Improving organizational sustainability using a quality perspective

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SOM-theme A: Primary processes within firms

Abstract

This article derives lessons from the quality approach for further developing the organizational sustainability approach. Taking a responsibility perspective on organizational sustainability, four issues emerge that need to be resolved, i.e. ‘what is the responsibility?’, ‘what is the responsibility area?’, ‘who is involved in determining responsibilities and area?’, and, ‘in what way is the organization able to take care of these responsibilities?’. The article explores in what way the quality approach has been dealing with these issues, which is the basis for some lessons for

the sustainability approach. An important lesson is that the ‘who is involved’ question should be leading. The stakeholder who is willing to pay for sustainability dominates answering the other three issues. With respect to the accounting practices, sustainability programmes could be inspired by the same need for protective and accountable behaviour as quality programmes, if the well-known negative aspects are minimized.

1 Introduction

This article focuses on sustainability in an organizational context, which we label organizational sustainability. In literature the sustainability concept has not yet been defined unambiguously and this can be considered an understatement. The ambiguity might be caused by the fact that the sustainability debate is still in its infancy. Kane (1999) however, points at the varying roots for the conceptualization problems. Also the sustainability practice does not stand out for its clarity and distinctness. The enormous variety of projects and/or activities within organizations that is gathered under the label of sustainability is striking. The development of a new curriculum, stating a mission with respect to sustainability, instituting a sustainability manager, all are examples that are united under the umbrella of sustainability.

In this article, we aim to contribute to the reduction of conceptual ambiguity in this field of application, and to the debate what practices might be useful in order to improve organizational sustainability. For that purpose we explore another field, the quality approach, in order to deduce lessons for the benefit of the sustainability approach.

Why looking for assistance in the quality approach for further developing the sustainability approach? There are several reasons for this exploration. The first reason is rather simple and related to the time aspect. Although it could be suspected otherwise, sustainability is certainly not a new phenomenon. From a historical perspective Van Zon (2002) clearly shows that, for instance, mining or the exploitation of soil in terms of forestry were already important matters of concern in ancient times. Nevertheless, since the eighties of last century sustainability has become a more important item on the organizational and academic agendas. The quality-approach, on the other hand, can look back on a rather long developmental period (see e.g. Evans and Lindsay, 1999; Juran, 1989) in which the concept has been defined and redefined several times and, in which many practices have been developed and used since then. It seems plausible that there is something to be

learned for the sustainability approach from this developmental period. Yet, this time aspect would of course not be relevant if there were no reasons with regard to content.

Second, both quality and sustainability have inherent positive meanings. Quality and sustainability can be considered goals that appeal to everybody. Indeed, who could not be in favor of organizations that, for instance, aim to deliver high quality products or try to balance between economic prosperity, social issues, and a healthy ecological environment? However, because of this inherent positive meaning of the concepts, there seems to be a tendency to assemble a variety of phenomena under the concepts. This, in turn, complicates defining the concepts, quality *and* sustainability.

Third, when the term organizational sustainability is used, the first question that needs to be dealt with is 'sustainability of what?'. In the quality approach there is some experience dealing with this so-called application question. Indeed, a quality statement, or a sustainability statement for that matter, always refers to 'something'. This may seem obvious, yet further delineating this 'something' is not a straightforward task, but will probably be helpful to decrease the ambiguity of the sustainability concept.

Regarding the before mentioned application question it is important to make a distinction between sustainability (or quality), as an attribute of something, and, because of the presence of such an attribute, the resulting responsibility the organization takes or gets, which must be understood as 'having a duty, an obligation' (Takala and Pallab, 2000). Both aspects must be considered two sides of the same medal. However, we will focus on the resulting responsibilities as this position fits within our focus on sustainability in an organizational context. Taking the perspective that organizations should behave and act in a sustainable way, it is their task dealing with this responsibility. As we will discuss later on in this article, the responsibility issue includes the question of what sustainability is attributed or applied to.

The main question for this paper is: *What can be learned from the quality-approach for further developing the organizational sustainability approach?* For answering this question, we have structured our argument along the following lines. First, we will discuss the sustainability approach. In particular, the question of application is explored. This exploration yields four issues, of which it is argued that

they need to be resolved in the context of organizational sustainability. Second, it is analysed in what way the quality approach deals with these issues. Third, on the basis of this, some conclusions are drawn for sustainability, regarding the concept and organizational practices, in order to give the sustainability approach a swing.

In conclusion of this introduction, it is worth mentioning that there are some recent initiatives in sustainability literature to integrate sustainability and quality in an all-embracing framework (Waddock and Bodwell, 2002; Madu, 2003). Waddock and Bodwell aim to develop a total responsibility management framework, which they label TRM, as an analogy of TQM (i.e. total quality management). At this point, we leave this matter of integration open to question and come back to this issue further down.

2 Organizational sustainability: dealing with responsibilities and boundaries

As said before, the sustainability approach has varying roots, and therefore various meanings. We will only give a very limited discussion of sustainability literature considering the many roots and meanings that exist, and focus on the evolution of the concept in an organizational context.

Two perspectives on the sustainability notion have played an important role in the sustainability literature, viz. the 'Brundlandt' perspective and the 'triple-P' perspective. The first perspective is based on the so-called 'Brundlandt definition' of sustainable development (WCED, 1987, p. 43), i.e. 'meeting the needs of the present generation without compromising the ability of future generations to meet their needs'. Of course, the range of the 'Brundlandt' definition is beyond organizational sustainability. Indeed, it is humanity that should strive for sustainability. Nevertheless, as noted in the introduction, the definition has been important for getting sustainability on organizational agendas (e.g. WBCSD, 2002). Also in literature, the definition can be considered a milestone. For instance, Dyllick and Hockerts (2002, p.131) transpose the definition, by means of the stakeholder concept, to the organizational level. They define corporate sustainability as 'meeting the needs of a firm's direct and indirect stakeholders (such as shareholders, employees, clients, pressure groups, communities etc), without compromising its ability to meet the needs for future stakeholders as well'.

Elkington (1997), who uses the triple-P perspective, considers an organization sustainable if a certain minimum performance is attained in the three so-called 'p-area's'. The three P's stand for people, planet, and profit. The main point is that the 'bottom line' of an organization is not only an economic-financial one; an organization is responsible to its social and ecological environment as well. From this perspective, an organization needs to find a balance between economic goals (profit) and goals with regard to the social (people) and ecological (planet) environment. Despite of the vagueness of the sustainability notion, organizations are nonetheless becoming more and more familiar with thinking in the three P's. Two phenomena

positively influence this. (i) There is a growing amount of auditing and reporting initiatives in which the three P's are used (e.g. GRI 2002; WBCSD, 2002). Particularly, the Global Reporting Initiative (GRI) tries to bring some harmonization, i.e. by means of the three P's, into the variety of reporting formats. (ii) Next to these non-governmental initiatives, there is a role for banks in this respect as well. For various reasons, i.e. risk avoidance or societal awareness (Jeucken, 2001), banks more often set constraints on loans, frequently in terms of the three P's. Leaving aside the question of whether the dominance of the 'triple-P' perspective is justified, this perspective has contributed to developing sustainability indicators and reporting guidelines. Because of the enormous variety in guidelines, organizations have no option but to use a mixture of incomplete and incompatible guidelines if they want to account for their behaviour in terms of sustainability (Cramer, 2002).

These perspectives reflect, although implicitly, a shift from a more ecological and absolute meaning of sustainability towards a broader, relative, and more dynamic one (Banerjee, 2003). The meaning of sustainability has been broadened since multiple stakeholders can relate sustainability to different objects or artefacts, and apply different interpretations towards a similar object or artefact. Sustainability has been developed also towards a more relative concept as the level of sustainability is related to the needs of stakeholders and the extent to which these needs are fulfilled. Furthermore, the relative importance of the different stakeholders can change as well as the needs of the stakeholders, which implies that the meaning of sustainability also has become a dynamic one[1]. What makes the question of application so difficult is, that the evolution of the attribute as well as of the object or artefact to which it is applied has been broadened. The sustainability notion can be related to the materials used (attribute) for a building (artefact), but also to the durability of knowledge (attribute) acquired through education (artefact).

This question of application is particularly relevant at the organizational level. An organization can be considered, in terms of sustainability, an assembly point of

[1] Regarding the evolution of the sustainability concept, we also have made use of the work of Faber, Jorna and Van Engelen (2003. The Sustainability of "Sustainability", Working Paper, University of Groningen).

various application questions. For instance, does sustainability refer to the organization's products regarding their impact on the environment, or regarding the way goods and services are produced. In the latter example it is a question of whether this is restricted to the organization or to the overall supply chain? Continuing, does sustainability refer to the core activities, to the supporting activities, or to both? Likely, it would be no problem to continue this list still further. This listing also raises the question of responsibilities. For which part of the organization, or even across its boundaries, is the organization *responsible* in respect to sustainability? We will further elaborate on this question of application and responsibilities by means of two examples.

Two examples

The first example concerns a bank. The essence of the role of a bank is that of an intermediary in the economic circulation of money. In short, a bank brings together two types of customers, i.e. those with a surplus of money (the investors and/or other money suppliers) and those with a shortage of money (the money lenders). A bank lends money to private and corporate households, and for these investments the incoming money is used. Basically, for a bank that aims to incorporate sustainability in its core process of transforming money, which is in fact a decision the bank takes itself, there are two main possibilities. It can either set constraints, in terms of sustainability, on the money that comes in, or on the money that goes out. Usually, a bank sets constraints only on the outgoing money stream (Jeucken, 2001). In this way, for example, they only agree with a loan when the money is to be invested in sustainable businesses or investment funds. The money that is deposited in the bank, by the suppliers, can be used, only or partly, for investments that fulfil certain sustainability criteria.

The second example concerns an occupational health and safety service whose role is to supervise and control the working conditions in different organizations (i.e. their customers) with respect to occupational health, safety, and well-being. In the Netherlands it is obligatory for every employer to contract those activities to an organization, which needs to be accredited in that respect. A specific (public) task of

these organizations is to accompany sick employees during their absence in order to support their reintegration in the working process. In the light of a more sustainable, in the sense of durable, employment of workers in their customer organizations, the organization aims to move from curative/medical care towards more preventive care. In other words, the organization wants to focus on preventing employees becoming ill, rather than integrating sick people back into their jobs. For that reason, a change in their service package might be needed, which raises several questions. Should their services be restricted to those who are directly connected with the working situation, such as advice and information about the best working conditions, or should their package also include services influencing the indirect health factors, such as eating, drinking and smoking behaviour? One step further might be that the organization sponsors social activities and sporting facilities in the local environment of their customer organizations.

These examples indicate two things regarding the application issue. First, they show that an organization has to be clear about the attribute and about the object or artefact to which it relates sustainability. It is a question of what the two organizations feel responsible for regarding sustainability. In this paper we entitle this the nature of the responsibility. Deliberately we have chosen to discuss two examples in which the organization aims for incorporating sustainability in their core process. Of course, the need to specify the responsibility is also relevant when an organization confines applying sustainability to its supporting activities. In literature, the nature of the responsibility is e.g. established by means of the stakeholder concept (Dyllick and Hockerts, 2002; Kaptein and Wempe, 2001). Yet, since there is more than one stakeholder, the ambiguity with respect to the sustainability approach has not really been decreased.

Second, an organization must specify the boundaries of the chosen responsibility system. In other words, how far reaches the responsibility or what is the system or area in which the responsibility is effective? For a bank there are various boundary questions in that respect. For instance, the area can be limited to all the outgoing money and therefore to all moneylenders, or to a part of the outgoing money and, accordingly, to a part of the moneylenders. In case of the occupational health and

safety service this question of setting the boundaries is also present. Indeed, how far beyond the boundaries of the client organization should they influence the condition of their workers?

What complicates dealing with the issues of responsibilities and boundaries is that society, as a field of application, is closely intertwined with the organizational level. The examples in this section show that setting the boundaries between organization and environment, or between organization and society, is not a straightforward task. Moreover, organizational sustainability seems to be not only about doing business in a certain desirable way, but also about improving societal sustainability by means of organizational activities and influence (Roome, 2001). In the latter view the organization is considered an instrument for improving sustainable development, i.e. on a societal level (say the 'Brundland-perspective'). So, the area is likely to be bounded more widely if an organization is considered an instrument for improving sustainable development on a societal level. This makes the question all the more important: how far reaches this responsibility of the organization? As a consequence, this raises a fundamental question for the sustainability practice. In what way is an organization able to take care of the responsibilities?

In conclusion, the application issue can be further split up in four types of questions. The first question refers to the nature of the responsibility. Subsequently, the responsibility question yields a boundary question, namely how far reaches this responsibility? What is the area in which this responsibility is effective? Are the responsibilities restricted to (parts of) the organization itself or does the area include e.g. suppliers, customers or the local environment? Third, it is a question of who is involved in determining the responsibilities and the responsibility area? What is the influence of various stakeholders in this decision making process? Fourth and finally, in what way is the organization able to take care of the responsibilities? In the next section we will discuss in what way the quality approach deals with these issues.

3 THE QUALITY APPROACH

Conceptual ambiguity along with practical uncertainties, as discussed in the previous section in relation to sustainability, can be perceived in the quality approach as well. Reeves and Bednar (1994, p. 419) already pointed out: ‘Regardless of the time period or context in which quality is examined, the concept has had multiple and often muddled definitions and has been used to describe a wide variety of phenomena’. Nearly ten years later this is still true, although there is some progress in dealing with this ambiguity and uncertainty. This section focuses on the quality approach from the perspective of the issues discussed before. For that, some historical developments in the quality approach are discussed in order to analyse in what way these issues are being dealt with.

3.1 Four developmental phases

In the quality approach four phases can be distinguished, in which different aspects of quality are dominant, i.e. quality inspection, quality control, quality assurance, and total quality management (TQM). In the first phase, starting in the early 1900s, quality was primarily related to products (i.e. goods *and* services), and was achieved by inspection. The essential point of inspection is, in this phase, to screen out defects before customers detected them.

The next developmental phase, the quality control phase starting in the late 1940s, demonstrates an enlargement of this focus and the upstream processes also become objects of quality control. It is argued that defects could be avoided by controlling the transformation process, and by solving quality problems earlier. Later on, in this quality assurance phase, the responsibility for quality is widened through the inclusion of functions other than direct operations. Two quality gurus, Juran and Deming, introduce quality systems throughout organizations and stress the importance of continuous quality improvement, which can be considered the marking of the third phase.

The central idea in the quality assurance phase, which started in the early 1970s, is that quality of output only can be achieved by organizations that are in control of their processes and functions, and that try to continually improve themselves. It is in this phase that the ISO system becomes popular. ISO provides an international solution for assuring potential customers that the organization should be able to deliver a certain quality. In this context it is relevant to point also at the CE mark, which is the testing mark of the European Union. This testing mark is only assigned to rather tangible products, and focuses mainly on safety, health, environment and customer protection, which can be considered diverse responsibilities regarding quality.

Just before the hitherto-final developmental phase in quality management the specific nature of the service organizations as an important variable for quality management is emphasized (Grönroos, 2000). Particularly in services organizations, in which there is contact between the customer and the organization, processes become, in addition to products, objects of quality evaluations. The contact moments between client and organization are considered the so-called 'the moments of truth' (Carlzon, 1989). Grönroos (2000) stresses the importance of two dimensions of quality in this sector, i.e. technical quality (i.e. 'what receives the customer') and functional quality (i.e. 'how does the customer receive it'). Company and/or local image however, can affect the perception of these quality dimensions, and work as a filter. If a provider is good in the eyes of the customer, minor mistakes will be forgiven. If the image is negative, the impact of any mistake will often be considerably greater than it otherwise would have been (Grönroos, 2000).

The last developmental phase, which is marked by total quality management (TQM) of the 1980s up to now, includes much of the former characteristics, but also develops its own distinctive themes. In some respect, TQM represents a clear shift from the traditional approaches to quality (Slack *et al*, 2001), as it is more a philosophy. It can be viewed a way of thinking and working, that particularly focuses on realizing a complete customer orientation and continuous improvement through a total system approach. However, it must be noted that not only the customer is an important stakeholder for 'TQM-organizations'. Considering the EFQM Excellence

Model as a representative of the TQM movement, 'TQM-organizations' also measure and achieve outstanding results with respect to their employees, their value-adding partners (such as suppliers) and other stakeholders in society.

3.2 Quality: customer dominance

Similar to sustainability, quality is a broad, multi-interpretable, relative and dynamic concept. The developments in the quality approach show several points that are relevant in the light of the issues raised. First, it can be concluded that the question of 'who is involved?' is leading compared to the other issues. The most important focus point in the quality management approach is the customer. Above all, quality is delivering an output meeting or exceeding customer's expectations. The client who pays is, particularly in profit organizations, the frame of reference for answering the question 'What is quality?', including the nature of quality as well as the needed or appropriate level. Hence quality is measured by, for instance, satisfaction rates or complaints. Economic reasoning explains the strength of this perspective. It must be pointed out however, that in the non-profit sector, such as hospitals, government and welfare institutions, it is not that easy to choose a client perspective, despite the fact that there is much societal pressure to do so. Nevertheless, this does not hinder the fact that the '*who is involved*–issue' is, also in these settings, still leading. In these sectors organizations struggle with the question how to deal with several internal and external stakeholders, who have in some respects different views on quality.

The second point of discussion concerns the nature of the responsibility and responsibility area. Quality is primarily related to the output of an organization in terms of products, tangible or non-tangible. Although the historical analysis showed that processes also have become objects of quality control, to some extent this can be considered instrumental with regard to the products. Nevertheless we can discern signals of a shift towards a broader responsibility and responsibility area. Two developments are relevant for this shift. (i) As said, particularly in services organizations also the processes have become objects of quality evaluations for customers. Company and/or local image however, might affect the perception of the

functional and technical quality dimensions. For that reason, the company or local image have become evaluation objects for customers as well, and thereby a responsibility for the organization. (ii) The introduction of the CE mark has resulted in organizations also being responsible for the consequences of using their products. This means that organizations are held responsible for the right use of their products in terms of not harming customers and not endangering their health.

One can argue that in the quality assurance phase the organization has become responsible for his internal quality system as well, and not only for the output of the organization. After all, potential customers want to get confidence in the ability of an organization to deliver the agreed products and processes. This confidence can be created and communicated through e.g. accreditation of an organization by ISO 9000 norms. For that reason, in the pre-transaction phase, clients judge the organization along with its quality management system. However, ISO accreditation is only a consequence of the responsibilities in terms of what the customer actually has been or will be delivered. It is a way of dealing with the need of customers to have evidence that an organization takes its responsibilities towards the quality of the output.

Only since the last two decades, through the TQM philosophy, other stakeholders have become points of reference for quality performance as well. An organization turns to be responsible for a broader system, for instance the development of fundamental knowledge used for societal issues, the environmental ecological system, and the employment and schooling facilities in the local community. Up until then, the responsibilities of an organization regarding quality were restricted to a customer perspective, and from this point of view the responsibility area is set. By introducing other stakeholders' perspectives, the nature of the responsibilities regarding quality has become more diverse, and, as a consequence, the responsibility area enlarges. To put it in other words, setting the boundaries of the responsibility area has become an issue just now.

3.3 Some practices of quality management

What is left open for our line of reasoning is the question of ‘in what way is an organization able to take care of the responsibilities’. In order to deal with this issue the remainder of this section focuses in particular on quality management practices. The phenomena as discussed before, have contributed to the development of certain quality management practices. Being held responsible for quality in a certain sense and within a certain area has resulted in various organizational behaviours.

The foremost conclusion is that organizations feel forced, usually for commercial reasons, to produce evidence that there is a justified confidence in the ability of an organization to deliver quality. The consequences of this mechanism – stimulated by ISO regulations- is, that organizations deal with quality management by producing handbooks, upgrading the level of formalization, standardizing most working processes, and by measuring quality satisfaction. Just since the last decade there has been paid more attention to the human and learning aspects of quality management, along with the less predictable and easily controllable aspect of quality management (Dean and Bowen, 1994; Hackman and Wageman, 1995).

In line with this need to be accountable, organizations feel a strong pressure regarding the quality issue to measure quality and to create improvements in performance. The Plan-Do-Check-Act cycle of Deming (1986) is one of the most powerful quality instruments, which nearly has grown towards a natural way of thinking. So, ‘to measure is to know’, as one of the famous principles of quality management, can be viewed a specification of the ‘check-step’. This pressure has resulted in a strong emphasis on measurable, preferably quantitative, quality indicators, despite the fact that sometimes other elements are more valid indicators of quality. ‘What gets measured gets done’ (Bertsch and Williams, 1994) is another famous adage, but implies also that measuring can lead to undesirable behaviour. It must be noted that the research on the development of quality indicators has shown that this is a process in which occurs a variety of conceptual and methodological pitfalls (see e.g. Eddy, 1998). Furthermore, indicators partly need to be developed sector-specific (Mant, 2001; Snyman, 1996). The measuring cult in ‘quality land’ has also taught us that, in some sectors, it is important to measure several times the

quality of the output and outcome. For instance, in education it proved to be worthwhile to measure during the training, right afterwards, and a few years later to find out how well the students were equipped for the labour market (Sirvanci, 1996). Having said this however, these problems do not hinder that the development and the use of indicators, and in a broader sense performance measurement, have expanded enormously, and can be regarded as the most influential quality management instruments (Evans and Lindsay, 1999).

Another consequence of the need to show accountable behaviour is that the quality management approach distinguishes itself by a strong blue print thinking, that is to say there seems to be one best way to organize for quality in every organization (Spencer, 1994; Dean and Bowen, 1994). This is reflected in the use and popularity of the Malcolm Baldrige Award and the EFQM model as frames of reference for developing a quality management policy and quality systems, and, of course, in the popularity of the ISO norms. These models have been important incentives for this 'one best way thinking'; in fact, one meaning of ISO is 'making equal'. The blue print thinking is the result of the fact that the quality management approach initially has been developed outside the mainstream of academic management institutions, and can also be subscribed to the clarity of the ISO norm as a useful managerial instrument. It helps managers to deal with the complex nature of quality management. Even so, this blue print thinking is rather surprising considering the years of contingency thinking in management and organization studies (e.g. Sitkin *et al*, 1994). Currently, quality management has gradually grown towards an approach that pays somewhat more attention to specific organizational characteristics of organizations. As discussed, particularly the distinction between profit and non-profit organizations, and between production versus service organizations is considered important (Evans and Lindsay, 1999; Zeithaml *et al*, 1990). Furthermore, there are possibilities for improving quality management systems in practice, by taking other characteristics, such as size or the nature of the technical system into account (Hansson and Klefsjö, 2003).

Acknowledging that quality management implies showing accountable behaviour towards different stakeholders, this has stressed the need for human competencies. Quality management has to be realized in a dynamic environment with

many uncertainties, varying interests, wishes and ideas from different internal and external stakeholders. From this perspective there is a need for support through communication, leadership or motivation. This insight has resulted in the use and development of another type of management tools in quality management, such as Policy Deployment (Evans & Lindsay, 1999), Management by objectives (MBO), training and education, feedback sessions, working and learning in teams, self-management and supervision. During the nineties of last century, the idea gained importance that quality management is not only a management approach in which a variety of techniques and methods are used, but is a 'people case' as well. Indeed, the practice of quality management is taken care of by individuals -who may be supported by control methods and techniques- but which surely cannot be contracted out to these methods and techniques (Evans and Lindsay, 1999). Corresponding to this development, the practice of quality management moved from the operational level towards the more strategic levels and focuses on teamwork, leadership or even organizational culture. The prevailing idea is that this means that quality is to be considered the responsibility of top management.

In conclusion, with this overall picture of the quality approach in mind, we move on the question to what extent the lessons learned in the quality approach are relevant for further developing the sustainability approach.

4 Conclusion: the sustainability approach given a swing

The previous section described some lessons learned from the development of the quality approach. Based on these findings, this section aims to answer the question of what are relevant considerations for further developing the sustainability approach. Of course, drawing conclusions is not simply a matter of generalizing the insights from the quality approach into the field of sustainability. Both management approaches have their own roots, historical development lines, and their own gurus. However, as we have shown in the previous sections, they have a lot in common too: their inherent positive meaning, their evolution towards a broad, relative and dynamic meaning, the problem of designating the adjectives quality and sustainability to a certain system, the ambiguity to deal with defining the concept, and the variety in practices all under the umbrella of quality or sustainability. We summarize briefly how is being dealt with the distinguished main issues in the quality approach (see table 1).

Table 1: The Quality Approach and the Key Issues

Key issues in sustainability approach	*How is being dealt with these issues in the quality approach?*
What is the responsibility?	- Answering this question is preceded by the question: who is involved in this organization in this decision making process - Above all, the products and the contact moments with the customers are points of reference - In TQM-phase: responsibilities are broader, more undefined
What is responsibility area?	- A clear responsibility area is established by choosing for the dominant perspective of the customer - The area enlarges by moving towards sustainability
Who is involved determining the setting of responsibilities and boundaries?	- The stakeholder(s) with the most powerful relationship(s) with the organization dominate(s) the decision making process - In profit-organizations: the paying customer is the most important stakeholder
Resulting organizational behaviour and practices	- Focus on external accountability by choosing for formalization and standardization of work processes (ISO system) - 'One best way approach' is now developing towards a more contingent approach - Quality management must be integrated in general management, which means that a multi-level perspective is important - P-D-C-A cycle is dominant, including attention for indicator development, measuring, and improvement - Development of general and sector specific indicators is necessary - Both techniques and people management are important

The previous section discussed what the returns are of almost 80 years dealing with the quality approach. This discussion reflects that the development of the quality movement particularly has been influenced by the economic relationship organizations have with their customers. The emancipation of the customer, the importance to be competitive, and the more stringent demands of authorities, all have urged organizations to invest in their product- and process quality. Organizations consider it their responsibility to be capable of delivering a sound quality/value proportion, a good customer service, including dealing with complaints or defects, and delivering after sales services. As a consequence, organizations show protective and accountable behaviour: they try to minimize mistakes, improving themselves has become a daily practice, and they have developed various tools to show to the outside world that they are capable of delivering quality. In the late eighties of last century, the idea came up, that quality is not solely a business of the quality- and production manager, but that it is everybody's business. This notion was the seedbed for the total quality movement that brought more clarity as well as more confusion. It brought more clarity, as it became an overall management concept, supported by, as managers judged them, practical and useful management models. However, it also brought more confusion, because the responsibility system along with its boundaries has become more diffuse, and it has become an umbrella concept for a variety of practices. What does this all mean for the sustainability approach?

4.1 Implications for the sustainability approach

In the previous sections we already have contributed to the sustainability approach by arguing that an organization needs to answer the four mentioned issues before setting up a sustainability program (see Table 2). The first three questions are closely related, and it could be argued that also in case of sustainability, the stakeholder-question should be picked up first, which is reflected in e.g. Dyllick and Hockerts' (2002) definition of corporate sustainability. However, to some extent the introduction of the stakeholder notion means opening 'Pandora's Box'. How to deal with the often-conflicting interests of stakeholders? Based on the quality approach, it

can be argued that somehow sustainability needs to yield value for one or more stakeholders, and thus should become a relevant attribute for a specific stakeholder. Practice shows that dominancy is often determined by economic reasons. Choosing for the customer, as the important stakeholder, seems obvious, which might result in a notion like ‘customer-based sustainability’. Actually, it could be stated that there will be no sustainable production, without sustainable consumption (see also Welford *et al*, 1998).

Second, and continuing with the before mentioned point of view, this means that sustainability should be incorporated in the core process of the organization. It is this part that connects the organization with its most crucial stakeholder, the customer. There is another argument for this position, namely that the impact is often more far-reaching. On the other hand, as we have seen within the quality approach, the company or local image of an organization influences the perceptions of customers. So a ‘sustainable image’ might be sufficient to please customers and to act competitive on the market. However, if this image is not supported by a clear responsibility and responsibility area, and is not consistent with its activities to increase sustainability, this image could act as a boomerang. When a positive image of the organization would break down, customers would not even forgive minor mistakes in the sustainability approach.

Third, in case the ‘who-determines’-question is answered, preferably including the customer, it makes the choice for a certain responsibility less complex. It must not be forgotten that a choice for a certain responsibility always includes setting the boundaries of the area in which the responsibility is effective. This is not an easy task, which implies not only a well-considered choice for including certain processes or parts of the organization, but might imply a choice for excluding certain aspects as well. Of course, an organization is always accountable for these choices, and should be able to explain the choices made.

Fourth, with respect to the accounting and reporting practices, it is a question of whether sustainability programmes should be inspired by the same need for protective and accountable behaviour as quality programmes are. Our answer would be a frank yes, if the negative aspects that go along with these quality programmes could be

minimized. In the quality management field good results are established by using the P-D-C-A cycle, by introducing accreditation, and by putting management attention to the necessity of well-developed quality systems. However, learning from the quality approach, we would recommend the following points of attention. (i) An organization has to find a right mix between external accountability and internal improvement and innovation. If an organization feels too much pressure and spends too much time producing sustainability systems and regulations, only to convince the outside world of the sustainability level, it might negatively affect the innovative capability of the organization. (ii) Develop both general and specific indicators; general indicators make it possible to compare companies in different sectors, and more specific indicators can be helpful in benchmark projects. Another possibility is to distinguish between an overall sustainability concept, such as the triple-P perspective, and sector specific operationalizations. We consider it a waste of time and knowledge to develop a one-best-way of organizing sustainability. The quality management movement is slowly leaving this point of view, and this turns out for the best. (iii) Develop indicators that generate useful information for important stakeholders, but at the same time, that do not result in undesirable behaviour by employees and management. (iv) Embedding of a sustainability approach within an organization is only reached when a large part of the organization is, at least, conscious of the necessity to show sustainable behaviour, and that it is clear for everyone how to contribute to a more sustainable organization.Table 2 summarizes the implications for the sustainability approach.

Table 2: The Sustainability Approach and the Key Issues

Key issues in sustainability approach	*How to deal with these issues in the sustainability approach?*
What is the responsibility?	- Answering this question is preceded by the question: who is involved in an organization in this decision making process? - Above all, the core process, along with the most relevant stakeholder, should be the main point of reference
What is the responsibility area?	- Strive for a clear responsibility area, which is feasible by choosing for the dominant perspective(s) of one stakeholder(s), preferably the paying one - When a certain chosen responsibility area generates a competitive advantage, it supports the sustainability approach - Answering this question is partly a sector-specific concern
Who is involved determining the setting of responsibilities and boundaries?	- There have to be stakeholders for which sustainability yields value - These stakeholders should be highly involved in the decision making processes - In profit-organizations, the customer should be (one of) the paying stakeholder(s)
Recommended organizational behaviour and practices	- Practices should be a right mix between protective and accountable behaviour at the one side, and innovative behaviour at the other side - Develop sector specific indicators besides more generic ones - Avoid one-best-way thinking - Think and work in P-D-C-A circles - Involve organizational members in specifying sustainable practices (including developing indicators).

4.2 Discussion

In conclusion of this paper, we want to put forward one point of discussion. As announced in the introduction, we would come back on the matter of integrating quality and sustainability in an all-embracing framework as, for instance, Waddock and Bodwell (2002) and Madu (2003) aim for. It can be observed that the two

concepts approach each other, all the more when comparing sustainability with quality, that is to say in terms of *total quality*. How to evaluate this phenomenon depends on ones standpoint. Indeed it can be argued that, on a societal level, it is of no significance whether an organization acts in a certain (i.e. desirable) way in terms of quality or in terms of sustainability. On the organizational level however, it is a significant matter. In the light of feasibility, practices of quality management show that the broader goals, the more difficult they can be realized. This cautionary is certainly relevant for the sustainability practice, but is applicable for TQM as well.

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