

Systemic Business Excellence in the Age of Digital and Societal Disruption

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Abstract. *Companies operate more and more in a context of conflicting digital, societal and institutional disruption – where the explanatory power of traditional business excellence models comes to its limits. The existing tools, mostly framed with the linearity regulation of homogeneous environments, favor their development towards linear causality, internal optimization and controllability parting little guidance for organization operating in the realm of ongoing uncertainty and systemic complexities. Current writing on digital transformation, resilience and sustainability recognises these disruptions but is fragmented in considering models of excellence and systemic thinking together as well. This gap is addressed in the discussion of how BE can be reframed as a systemic and dynamic capability geared towards environments characterized by ongoing disruption. Methodologically, the research adopts a conceptual synthesis and integrative perspective-building approach, informed by business excellence, digitization disruption, resilience and innovation systems studies. The analysis draws upon a systemic interpretation of organisational performance and the Triple Helix relationship among academia, industry and government. The findings suggest that business excellence is not static performance level but an adaptive competence that is a function of governance flexibility, innovation integration and resilience in times of prolonged turbulence. The results also underline the mediating effects of governance and institutional coordination as enabling factors for organizations to turn digital disruption into a competitive advantage. There is also a theoretical input to the field in that it develops a theoretically informed reconceptualization of business excellence which brings into sharper focus the way in which thinking about excellence can be aligned with current non-linear, interconnected and uncertain times while providing implications for both practice and policy.*

Keywords: systemic business excellence, digital disruption, organizational resilience, governance, competitiveness, uncertainty.

Introduction

The simultaneity between digital acceleration, social transformation, and institutional volatility is making the current business climate more complicated. Concerning in particular the digitalization of society or policy, digital technologies are no more stand-alone efficiency-improving instruments but they interact with geopolitical tectonics, regulatory metamorphosis, sustainability pressures and changing social desires. In this context dominant models of business excellence - which are based on an historical context of relatively stable competitive environments and a logic

of incremental improvement, indicate both conceptual and practical limitations. The problem is not with the adaptation of existing excellence frameworks to digital tools, rather with the modification of the epistemological base upon which we interpret organizational performance, value creation and competitiveness.

With this as a backdrop, the primary research question of this study is: How can business excellence be reframed as an ontologic and dynamic capability to manage enduring uncertainty, non-linearity and multi-actor interdependence evoked by digital transformation and societal change? Thus, instead of developing testable hypotheses, the paper is designed to be exploratory and theory building in nature given the rethinking of theoretical assumptions that underpin excellence models within evolving contexts.

This tension is being and shaped by ongoing international discussions in management and organizational studies. Studies on digital transformation have emphasised its widespread and systemic impact across strategy, structure, leadership and inter-organizational relationships (Ebert & Duarte, 2018; Kraus et al., 2021). Parallel contributions on disruption emphasise that technological shifts are accompanied by crises in governance, legitimacy and trust, destabilising rather than stabilising the future (Owen 2015; Bolden & O'Regan 2016). In this environment business excellence cannot help but be a laterally shifting target, and it can no longer be regarded as a static state or an end-state transformation of best practice imitation; instead, it seems increasingly to be viewed through the lenses of emergent organizational capability that is congealed through complex adaptive interactions.

To address this issue, the research question we seek to solve in this article is: do current business excellence models adequately reflect systemic dynamics resulting from digital and societal disruption? Even when such frameworks have been developed into total quality management and excellence models they are often rooted in a basic theory of linear cause, controllability and internal optimisation (Oakland, 2014; Porter & Tanner, 2012). The main question that determines the focus of this research is how business excellence can be redefined as a systemic and dynamic concept that integrates chronic uncertainty, non-linearity, and multi-actor interdependencies. An operational assumption shaping the analysis is that excellence is not achieved by autonomous organizational episodes, but by firm co-evolution with technology, institutions and society.

The contributions of this paper are threefold. For one, it rigorously probes the weaknesses of extant business excellence models in face of systemic disruption. Secondly, it combines the lessons from digital transformation, resilience and innovation systems research into a conceptual framing of excellence. Although its contribution is modest, the study contributes to a systemic approach that constructs governance, innovation and resilience as 3 interrelated dimensions of excellence in larger institutional and societal context. The remainder of the article is structured as follows: the next section reviews relevant literature, followed by the methodology, results and discussion, and concluding remarks.

Literature review

Business excellence beyond linear performance models

Traditional methods for achieving business excellence have focused on standardisation, ongoing improvement, and measuring performance as ways to get better results for the organisation. Foundational contributions in quality management and excellence assessment frameworks define excellence as the congruence among leadership, processes, and outcomes, predominantly within

organisational confines (Oakland, 2014; Porter & Tanner, 2012). These models offered substantial guidance in relatively stable environmental conditions; however, their applicability is increasingly challenged in contexts characterised by rapid digital transformation and systemic disruptions. Critical evaluations of modern excellence frameworks underscore efforts to expand this viewpoint. For example, the EFQM 2020 model clearly includes sustainability, stakeholder orientation, and adaptability (Fonseca, 2022). Savastano et al. (2022) contend that the incorporation of digital transformation into excellence models frequently remains additive rather than systemic, regarding digitalisation as a contextual variable instead of a transformative force altering organisational logic. This establishes a conceptual disparity between the intricacy of disruption and the linearity inherent in numerous excellence assessment instruments (Costache, 2024, Bărbulescu et al., 2025).

Digital disruption and systemic transformation

The literature on digital disruption coalesces around the argument that technology change has ripple-effects through industry, institutions and society. The digital disruption Sewpersadh (2023) DDM context refers to the digitization of value systems, making competitive advantage a function of platform powers, data strengths, and ecosystem relations. Also, Lee and Trimi (2021) underscore “convergence innovation” illustrating how digital technologies converge with social crises, such as COVID-19 pandemic, to speed up structural changes.

In a more holistic setting, the systemic approach of Strohmaier et al. (2019), digital transformation is a socio-economic transition, rather than just a technical change. This argument aligns with Owen’s (2015) understanding of digital time as one in which the state and governance are detached from a technological capacity, whereby institutional arrangements run behind technical auxiliaries. Leadership practices and decision making structures are therefore disrupted within organizations and new ways of meaning making and co-ordination are needed (Bolden & O’Regan, 2016).

However, despite this literature, it could be argued that the digital disruption literature often deals with innovation, strategy or leadership in isolation (Costache et al., 2025). The connections between disruption and business excellence are under-theorized, especially when considering how a pursuit for excellence might be maintained when organizations boundaries, stakeholder expectations and institutional design is subject to such change.

Resilience, uncertainty, and systemic capability

In the recent years, resilience is increasingly placed as a central organizational capability in situation of perturbation. Hokmabadi et al. (2024) find digital transformation can support resilience when integrated with complementary capabilities, however they also highlight the patchy and context dependent nature of such outcomes. This indicates that resilience is not a default condition of digitalization, but as an emergent result of system allocation.

Lim (2023) gives a more philosophical underpinning demanding that the business research in transformative age shall be beyond positivist reductionism toward paradigms recognizing uncertainty, reflexivity, and interdependence. Inside such framing, systems excellence might mean nothing else than the capability to shape an adaptive governance based on learning and loosely controlling stakeholders instead of predictive control (Vulpe et al., 2022; Enăchescu, 2025).

The literature thus uncovers a conceptual void. Although models of excellence are gradually incorporating the concepts of disruption and sustainability, and digital transformation research is acknowledging systems complexity, a coherent concept for business excellence as a

systemic, dynamic capability has yet to be sufficiently expounded. The novelty of this study is to design the filler based on a composite of DT2 and BN through filling in order to solve the above problem.

Cumulatively, the literature reviewed exposes gaps between business excellence models that remain largely organisation- centric and linear, and digital disruption research which foreground systemic complexity and institutional interdependence. Although resilience is now generally recognized as essential, it seldom becomes an integral part of a more overarching definition of excellence. This unresolved tension highlights the necessity of an integrative concept, which matches entrepreneurial excellence thinking with the reality of systemic disruption and can explain as well as legitimize the methodological and theoretical positions taken in this study.

Methodology

Given the conceptual and theory-building nature of the research question, a conceptual synthesis methodology is adopted as the most appropriate research strategy. This approach is widely used in management and organizational research when the objective is to integrate dispersed theoretical insights, challenge dominant assumptions, and develop new interpretive frameworks rather than to test established causal relationships empirically.

The research follows a conceptual synthesis approach based on integrative framework construction. Such approach is warranted given the exploratory and theory-building character of the research question, which seeks to reconceptualize business excellence but not necessarily empirically to test pre-established hypotheses. Conceptual synthesis facilitates a methodical scientification of heterogeneous literatures, the principles, complementarities and tensions of which are subject to critical investigation.

The analytic approach develops in three steps. First, critical constructs linked to business excellence, digital disruption and resilience are identified and contrasted between the reviewed literature. Second, connections are analyzed between the constructs within a systems approach, highlighting non-linear relationships and feedback loops (in accordance with the perspective spelled out by Strohmaier et al., 2019). Third, the triple helix construct is used as an interpretative device to map organisational excellence in relation to larger innovation and governance systems building upon established regional applications of this model in approaches to systemic innovation.

This methodology entails inherent limitations. Conceptual synthesis is an interpretive act and not grounded in direct empirical evidence. The boundaries of the analysis may also be bound by the scope of literature chosen, which is theoretically diverse but dominated by European-based and advanced-economy viewpoints. These limitations are recognised and the framework that has been proposed is advanced as a base for future empirical research rather than an established model.

Results and discussions

The discussion of results is structured in direct relation to the research questions formulated in the Introduction. The first set of results concerns the mediational role of governance mechanisms in connecting digital disruption with business excellence, and the second relates to the ways in which systemic innovation and resilience drive sustained competitive success amidst uncertainty.

The implication is that systemic business excellence in turbulent environments cannot be operationalized through outputs or best-practice recipes. Rather, excellence reflects a flexible capability of ongoing reconfiguration over governance innovation and stakeholder engagement

structures in domains. Interdependencies are increasingly amplified by digital disruption making a simple linear cause-effect inadequate to explain organizational success.

One key point is about governance. Unlike conventional models of excellence which stress oversight from the top, systemic excellence requires governance arrangements that can absorb uncertainty and facilitate learning. This resonates with Fonseca (2022), who notes that modern excellence frameworks commonly stress volition and agility, but elaborates by foregrounding governance as a relational and multi-actor phenomenon, not merely an internal architectural decision.

Innovation, in that context, is not limited to product or process modification but includes organizational and institutional change. Lee and Trimi (2021) emphasize convergence innovation in addressing crises, which is sounded with the current analysis on both emphasizing the importance of cross-domain coordination. Excellence is thus connected to the ability to coordinate technology, social and organisational innovation. These relationships are synthesized in Figure 1, which illustrates how governance arrangements, innovation dynamics, and resilience capabilities interact as systemic mediators between digital disruption and sustainable business excellence.

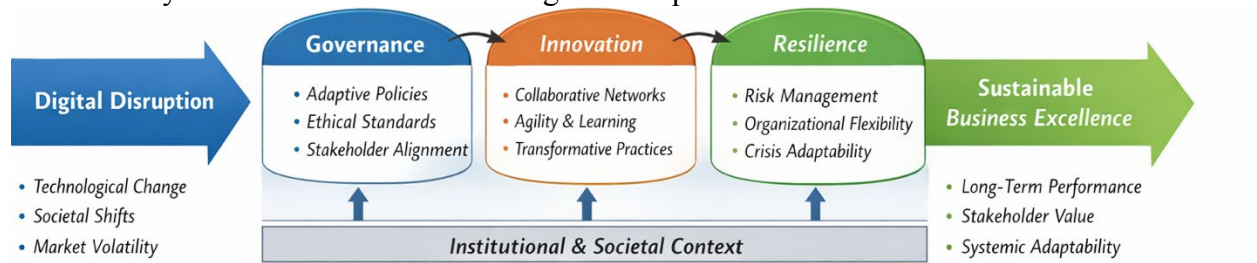


Figure 1. Systemic business excellence under digital and societal disruption

Source: Authors' own conceptual contribution

Figure 1 provides an integrative conceptual representation of systemic business excellence under conditions of digital and societal disruption. The model emphasizes that digital disruption does not translate directly into sustainable performance outcomes, but operates through a set of interdependent mediating mechanisms. Governance structures enable strategic coordination, ethical alignment, and institutional legitimacy; innovation dynamics support learning, collaboration, and organizational transformation; while resilience capabilities allow organizations to operate under prolonged instability rather than return to equilibrium. The figure further highlights the role of the institutional and societal context as a foundational layer shaping these interactions, reinforcing the argument that business excellence emerges from systemic alignment rather than isolated organizational optimization. Resilience as a mediating factor between disruption and competitiveness. Instead of bouncing back to a regular set point, resilience here means remaining in operation in the face of extended instability. Hokmabadi et al. (2024) give empirical evidence of the contribution digital capabilities can play in developing resilience but the system view put forward here argues that these digital capabilities need to be grounded in supportive institutions and relationships if they are to drive excellence.

The triple-helix model is a useful tool to interpret these dynamics. By placing firms in networks of academic knowledge production and policy governance, the framework emphasizes how excellence is co-produced across organizational borders. This view calls into question firm-centric models of excellence and suggests that competing under uncertainty will depend more on systemic coherence than isolated optimisation.

Conclusion

This paper contributes to a systemic reframing of organizational excellence more suitable for digital and societal disruption. Drawing on propositions from excellence models, digital transformation literature and systemic views, this research reconceptualizes the idea of excellence as a dynamic capability based on adaptive governance, integrated innovation and resilient organizations. Conceptually, the analysis builds on previous work (Beer et al., 2015) by bridging a conceptual divide between linear models of excellence frameworks and non-linear contingencies evident in modern disruptions. Context matters.

The results, from a management and policy perspective, imply that to maintain competitiveness it is necessary to go beyond the instrumental use of digital technologies towards instigating systemic coherence across organizational as well as institutional areas. Policy makers specifically help create the conditions for systemic excellence to emerge through enabling regulatory frameworks that support experimentation, cooperation and learning.

As illustrated in Fig. 1, systemic business success is based on interconnections of government, innovation and resilience mechanisms rather than on a stand alone implementation of digital technologies.

This research is not empirical and thus suffers from the conceptual and methodological limitations that are characteristic of non-empirical studies. The suggested framework is interpretative and needs to be tested in different industry sectors and regional contexts. Several limitations should be acknowledged. It is a conceptual study, and therefore no empirical testing of the model was suggested. Furthermore, there are theoretical underpinnings which mainly relate to the economies of developed countries that might restrict its direct relevance to emerging or institutionally weak settings. These constraints notwithstanding, the framework is valuable in a loosely heuristic sense, and they raise issues that might be addressed through empirical research and ground-truthing. To determine and validate the line of systemic improvement, we would expect it to be possible in prospective and comparative investigations to operationalize constructs of systemic excellence and its impact on performance results. Such research would additionally shed light on how organizations can navigate uncertainty and maintain excellence in an age of ubiquitous disruption.

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