

SUSTAINABILITY AND DEVELOPMENT OF AN ORGANISATION – CASE EXAMPLE

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The paper discusses the dynamics and development phases of the University of Maribor, the second-largest public university in Slovenia. Founded in 1975, the University has evolved by merging several higher education institutions. The aim of this paper is to analyse the university's life cycle, crises, and development phases using the theoretical frameworks proposed by Wheelen et al. (2017), Pümpin and Prange (1995), and Kropfberger (1999). The paper uses a case study methodology to present the institution's governance dynamics, crisis management strategies, and measures to increase its dynamism. The paper also proposes recommendations to enhance the dynamism of the university, including normative policies, strategic management initiatives, and operational measures.

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1 Introduction

The global environment presents challenges organisations must address and adapt their operations to meet. In a rapidly evolving society, companies need to adapt their operations to maintain competitive advantages continuously. According to Duh and Štrukelj (2023), in today's complex business environment, integrating sustainability into strategic decision-making is of paramount importance to maintain competitive advantage. According to Teece (2007), dynamic capabilities are competence advantages in situations defined by rapid and unpredictable change. The dynamic capabilities of an organisation thus represent a potential tool for achieving sustainable business development. In this paper, we will relate the theoretical findings to a case study of the University of Maribor as a public, academic institution, where we will analyse the situation of the organisation's life cycle, the presence of crises and the organisation's dynamism.

We have developed the following research thesis.

(T1): The dynamic capabilities of organisations can positively impact sustainable development in organisations.

The paper is structured according to the IMRaD structure. In the following, we provide a literature review (Section 2), followed by the methodology (Section 3), then we present the research results (Section 4), and we conclude the paper by presenting the discussion and conclusions (sections 5 and 6).

2 Literature review

Wiggins and Ruefli (2005) explain that over the years, the average time for firms to sustain their competitive advantages has declined significantly. Barreto (2011) explains that companies must be adequately managed and governed to sustain advantages (even if temporary) and respond appropriately to rapid environmental change. According to Teece (2007), we can understand that dynamic capabilities are competence advantages in situations defined by rapid and unpredictable change.

Duh and Štrukelj (2023) state that a sustainability-oriented organisation is concerned with its sustainable development, and if sustainability is required in the governance and management processes, it should also be reflected in the underlying implementation process (i.e. the core business). They explain that management should lay the foundations for leadership in the governance and management process.

Pümpin and Prange (1995) explain that a dynamic organisation retains a combination of pioneering and growing firms' characteristics. Achieving success in the field of institutional dynamization requires tremendous effort from management. Kajzer (1998) argues that in turbulent situations, companies need to be able to undertake comprehensive renewal and dynamization, which he calls a leap into a continuous process of change.

So far, dynamic capabilities have not been understood to achieve sustainable development of organisations. To date, dynamic capabilities have enabled companies to operate in a changing business environment. Bari et al. (2024) note that if dynamic capabilities are sustainability-oriented, they become sustainable, dynamic capabilities that can increase sustainability and provide a firm with sustainable competitive advantages.

The mission of universities, therefore, encompasses three key aspects: teaching, research, and societal benefit (Hanieh et al., 2015). To achieve all three and operate successfully in all areas, universities need to be dynamic and move beyond the characteristics that constrain them from achieving dynamism – there, the need for our research is grounded.

3 Methodology

For the research, we conducted a literature analysis, looking at data in the field of dynamic capabilities of organisations, as well as sustainable strategic management of organisations. In the empirical part, we used a survey and analysis of the central literature under study, where we researched the case of an academic organisation of the University of Maribor. We performed a comparative analysis and assessed the crisis state of the organisation according to Pümpin and Prange (1995) and then Kropfberger (1999). The findings of both analyses were combined through

synthesis. We then compiled the findings and analysed the deviations of the actual state of the firm from the target state of dynamism in different areas. Finally, we proposed measures to dynamize the company.

4 Research

Founded in 1975, the University of Maribor is Slovenia's second-largest higher education institution, with roots in merging various higher education institutions in Maribor. Over the years, it has established itself as a key factor in academic, research and social development in the region and beyond.

In this paper, we examine the dynamics of the University of Maribor, explore its organisational life cycle and crisis and make proposals to enhance its dynamism. The research was based on the following information: Univerza v Mariboru (2021), Statut Univerze v Mariboru (2021), UM (2022a) and UM (2022b). We used established theoretical frameworks of strategic management and organisational development, and the paper aims to provide insights into the University's operating mechanisms, strategic initiatives, and the challenges it faces in its pursuit of sustainable relevance and excellence. The paper also seeks to outline the importance of sustainable organisational performance, where the prerequisite is that the organisation is free from acute and hidden crises and can manage potential crises appropriately.

The research on the life/development cycle was based on data obtained from publicly available sources or from the authors' own experience of working in an organisation, and the authors caution that the data may differ from the actual situation in the organisation. The Pümpin and Prange (1995) lists of pioneering, growth, maturity, and turnaround criteria were used to assess how the University of Maribor organisation fits into the cycle's different phases. We found that the organisation mainly does not exhibit the characteristics of a pioneering organisation, as its size and rigid system make it limited and difficult to act quickly, agile, and innovatively. Nevertheless, some elements of pioneering are present, such as the search for new business opportunities and the promotion of entrepreneurship and knowledge transfer. Based on the growth criteria, we observed that the University of Maribor shows some signs of a growing organisation, especially in the predominance of communication through formal structures and medium radical innovation. However, the formalisation of processes makes making decisions

quickly and adapting to change difficult. According to the maturity criteria, most of the elements in the company are related to a mature organisation, which is understandable due to its age and high formalisation. This can lead to lengthy decision-making processes, mistrust among employees and politicisation of business decisions. Finally, in the analysis of the elements of turnaround, we found that most of these elements do not apply to the organisation, but there are signs of solid power groups and the departure of good staff, which require attention and adjustments in the organisation's management.

The organisation is dominated by elements of maturity, with some signs of growth and turnaround, which is to be expected as it is an older organisation with several faculties operating with similar, long-standing and rigidly structured systems. Nevertheless, the organisation remains competitive in the market through the introduction of new programmes, innovation, and close cooperation with industry. Although managers do not have close contact with lower organisation levels, they regularly carry out quality reviews and quality improvement measures at all levels. Using Kropfberger's (1999) method, the analysis of the organisation's crisis, carried out using different models, has been carried out. It shows the overlap between the stages of the development of a crisis in the company and the stages of the organisation's life cycle, in which we have identified the crises of the maturity period that are typical for the university under study.

We can identify a corporate identity crisis as a potential crisis. The symptoms are there, but the university manages them successfully in line with its control and self-evaluation mechanisms.

Elements of the succession crisis manifest themselves in the organisation as a potential crisis, which the university manages relatively well. However, there are also elements of a crisis of power and bureaucracy, which are the most prevalent of the three crises at the university and the most difficult for the organisation to manage. In the initial phase of the research, it was found that the organisation has most of the characteristics of the growth and maturity phases, with most of the elements and characteristics belonging to the maturity phase. The assessment of the organisation's crisis was foreseen for the maturity phase, characterised by identity, power and bureaucracy, and succession crises. Successful management of a maturity crisis requires a strategic approach involving analysing the organisation's situation and

opportunities, exploring new solutions, adapting business processes and culture, and effective communication with key stakeholders.

5 Discussion

The University of Maribor is committed to improving the future, and the quality of the study programmes it offers on the market. Accordingly, it invests in and develops new study programmes that are in line with the needs of the market, implements new projects to improve the quality of study programmes and recruits appropriate staff.

The University (and its members) has proactive management, which is most active in ensuring that crises do not occur or are exacerbated by various activities. It checks risks and situations for crises through self-evaluation reports and regular reporting. Crises arise where the University must react when faculties do not communicate with the University, and problems arise that the University is aware of. This is when the company must take a reactive management approach.

To maintain the quality and development of the company, the University of Maribor has adopted a strategy based on becoming more competitive in the national and global field. The University is also constantly seeking synergies with the economy, aligning the needs of the labour market and the content of educational programmes and connecting students with the economy.

The University is doing all this through an action plan that is in line with the strategy and is based on improving the quality of the University's study programmes and the quality of its work while at the same time preventing new crises through the achievement of its objectives. The University also monitors and rewards the performance of its staff.

Based on the management assessment, the University is aware that any crisis is preventable and takes appropriate measures and mechanisms. In a crisis, the university's reactive management ensures that the appropriate response is taken to resolve the crisis.

6 Conclusions

In this paper, we use the case of an academic institution, the University of Maribor, as a case study to analyse the life cycle of an organisation according to Pümpin and Prange (1995) and to assess the crisis state of an organisation according to Kropfberger (1999).

We found that the researched organisation has normative and policy measures in place, including searching for new business opportunities in local and international markets and promoting entrepreneurial activity within the university. We also suggest a multiplication of systems and processes within the organisation, which could include more frequent encouragement of suggestions and ideas from staff and students and an improvement of the entrepreneurial culture among staff. We also note the importance of flexible adaptation of the organisation's structure and processes and a human-centred approach, including appropriately motivating employees to participate and rewarding innovation. In the area of operational management, we suggest transferring good practices between faculties and promoting the development of a culture based on the values of understanding, professionalism, innovation, and sustainability. Identifying individuals who could be promoters of dynamism and standardising systems and processes at the strategic level is also vital. The reward system and identifying individual inhibitors of dynamism are also important aspects of dynamizing a company, along with time orientation and assessing employee productivity to assign tasks more efficiently. Following the conducted research, we can confirm the thesis put forward at the beginning of the research that the dynamic capabilities of organisations can positively impact sustainable development in organisations. The theoretical starting points and the analysed practical case proved this. For this reason, we also suggest to other organisations that they should deliberately develop their dynamic capabilities (Bari et al., 2024; Teece, 2007) and that they should include sustainable orientations in their governance and management, thus development and core business (Belak, 2010; Duh and Štrukelj, 2023; Wheelen and Hunger, 2014).

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