Pursuit Beyond Competitiveness and Competitive Advantage

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We only have one life! We have to fill it! After all, we want to leave something behind!

- Milan Kundera

Our obsession with competition and assessment of competitiveness needs a second thinking. Gaining competitive advantage is seen as the 'be all and end all' mission of individuals, businesses, and nations. We are told that competition is the prime mover of progress and that it is mainly responsible for keeping the prices low and ensuring that customers get better value for money. Competition is understood differently by different people. While the dictionary meaning clearly points to rivalry between two parties for supremacy, a contest for some honour, prize and advantage, or a struggle among organisms for resource’s (food, space, etc.), the colloquial and the business use points to different interpretations. For example, when someone says that he/she is competing with herself, it means that he/she is trying to improve his/her performance. In business, competition is used synonymously with achieving excellence, reaching a benchmark or achieving a target. In this paper, we examine the changing face of competition and propose a new approach beyond competitiveness paradigm.

Evolution of Thoughts on Competition

Since the industrial revolution era when the theory of perfect competition was formally enunciated, the world has changed noticeably. Perfect competition assumed innumerable buyers and sellers who could not independently affect the price in a market and, therefore, resulted in optimizing of benefits of all concerned. What came to be known as the classical school of economics saw competition as the final arbiter and 'enlightened self interest' as an insurance against the exploitation of any member of the economic system by anyone else.

According to Ohmae (1982), the job of a strategist is 'to achieve superior performance, relative to competition' in the key factors for success of business. Porter (1985) defines strategy as 'a central vehicle for achieving competitive advantage.' He defines com-
petitive strategy as the search for a favourable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine competitive advantage. To be competitive has two distinct meanings — one is to have a combative, fighting frame of mind as in 'this is a very competitive corporation,' the other is where one has what it takes to stand an external evaluation, e.g. by the customer or end user. One says 'our prices, delivery schedules, and quality have always remained competitive.' The interesting difference is one of an attitude of mind, the stance, as it were. The latter sense is one that acknowledges the superiority of the consumer as the final arbiter. This trend started in the early 60s when the consumer movement activists such as Carson (1962) and Packard (1957) started criticizing the manipulative tricks employed by businesses, exposing the waste makers and destroyers of the environment. In another development, tough competition from Japan and the Newly Industrialized Countries in the 70s and 80s shifted the emphasis to competitive advantage and offering better value to the customer than what the competitors could offer. Mergers, acquisitions, and takeovers intended to gain size advantage became the prime route to building competitive strength.

In the 90s, the trend turned more complex with companies facing unprecedented uncertainties. Global competition, technological breakthroughs, deregulation, shifting consumer tastes, and volatile foreign exchange markets have made long-term planning difficult. Hence the shift from matching the capability to opportunities or coping ability in a turbulent environment. Day (1990) calls this adaptive planning. In the era of globalization, individual companies do not possess all the skills and technology required to exploit the global market. Again, as a coping mechanism, companies are shifting in the direction of strategic alliances and joint ventures to compete on a global scale. There is, thus, a clear shift from direct competition to collaboration. Academicians and consultants in strategic management rediscovered the need to 'reshape the industry.' Hamel and Prahalad (1995) have stressed the need for having the necessary industry foresight to alter the shape and definition of the industry itself. In other words, changing the rules of the game and thereby playing a different game is the most recommended recipe for building competitiveness. Bookshops that considered other booksellers as their competitors failed to understand the new phenomenon of Amazon.com. Benetton, Levi’s, and National Bicycle provided a new dimension to competing by achieving mass customization through flexible manufacturing and logistics.

The blurring of traditional industry boundaries due to technological advances, globalization, and deregulation are changing radically the conventional competitive strategies based on fixed categories of players — suppliers, competing firms, and customers. A supplier of office equipment to a major office supplies chain can compete with his own customer by selling directly to the end customers.

Microsoft has joined hands with Ford to sell automobiles on the Internet thereby blurring the borderline between auto companies and computer companies. MCI has joined hands with Sprint to fight AT&T.

While inter-firm competition, as we know it, is not prevalent any more, intra-firm competition has also been severely restricted. Business Process Reengineering (Hammer and Champy, 1993) and the TQM techniques have enabled companies to shift the attention from functions to processes thereby seeking to minimize inter-functional conflicts. As a result, the hierarchies are breaking down and every employee is seen as a thinker in addition to being a doer. Consequently, the command-control model is getting replaced by horizontal and non-hierarchical models, such as the network and virtual forms of organization.

Ghoshal and Bartlett (1999) suggest a new model of an individualized corporation based on a more liberating set of assumptions about human capability and individual motivation. They suggest that we go beyond the inverted pyramid structure to an integrated network of entrepreneurial activities. The primary task of the management lies in releasing the entrepreneurial hostages on the front-line organization and transforming middle and senior level managers into developmental coaches. Ultimately, the organization should stretch the individual entrepreneurs to become the best they can and to create an open, trusting, and collaborative environment that facilitates boundaryless behaviour. When the boundaries between levels and ranks of people are made more permeable, position becomes less relevant than competence.

Though we have moved out of the traditional industry paradigms, the word 'competition' still continues to engage the researchers. It is clearly the hangover of the second wave models that continues to cloud our thinking. We need to rethink the
competitiveness paradigm as we are becoming an inter-connected society with all-pervasive information networks. In this article, we suggest a new approach by looking at the models of pre-industrial days.

**Inspiration from the Past**

In every walk of life, we see a marked preference for things of the past; be it medicine, agriculture, astrology, architecture (Feng shui), or arts and crafts (Abrahamson et al, 1998). There is also a backlash against the exploitation of nature and the consequent ecological problems in the guise of scientific developments (For instance, the most recent emergence of resistance to genetically modified foods, *The Economist*, 1999). While our forefathers believed in living in harmony with nature, the industrial revolution taught us how to conquer nature. The industrial age had to discard the knowledge and wisdom of our forefathers, developed over several thousands of years, as they did not fit with the new norms. With the advent of the information age, we see the revival of interest in the ancient wisdom for solving modern problems.

Peppers and Rogers (1993) have the following comments to offer about this new trend:

"Technology has brought us back to an old-fashioned way of doing business by making it possible to remember relationships with individual customers — sometimes millions of them - one at a time, just as shop owners and craftspeople did with their few hundred customers 150 years ago."

Despite a widespread belief that increased competition has greatly enhanced the quality of products and services, the industrial age is yet to surpass the ancient arts and crafts. The fact remains that the industrial revolution is yet to deliver the muslin type of cloth that was hand-woven by the Bengal weavers right from the 9th/19th century.

The ancient Chola and Pallava dynasties of India (9th/10th centuries AD) have left behind bronzes acclaimed as the finest achievement amongst the metal sculptures in the world. They embody grace and precision that bring together in one composite whole the artist's imagination, the poet's sensibility, and the craftsman's skill. A famous anecdote about a sculptor who worked for a Chola King goes as follows:

During one of his routine visits to a new temple site atop a hill, the King found that the work was almost complete and wanted the consecration of the temple to be fixed for the coming month to coincide with the Queen's birthday. The sculptor politely declined the King's request stating that he still had a lot of work to be done at the back of the temple, facing the hill. The King retorted that no one was going to climb the hill to see the back of the temple, whereupon the sculptor replied that the Gods and angels would. He was building "a temple fit for the Gods," not just the human King.

We are not suggesting an ill-considered romanticizing of the past. Not everything made in the past was of excellent quality. Nor do we say that there were no comparisons or conflicts. In embracing the competitive spirit, we seem to have lost the pride in craftsmanship and the pursuit of quality workmanship as an end in itself — the value of a job well done for its own sake. How can we get that spirit back into our corporations?

**From Competitive Excellence to Immortality**

All those who have left their indelible mark on the human race did not do so to primarily prove a point to their competitors. Excellence in a competitive environment points to doing better than the competition and doing more of the 'same thing.' If anything has to make a difference to the human race, then it has to be something more than the excellence as defined for a competitive environment, something more fundamental than excelling a rival.

Our generation has been referred to as 'I, Me, Mine' generation. Most people become so very entangled in the bondage of the family and work that they feel helpless in terms of identifying and exploiting their true potential. A few manage to free themselves from the bondage and progress further to making a contribution to the society. The concept of immortality has been explored from time immemorial. The doctrine of immortality is common to many religions. It is this fundamental desire to overcome the fear of death and a spiritual journey towards immortality that really brings out the best in the people. In this case, one has no competitive benchmarks - only an inner drive to leave an indelible mark on everything that one does.

**Visionary to Divinity**

We call a person a visionary if he is able to think and plan far ahead of his fellowmen to achieve something significant to a wider community over a...
period of time. It extends to 10 or 15 years in the case of business leaders. These are people seeking their rewards in their life time. The people who are working for attaining something permanent, in contrast, do not have a time frame at all. Their concern is with the generations to come who might enjoy and appreciate their work. For such people, we propose the term 'divineries.' They have divine qualities and they build eternal beauty into whatever they create.

Who can be a divinery? Anyone can become a divinery provided he/she is able to free himself/herself from a limited time perspective and enjoy pursuing anything that he/she does to the level of craftsmanship. It is an accepted fact that the quality of workmanship that we had in gold ornaments or household utensils in the past cannot be found today. The reason is that the artisans of the earlier era considered themselves as creators and not appendages to a manufacturing process. The goldsmith, ironsmith, and the carpenter in India are known as visvakarmas, meaning, creators of the universe. Extending the same notion, the potters, weavers, and the cobblers are also creators. So too poets, artists, and architects. The craftsman seeks rhythm in his life, colour in his composition, and harmony in his form in order to protect an object which has a function and at the same time provides visual pleasure.

The mind works very differently when one has to fight competition versus when one is on a craftsmanship mode. A visionary does something to get the appreciation of others while a divinity works for fulfilment of something beyond the narrowly defined self. In fact, competition, while it may increase the flow of adrenaline temporarily, can also kill creativity. The mind gets so very obsessed with overcoming competition that it fails to bring the sacred dimension to the action. J Krishnamurti (Jayakar, 1996) has the following comments to offer on competition and creativity:

"One is everlastingly comparing oneself with another, with what one is, with what one should be, with someone who is more fortunate. This comparison really kills. Comparison is degrading, it perverts one's outlook. And on comparison one is brought up. All our education is based on it and so is our culture. So there is everlasting struggle to be something other than what one is. The understanding of what one is uncovers creativeness, but comparison breeds competitiveness, ruthlessness, ambition, which we think brings about progress. Progress has only led so far to more ruthless wars and misery than the world has ever known. To bring up children without comparison is true education."

According to Pfeffer (1998), that people work for money is a myth. The primary motive of work is self expression and having fun. Leading companies go out of their way to promote on-the-job relationships by holding social events for employees. In terms of getting the best out of people, the behavioural scientists put forward several theories like Theory X, Y, and Z. Then the emphasis shifted from motivation to empowerment. Currently, the shift is towards the liberation of employees by making them intrapreneurs. The developments in IT have made it possible to work from anywhere including their own homes. This is akin to the pre-industrial days when skilled artisans and craftsmen worked for themselves and the work came to their house.

Mitroff and Denton (1999) in their article on spirituality in the work place say:

"....the separation of elements was a necessary strategy at earlier stages of human evolution. Art, science, and religion had to separate from each other to develop into more mature forms. A characteristic of earlier stages of human development is that critical elements are so merged together that they have no separate identity. Thus, for development, the key elements need to be separate. However, at our current stage of human development, we face a new challenge. We have gone too far in separating the key elements. We need to integrate spirituality into management."

While the approaches differ, there is convergence in the thinking that we need to have a more integrated, humane, and value-based approach to face the problems of the future. What we are recommending is that the individuals and organizations get out of the comparative and competitive mode as quickly as possible and move on to build a better society based on complementary advantage of the skills of us members. We must move, in other words, from fragmentary analysis to a holistic synthesis in our entire approach to work and the work place.
From Competitive Advantage to Complementary Advantage

When one is engaged in a task that is divine to oneself, one does not want to destroy anybody. One's motive is not to outsmart competition; but to live in harmony with everything — both animate and inanimate - around oneself. The advantage that you seek is complementary in nature and not competitive as in the current business world. The ancient world operated on complementary advantage where people tried to complement each other's skills to achieve the societal objectives. Similarly, competition in the work place amongst colleagues kills the very purpose for which the organization was founded. If people start working against each other, how can the overall objective of the organization be achieved?

Moore (1996) prefers to use the term co-evolution, in place of competition. He looks at businesses as ecosystems where there are complementary forms of evolution that play vital roles. It basically refers to working together to create a better future for all the members of the system. Extending the same logic a little further, it makes immense sense for organizations to sustain their businesses in the long-run. Co-evolution has great significance among different technologies in order for new industries, products, and customer benefits to emerge. The co-evolution of fibre optics, telephony, satellites, computing speed, and the internet have enormous benefits to modern society.

The book on Limits to Competition (The Group of Lisbon, 1996) explores the question of whether free market competition can indeed deliver the full range of needs for sustainable development. Though one is not against comparisons per se, one would wish to check the exploitation of the weak by the strong in the guise of free market. What is at stake is the future of our civilization. This trend can be reversed only by organizational emphasis on 'goodness' through complementary advantage.

The three concepts discussed above (viz., Excellence to Immortality; Visionary to Divinity; and Competitive Advantage to Complementary Advantage) should be taken together to go beyond the competitive mode as shown in Exhibit 1. Our proposition of immortality is leaving behind something that has eternal value or public good. This is possible only when the leader turns divinity and uses complementary advantage of the skills of his/her people to create products and services of enduring and eternal value.

While it is recognized that in the current world context, competition cannot be eliminated totally, it is meant for the conformists as it only helps one to benchmark against others who have achieved a certain level of success and work towards attaining the same level of success or surpassing it marginally. Breakthrough innovations call for a different set of parameters. If one is already on top of the world in one's chosen field, there are no benchmarks to surpass. Then the motivation has to be something beyond self and more divine in nature, leading towards immortality.

The 3Ems Path to Sustenance of Superior Performance

We propose here a framework to pursue eternal advantage that can be applied to individuals, companies or countries (Exhibit 2). We have identified three distinctive phases in the life of an individual or a company that we call embarkation, emulation, and emancipation. In the embarkation stage, one sets sail without a clear idea about the destination. This phase is characterized by the struggle for survival. One may try out different things at this stage which we call the 'primitive creativity.' At this stage, there is no fear of failure - all that matters is survival. This may turn out to be a short period for some companies/individuals and others may end up spending their entire life in the struggle for survival. Mortality rates for upstarts are quite high at this stage.

An interesting example can be found in 3M history. Though the company was founded in 1902, it could taste success only by 1916. "Years of struggle ensured until the company could master quality production and a supply chain. New investors were attracted to 3M, such as Lucius Ordway, who moved the company to St. Paul in 1910. Early technical and marketing innovations began to produce success and, in 1916, the company paid its first dividend - 6 cents a share" (Source: http://www.mmm.com/profile/looking/history.html).

A breakthrough or a resounding success in any one of the random attempts in the embarkation stage will launch the individual or the company into the emulation phase. At this stage, comparisons and competition become inevitable. Good benchmarking and setting of right targets help the company/individual to channel the energies towards achieving a higher level of success. Not all will be successful in their pursuits as indicated by paths A,B,C, and D in Exhibit 2. Some companies will indeed be bought up by a predatory competitor. Moreover,
people rarely set one single long-term goal for their entire life. Each success normally leads to the revision of the target. For example, a company that has reached prominence in a local market may strive to reach leadership at the national level and subsequently at the global level, each time benchmarking itself against a different company. Throughout this stage, the company will be in a catch-up mode, trying to chase higher and higher targets.

The only limitation of this approach, whether for companies or people, is that they are trying all the time to be something or somebody other than themselves. One can end up wasting his/her entire life trying to emulate others. The earlier one feels contented with the success obtained through the competitive route, the better it is for the individual or the company. Otherwise, it can lead to the path of self-destruction. This is evident from the fact that the mortality rate of companies is on the rise. According to Geus (1997), by 1983, one-third of the 1970 Fortune 500 companies had been acquired or broken into pieces or had merged with other companies. He goes on to say:

"The high corporate mortality rate seems unnatural—If this species were Homo Sapiens, we could rightly say that it was still in the Neanderthal age — that it had not yet realized its potential. Neanderthals had an average life expectancy of approximately 30 years, but biologically speaking, the human species has a maximum life expectancy of 100 years or more....Mounting evidence suggests that cor-
potations fail because their policies and prac-
tices are based too heavily on the thinking and
the language of economics."

A feeling of fullness and a confidence in one's
own capabilities and competencies combined with a
compelling desire to do something to satisfy himself/
herself is that which launches the individual into the
emancipation phase. Up to this stage, the entire life
is spent in trying to prove one's own capabilities to
others. In the emancipation phase, one wants to prove
to himself or herself the purpose of one's life. It is
not necessary for an individual to reach the top of
the world to launch himself into the emancipation
mode. For example, Alfred Nobel chose something
different from other wealthy people of his times and
concentrated on satisfying a unique goal for all
humanity, which has made him immortal. Companies
that benchmarked against the best and used 'strategic
intent' (Hamel and Prahalad, 1989) to beat the global
leaders do experience difficulty in defining their next
move on reaching global leadership. It is at this
juncture that we need leaders who are themselves
in the 'emancipation phase' who can guide their
followers to higher levels of prosperity and high
quality of life by allowing scope for the expression
of their individuality.

The mind operates in a fundamentally different
way in the three different phases. The differences
in the three phases are summarized in Exhibit 3. First,
the time horizons are very different. In the embar-
kation stage, it is the struggle for survival on a day-
to-day basis. In the emulation phase, the emphasis
shifts to a long-term approach whereas the time
horizon approaches infinity in the emancipation
phase. The CEO at the embarkation phase has to
be an ordinary man helping the company to over-
come the day-to-day problems rather than a dreamer
who will not pay attention to immediate needs for
survival. At the emulation phase, the CEO should
be a visionary who sets benchmarks and deadlines
and enables the company to rise to those standards.
In order to launch the company into the emanci-
pation phase, the CEO should be a divin ery who
is able to rise above petty comparisons and uses the
complementary advantage of the skills of his/her
people to create new standards and new highs never
seen before.

The approach to quality also varies from phase
to phase; embarkation will be concerned with meeting
the minimum specifications, emulation strives to
reach benchmarks and emancipation sets its own
quality standards. The creativity at the embarkation
stage is called primitive creativity as the cost of failure
at this stage may not be high and people may try
t out different things in their struggle for survival. In
the emulation stage, the scope for creativity is much
less as the efforts are channelled to beat competition
which means doing more of the 'same thing' rather
than trying to do something different. At the emu-
lation stage, creativity reaches its peak as one is fully
immersed in what he or she is doing without any
fear of comparison or competition.

The ethical standards can be low to medium at
the survival or embarkation stage, for obvious rea-
sons. It is likely to be medium in the emulation stage
as the pursuit of gaining competitive advantage by

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<th>Embarkation</th>
<th>Emulation</th>
<th>Emancipation</th>
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<td>Time Horizon</td>
<td>Day to Day</td>
<td>Long-term</td>
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<td>Type of CEO</td>
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<td>Visionary</td>
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<td>Quality</td>
<td>Meet Specifications</td>
<td>Excel Expectations</td>
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<td>Creativity</td>
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<td>Sought</td>
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<td>Eternal Bliss</td>
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hook or crook is itself of questionable ethic. Of course, companies/individuals in the emulation stage try to operate within the legal framework to avoid any serious problems that could derail their pursuits. However it should not be misconstrued that only by indulging in unethical activities that companies and individuals move on to the emancipation phase. At the emancipation stage, ethics reaches its highest level as one is in a divine stage and has no comparisons or competitive benchmarks to be cracked. The benefit sought in the embarkation stage is immediate gratification, in the emulation phase, the thrill of beating something or somebody, and in the emancipation phase, 'eternal bliss.'

It is worth emphasizing here that the 3Ems curve should not be confused with the product life cycle curve. What we are advocating is that one should launch himself/herself into the third phase as quickly as possible to escape mortality. 'Mother Teresa too struggled for survival when she was expelled from the convent where she served but she went on to start her own society to serve the poor and quickly launched herself into the emancipation phase which has made her immortal.

**Concluding Remarks**

We are living in an information age that offers immense opportunities for companies to exploit the latent potential of individual employees by allowing them scope for the expression of their individuality. Thus, companies can revive and absorb the pre-industrial society value systems that allowed the free expression of divinity instincts in individuals in the form of arts and crafts and at the same time maintain focus and coordination through the use of information technology. Once again it is the remarkably innovative 3M company which has shown the way. This global corporation allows its technical staff to spend 15 per cent of their time in projects of their choice. This has helped the company tap the potential of its employees in terms of creating new and innovative products like Post-It notepads. Companies would do well to get out of the rat race and concentrate on setting their own standards rather than frittering away their energies in outsmarting competition. In the ultimate analysis, it is more important to make this world a better place to live than to make it a better battleground for competition.

**References**


