, ranging from a different use of materials and energy, and the revision and improvement in the production of waste, so as to minimize their impacts and considering the possibilities for reuse and / or recycling, among others.

Therefore, in designing products and services, research and development should focus on novel aspects that benefit some dimension of sustainability in particular, without prejudice to the other dimensions, or achieve - to a greater or lesser extent - the integration of benefit in the three dimensions of sustainability.

The differentiation in the market with a focus on sustainability can be achieved by an organization through an offensive orientation - both products and service and performance - linked to sustainability criteria. In this way customers get added value that contributes to sustainability, such as in organic products.

In some cases consumers do not remunerate these organizational efforts at the same rate in the short term, as evidenced by the statistics of the past decade according to the records of the international forum of the Organic Movement, the International Forum for Organic Agriculture Movements IFOAM or (2008). However, organizations that follow this strategic line, are offering their audiences a greater value in their products and / or services and can develop from this approach greater competitive advantage and long term, which is also compensated financially when you want to place products in more demanding markets.

Therefore, the objective of the type of innovative strategy is to achieve differentiation in the social and ecological aspects of products and services, which also benefits the consumer to achieve perceived benefits and greater value, as several authors noted more research after this particular topic, such as Dyllick et al. (1997), Reinhardt (2000), Crosbie y Knight (1995) and also Stead et al. (2004).

Finally, in the labor market such an organization can position itself as edgy and recruit top talent, as it does in Argentina Grobo Group (2011).. In the financial market this differentiation aims

to attract a greater number of shareholders with social and ecological preferences.

CONCLUSION

Reflecting on the practical implementation of the strategic options presented here, although explained in an ideal way to each separately and in isolation, in practice they are not mutually excluded. Furthermore if these five types were used in succession strategy, they could achieve a model of organizational development, building competitive advantage towards sustainability. This would mean in practice that at the beginning, the company would develop the theme of sustainability in a defensive and reactive, respectively, to ensure their survival first and then the basic conditions for good performance in the medium and long term.

Then in a second stage, administration officials discover an opportunity for cost savings through the implementation of measures to create efficiency in the context of sustainability.

In the next step would clear the market potential of differentiation of a product oriented towards sustainability.

Once firms develop an innovative product and market it successfully, they begin to recognize also that it would require changes in political conditions in the environment that frame the process. This would increase the possibilities to expand product distribution to a wider and even massive market. This last step involves the integration of social innovations to the technology already achieved. While the latter may be copied or even purchased with relative ease, social innovations are a bit more complex because it involves the human factor that characterizes the richness and its development requires a period of time. However, it has the advantage on the one hand, to be more flexible and on the other, the experience can be a barrier to entry for new competitors.

Thus, the strategic option explained in the first place, the strategic type insurance can be the foundation on which to build other types of strategies. This is thus, because without said foundation, in times of crisis, the other kinds of strategies, would be superfluous and not very much

believed. However when built up in a coherent way on the serious implementation of sustainability, one can choose other kinds of strategies, be they individual or complimentary, which permit to build strategies for a favorable image, efficiency or differentiation strategies.

The kind of transformation or innovation strategy only works when based in the successful implementation of other kinds of strategies that give it the necessary backing. This is most evident when looking at companies that have implemented processes without echo - generally efficient and work in complete accordance with the laws they seem to have consolidated in order to achieve a political actor on environmental issues.

At present more than ever, the enterprises need to develop themselves within a framework of permanent changes. So, to act in an innovative way, it is necessary that the competitive strategy permits to pro-actively mold the organizational organizational possibilities of the market technique all along the the value chain, in a sustainable way.

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