ASQ defines Organizational Excellence as “ongoing efforts to establish an internal framework of standards and processes intended to engage and motivate employees to deliver products and services that fulfill customer requirements within business expectations.” But definitions offer only broad concepts for what, in reality, are complex and difficult challenges to changing and improving organizations.

The Quality Management Division established its Organizational Excellence Technical Committee (OETC) over ten years ago to recognize these challenges and to support our members.

**Mission**

The OETC’s mission is to support and promote the use of international excellence models (Baldrige, EFQM, and others) to help all organizations (businesses, hospitals, government, nonprofits and schools) attain higher levels of performance.

**Goals**

- Promote the use of international, national, and local excellence programs.
- Contribute to a body of knowledge about excellence models.
- Share case studies and success stories about performance excellence.
- Explain how traditional quality methods and tools integrate with excellence models.
- Facilitate opportunities for people and organizations to connect, share, grow, and learn from each other.

**How We View Organizational Excellence**

We think it refers to an integrated approach of organizational performance management that results in:

- Delivery of ever-improving value to customers, investors, and stakeholders.
- Improvement of overall organizational effectiveness and capabilities.

**International Committee Members**

The nine members of the OETC are from Australia, Canada, Chile, Greece, China, India, New Zealand, South Africa, and the United States.

**We Publish and Promote Useful Materials**

The OETC LinkedIn group provides materials about the implementation of excellence programs across the globe. Our webpage has a list of over 40 reports and papers available for download. This includes a reference document with a list of recommended papers and reports. Committee members have made available a number of presentations on performance excellence. The group has also provided papers in multiple languages, including Spanish and Portuguese.
Chair’s Message

By Jan Tucker

First of all, I want to welcome all of our new QMD members for 2017 and to congratulate you for joining the most diverse and active division in ASQ. We have a very strong leadership team that possesses many excellent capabilities and truly the finest group of quality skills we could wish for. I would be very pleased to hear from you if you are interested in joining our leadership team as a volunteer. We would also be very interested to hear from you with regard to your expectations from our division. This would be of great benefit to us.

I recently saw a program on NOVA called Superstructures, which covered the building of the One World Tower in place of the twin towers in New York City. This is an excellent program with regard to demonstrating the use of lessons learned, and I would recommend it as also the program called Supertunnel, which covers the building of the new cross rail under London, England. Lasers were attached to buildings and museums and controls were set up so that the builders could see whether the drilling under the city was having any affect on the old buildings.

So once again, welcome—and we look forward to hearing from you with regard to any assistance you may need or any thoughts you may have as to how we could improve the QMD.

My best to you all.

Jan Tucker, Chair
American Society for Quality—Quality Management Division
Janice.Tucker@comcast.net

OETC LinkedIn Site Is Global

To fast track, propagate the frameworks, and engage members more actively, the OETC LinkedIn group was formed in 2012. This group has over 1,450 members from 103 countries. You can participate in networking and sharing information at:
http://www.linkedin.com/groups/Organizational-Excellence-Technical-Committee-4369749/about

Visit our webpage for a list of resource materials at:
http://www.asq-qm.org/organizational-excellence

And you can always reach us on the QMD website at:
http://www.asq-qm.org/

Content of This Special Issue

The first article is an overview of global excellence models provided by Dr. Robin Mann of New Zealand.

Paul Harding of South Africa provides an argument for self-assessments in a diverse emerging economy.

Ravi Fernando from Australia explains, in the “Value of Excellence Awards,” how recognition helps forge a common set of criteria.

And finally, a “tongue-in-cheek” perspective from me (India) about how and why organizations FAIL with excellence frameworks.

We invite you to join us in our support of a global journey to excellence and hope you enjoy this edition of the Quality Management Forum with contributions from around the world.
Friends: I have totally enjoyed editing the Quality Management Forum for the Spring and Summer 2017 issues. We have shared excellent papers, reviews, and comments from several of our fellow QMD members and other leaders in the quality profession. I am impressed with the reputation of the QMF and the exceptional team of professionals who create this important member benefit for you each quarter.

Now it is time for me to say goodbye. I will return to my usual activity of writing papers to be published in journals, rather than editing the journal itself. I have learned much over these past six months and met some impressive people both within the Quality Management Division and at GANCOM Reprographic Services, our editing and publication partner.

You have a new team for QMD Print Initiatives, chaired by Dr. Sandy Furterer and supported by Cherry Trinidad, Quality Specialist, Fluor Corporation; Alexa Druckmiller, Washtenaw College, Michigan; and Ashley Hatfield, Quality Analyst, PharmaForce. I know you will be hearing more of this team in future Forums. Sandy will assume the duties of Forum Editor beginning with the Fall 2017 issue.

Dr. Furterer is the new Vice Chair of Print Initiatives for QMD. She is an associate professor at the University of Dayton, in the Department of Engineering Management, Systems and Technology. She recently returned to academia from industry as a VP of Process Transformation for Park National Bank in Columbus, Ohio.

Dr. Furterer received her PhD in Industrial Engineering with a specialization in Quality Engineering from the University of Central Florida in 2004. She also holds an MBA from Xavier University and BS and MS degrees in Industrial and Systems Engineering from The Ohio State University.

Sandy has over 25 years of experience in business process and quality improvements. She is an ASQ Certified Six Sigma Black Belt, a Certified Quality Engineer, an ASQ Fellow, and a certified Master Black Belt. Sandy is an author or co-author of four reference textbooks on Lean Six Sigma, Design for Six Sigma, and Lean Systems, including her latest—Lean Six Sigma Case Studies in the Healthcare Enterprise by Springer Publishing in 2014. She is also an author or co-author of seven refereed journal articles, and 23 refereed conference proceedings publications on process modeling, Lean Six Sigma, process improvement, and engineering education. She has made 76 conference presentations on operational excellence, process improvement, Lean Six Sigma, business process architecture, and engineering education.

Have a wonderful summer.

Respectfully,

Grace Duffy
Interim Editor

Dr. Sandy Furterer
Vice Chair of Print Initiatives
Sustaining Business Excellence at Organizational and National Levels

By Robin Mann, PhD

New Research About National Business Excellence Awards

Research conducted by the Centre for Organisational Excellence Research (COER) has revealed that at least 61 countries have a National Business Excellence Award. This is lower than previous estimates, which have reached the 90s. This new research considered only awards that were known to be active. To be considered active, there needed to be up-to-date information published on the award, an award given in the last two years, or clear evidence that an award was planned for 2015.

While 61 countries have active awards, an additional 16 countries were identified as “May have a business excellence award and/or major initiatives that encourage the use of business excellence frameworks.” It was difficult to verify the current situation in these 16 countries from the available information.

Figure 1 shows that the European Foundation for Quality Management (EFQM) Excellence Model is the most popular in the world, with use throughout Europe and the Middle East. The Baldrige Excellence Framework is used in the United States and many countries in Asia. Most countries use the latest versions of these models, while others make small design adjustments or use earlier versions to suit their own country’s needs.

Judging from the new research, business excellence is alive and well. However, some countries are struggling to keep their awards active over the long term.

A Worldwide Effort to Expand Business Excellence

In the Asia-Pacific region, the Asian Productivity Organisation (APO) is working hard to help countries introduce and sustain business excellence. Business excellence is recognized as a prime contributor to productivity growth through its holistic approach that links inputs (such as leadership, strategy, customer focus, workforce focus, measurement, analysis and knowledge management, and operations) to outputs (results). It is perhaps the ultimate productivity framework as it encompasses everything an organization and country should consider achieving: advances in social, political, economic, and environmental performance (Figure 2).

At a recent APO conference on “Expanding Business Excellence,” there were attendees from 12 Asian countries with representatives from National Productivity Organisations (NPO). They are responsible for supporting and/or administering National Business Excellence Awards (Figure 3). This was an opportunity for sharing experiences.

One of the challenges in Asia is that business excellence is often perceived as an award framework rather than an approach that can guide organizations toward world-class performance. NPOs are now beginning to address this through developing clear and measurable national business excellence strategies to spread awareness and use of business excellence. Doing this requires NPOs to provide more services that a larger number of organizations can benefit from, such as training, mentoring, networking opportunities, best practice visits, and self-assessment tools with tailored services for specific sectors and Small Medium Enterprises.

In Asia, Singapore is acknowledged as a leader in business excellence with its mantra: “Business excellence is a journey and not a destination.” It highlights that awards are only one component of an...
integrated national business excellence strategy. Other countries, such as Sri Lanka and Fiji, are achieving high levels of engagement, particularly in the public sector, through mandatory or incentivized programs that are supported by their respective prime ministers. Unfortunately, other countries are struggling to obtain high-level support to start or maintain their programs. One example is Pakistan, which has had two failed attempts at introducing business excellence awards (2006 and 2011). Pakistan is now planning to introduce business excellence for a third time in a more sustainable manner. Their first step was to host the “Expanding Business Excellence” conference. Their next step is to engage key stakeholders from the private and public sector to plan a national business excellence strategy.

**Conclusion**

In 2017, COER is re-launching a research project called “Excellence Without Borders,” which aims to assist the administrators and custodians of business excellence to effectively develop and manage regional and national business excellence strategies and awards. The project is expected to include over 30 countries and will investigate how business excellence custodians:

1. Design their business excellence frameworks.

2. Deploy their business excellence frameworks (consisting of “awareness”—how custodians create awareness of the framework; “application”—how custodians are assisting organizations in applying or using the framework; and “recognition”—how custodians recognize and reward those organizations that achieve excellence as assessed against the framework).

3. Support the design and deployment of their business excellence frameworks.

4. Measure the success of their business excellence frameworks.

Currently, the Terms of Reference for this project are being finalized, with a call for countries to participate being announced by the end of June 2017.

**Dr. Robin Mann** is director of the Centre for Organizational Excellence Research, New Zealand, chairman of the Global Benchmarking Network, co-founder of BPIR.com Limited (a leading benchmarking website resource), founder of the International Best Practice Competition, and founder of the TRADE Best Practice Benchmarking Methodology. Robin was awarded the Harrington/Ishikawa Medal in 2011 for contributions to the advancement of quality in the Asia Pacific region. He can be contacted at r.s.mann@massey.ac.nz, www.coer.org.nz.
The Need for Self-Assessment in a Diverse Emerging Economy

By Paul Harding

Introduction

South Africa is referred to globally as an emerging economy, but it boasts of many global organizations both home grown and internationally affiliated in the fields of industry and commerce. It is also often called “The Rainbow Nation” because of its diverse cultures and eleven official languages. How then can South Africa cope with the challenges on the one hand of introducing world class self-assessment models and on the other hand cater to the large number of emerging Small, Medium and Micro Enterprises (SMMEs) entering the economy? This challenge was been recognized by the South African Quality Institute (SAQI) who are currently working with partners to address this concern and close the gap on first-world economies.

In this paper I will focus on two approaches, one aimed at the higher level of self-assessment models in the form of the New South African Excellence Model (SAEM X111) created by Business Assessment Services of South Africa (BAS), the other as an easy-to-use “app” that is focused on assisting smaller companies in the supply chain to self-assess their businesses created by Three Tiers in conjunction with Gatemobile.

Background to Self-Assessment in South Africa

The first South African Excellence Model (SAEM) was created by SAQI and launched in September 1997. The implementation of the model and its copyright was then handed over to the newly created South African Excellence Foundation (SAEF), which conducted four award cycles and delivered assessment reports to applicant organizations across the Southern African Development Community (SADC). Fifteen hundred SAEM assessors and consultants were trained on the SAEM97 Model. Unfortunately, the model was not continued after the collapse of SAEF in 2002 due to financial concerns after the withdrawal of some major sponsors. The model then lay dormant for a number of years. Subsequently, the model and assessment criteria in their original form went out of use. Many organizations in South Africa then adopted the use of the EFQM model as an alternative source of self-assessment. This situation of not having an available local model has since been rectified with the launch of SAEM X111®, which has totally reconfigured the SA model and its assessment criteria to suit local needs.

The New South African Excellence Model (SAEM X111)®

The SAEM1997, Baldrige Quality Award Model (BPEP), European Foundation for Quality Management Award (EFQM), Brazil Excellence Model (FNQ), and the HBR Balanced Scorecard (1992) all inspire the SAEMXIII®. Extensive research commenced in 2010, culminating in the launch of the SAEMXIII® on August 1, 2013. The outcomes confirmed the need for an operational approach rather than a generic awards approach. The Brazil Excellence Model was favored for its developing country focus, criteria relevance and ease of use. The blessing and approval of the Brazilian Excellence Foundation (FNQ) was greatly appreciated.

The South African Excellence Model (SAEMXIII)® is conceptualized on the basis of the fundamentals of excellence, consisting of seven criteria: (1) leadership; (2) strategy and planning; (3) customer focus; (4) employee management; (5) resources management; (6) core processes, and (7) organizational results.
Although this design allows different interpretations, the one that best describes it uses the learning concept according to the Plan, Do, Check, Action (PDCA) elements. The seven criteria for excellence are subdivided into 21 items, representing 91 enablers/processes, each with specific requirements and a maximum score. Among them, 17 illustrate the Enabler sub-criteria items (criteria 1–6), while four illustrate the Results sub-criterion item (criterion 7).

As can be seen from Figure 1, the SAEM X111 follows a slight variation on the PDCA principle, with a lot of input taken from the foundation in the ISO 9004:2009 Guideline standard: Managing for the sustained success of an organization—a quality management approach.

This new model has now been rolled out and is currently operating in a number of South African institutions, including the office of the president.

Second Approach Catering for Small, Medium, and Micro Enterprises (SMMEs)

SMMEs are the lifeblood of any economy and deservedly so, and yet it is equally so that they carry risk, which frightens the large corporations away from engaging or offering greater opportunities to them.

Operational and financial wastes are real issues, as they silently eat into profits. They have been known to close a business where no such controls are in place to minimize risk. However, the cost of hiring experienced consultants is beyond the financial limits of most SMMEs in South Africa, leaving them exposed and unknowingly leaking profits.

This situation has a ripple effect up the supply chain, leaving multinationals exposed to risks they are not even aware of. Assessing a wide variety of SMMEs’ readiness to engage or ramp up delivery in South Africa has, to date, been too costly and complex. However, with the implementation of intelligent technology, this is about to change.

Cloud Technology to the Rescue

The concept of “Operations & Financial Waste” has been around for many years, and there are established methods of mapping the current and future performances of a company. There are many examples of this having improved efficiency and increased net profits. To date this has not been scalable and has come at a cost too high for the average South African SMME. But by using cloud-based technology, these tried and tested practices can now be made available to the whole of a supply-chain manager’s portfolio, enabling the SMME to understand internal risks as well as enabling the supply-chain manager to identify portfolio risks and implement actions to mitigate these pre-emptively and repetitively. The investment is a lot less than conventional ISO 9001 implementation, and it is proving to yield a good return on investment (ROI) for both the SMME and the supply-chain manager.

Research has shown that a minority of South African suppliers to key national infrastructures, such as electricity supply, have implemented ISO 9001. These ISO standards are by no means to be ignored, but SMMEs find ISO 9001 requirements too expensive and too time-consuming to apply. “Operations & Financial Waste” then forms an entry-level requirement to be part of a tender/contract process and reduces the overall exposure of non-ISO 9001-compliant suppliers.

Looking at “Operational & Financial Waste”

Let’s look at a typical SMME. Once they have signed up to this methodology, they identify the profiles that apply to their organization. A typical reception example is given in Table 1 above.

A rating between 1 and 10 of current situation is given for each question. A desired increase in performance over a period of three months is identified, in this case 10%. The future increase can then be manually changed to make a realistic indication of actual gains expected. For instance, in the example, questions 8 and 9 each scored 1. It may, however, be felt that improving the ventilation will not be possible beyond installing a simple fan, so this can only be increased to 2. On the other hand, product training can quickly and easily be arranged and implemented, enabling this score to jump from

| Question | 1. Do you respond to a call within 3 ring tones? | 2. Do you excel in communications when dealing with your customers? | 3. Have you been given an induction to the business/company? | 4. What is your first impression of the area you work in? | 5. What is your impression of the technology being used e.g. telephone etc.? | 6. Do you have a working knowledge of ISO 9001? | 7. Do you have a method for recording all incoming calls? | 8. Is the area well ventilated during the seasons? | 9. Have you received intensive product training? | 10. How well do you know the equipment to be used? |
|----------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Rating   | 5 | 5 | 6 | 9 | 2 | 2 | 10 | 5 | 1 | 1 | 5 |
1 to 8 in the specified three month period. Each profile has a simple spider diagram attached, as shown in Figure 2. This provides a quick visual of strengths and weaknesses, and areas in which significant interventions need to take place.

Once all the departments have been completed, an overall picture of the company can be presented, as shown in Table 2 and Figure 3 to the right.

Quarterly profiles can be overlaid, demonstrating the continuous improvement of the company. External consultants can be brought in to do an assessment, or spot-assessments of specific departments. If the self-assessment is found to be inaccurate, the company could be removed from the supply chain. Last but not least, the supply-chain managers can have a risk profile of all their suppliers. This will enable vulnerable areas to be identified and addressed. Alternative suppliers’ profiles can be overlaid and, where appropriate, they can become suppliers. Further analysis can also be done to identify specific profiles within the whole supply chain. For instance, the overall environmental risk can be analyzed and appropriate steps taken.

**How Is “Operational & Financial Waste” Implemented?**

The simple philosophy of implementing “Operational & Financial Waste” for SMMEs is available in a fast, but non-compromising model that is simple to understand by those at the coal face and is affordable to all. This is made available as a smart-phone Android app (iPhone to follow) tablet, laptop or PC-based application.

**Conclusion**

An emerging economy such as South Africa needs to look at excellence and self-assessment from different levels if it is going to compete with the more established global economies.

Paul Harding has a master’s degree in industrial administration from the University of Cape Town. He is a Fellow of the Chartered Management Institute and senior member of ASQ. Paul has served on South Africa’s SABS TC 176 Technical Committee on Quality for over 20 years, and in 2011 he was awarded the Quality Champion award for the biggest individual contribution to promoting quality in South Africa by the SA Minister of Trade and Industry. Paul is a member of the ASQ Quality Management Division, Organizational Excellence Technical Committee representing the African region. He can be reached at exec@saqi.co.za.
The Value of Excellence Awards: An Australian Perspective

By Ravi Fernando

National quality and/or excellence awards were first established in the late 1980’s with the notable exception of the Deming Prize. Today there are over 60 such national award programs in the world. The Australian Quality Award (now known as the Australian Organisational Excellence Award) was one of the first to be established and was preceded only by the Deming Prize, which was established in Japan in 1951. Excellence awards have a proud history and are credited with promoting quality as well as excellence.

A Bit of History

In the 1970s and 1980s, Australian companies were increasingly facing highly competitive environments and the challenges of globalization. The need to focus on improving competitiveness and productivity was more than evident—it was an urgent imperative. The Australian situation was far from unique, and a similar situation was faced by most advanced economies of the time. Japan was the main competitor, with Japanese manufacturers vastly outperforming their counterparts. Investigation of Japanese approaches revealed evidence of the successful adoption of integrated quality management frameworks by Japanese companies, particularly Japanese manufacturers. These frameworks were broadly based on the teachings of Dr. W. Edwards Deming. The adoption of these frameworks was encouraged by the government, and the Deming Prize was a focal point in providing prestige and recognition to organizations that adopted such frameworks.

Although quality management models such as Total Quality Management (TQM) were being used in Australia, there was no consistent approach. The imperative to develop a common framework for improving organizational performance, productivity, and competitiveness was becoming evident. Responding to this need, the Total Quality Management Institute (TQMI) was formed in April 1987 with the financial support of a number of member companies, including IBM, BHP, and Ford, and with the explicit backing of Senator John Button.

The TQMI was focused on making a substantial contribution to Australia’s competitiveness. To achieve this objective it rapidly developed the concept of creating a national quality award to recognize organizations that best demonstrated outstanding performance achieved through the application of quality management principles. The Australian Quality Award was initiated in 1987. Australia was not alone in embracing this approach for promoting national competitiveness; the Baldrige Quality Criteria were developed at the same time and were rapidly followed over the next decade by comparative criteria and award programs in Europe, Asia, and Central and South America. As mentioned earlier, today there are over 60 national award programs that continue to focus on driving competitiveness through quality improvement.

The Australian Criteria

Australia’s national criteria were established and published in 1987 by TQMI. The criteria were formalized into a national excellence model—the Australian Business Excellence Framework (ABEF)—in 1996 and is now maintained by SAI Global in collaboration with the Australian Organisational Excellence Foundation. The criteria are revised regularly, and the current criteria are embodied in the 2011 Australian Business Excellence Framework. The ABEF is unique, but it retains strong alignment to international excellence models such as the Baldrige Performance Excellence Criteria and the EFQM Model. The ABEF is illustrated in Figure 1 above.

(The Value of Excellence Awards: An Australian Perspective, continued on page 10)
The Value of Excellence Awards: An Australian Perspective, continued from page 9

The ABEF is an integrated leadership and management system that describes the elements essential to organizations sustaining high levels of performance. The underlying philosophy of the ABEF is expressed in nine Principles of Business Excellence, consistent application of which is fundamental to creating an environment for sustainable performance. The Principles of Business Excellence are interpreted according to individual business settings using seven categories and 16 subcategories, or items.

The ABEF is considered to be one of the leading global excellence models, with Australia being represented on the exclusive Global Excellence Model (GEM) Council by the current custodian of the Australian National Award—the Australian Organisational Excellence Foundation. The GEM Council consists of organizations that are recognized globally as the guardians of premier excellence models and award processes in their specific geographical region/area or trading block. Other GEM Council members include the National Institute of Science and Technology (United States), the European Foundation for Quality Management (Europe), FUNDIBEQ (Iberian Peninsula and Central/South America) and SPRING (Singapore) that are among the eleven full members of the GEM Council.

Why an Excellence Award?
Simply put, there is a universal desire for recognition—this is often even more prominent among organizational leaders. They not only want to do well, they want to be seen to do well. A prestigious national award is often the best approach to encourage organizational leaders to focus on quality improvement. A secondary consideration is the overall motivational factor of an award that recognizes the hard work of the organizational team.

What Is Needed for a Successful National Excellence Award?
There is a single universal intent behind the establishment of a national excellence award, and that is to promote performance and competitiveness of organizations and consequently that of the national economy as a whole. There are three key requirements to achieve this intent:

- An agreed-upon definition of organizational excellence and a common set of criteria that enables the assessment of excellence
- An organization that is the custodian of the common criteria
- Support from government, business, academia, and the labor movement

Why Is a Common Set of Criteria Important?
A common set of criteria enables agreement on the best leadership concepts, practices, and principles that underpin successful organizations. The common criteria also provide an agreed-upon lens for decision-making and prioritization. If leaders can confidently prioritize the allocation of limited resources, organizations will be assured of optimal performance.

I will always remember my conversation a couple of years ago with the director of quality for one of Australia’s major banks. He told me that one of the most frustrating aspects of his role was deciding how to prioritize limited resources. He regularly received reports from all the major consultancies, but they each used a different methodology and presented their findings under a different structure. Comparative analysis was virtually impossible, so effective prioritization was out of reach.

The common set of criteria is also essential to enable effective benchmarking, knowledge sharing, and collaboration. One of the pre-eminent characteristics of modern economies is the interrelated nature of organizations.

No organization can operate in isolation. Partnerships are the norm. A common set of criteria enables the development of shared benchmarks and effective collaboration by providing a common language for sharing.

The Role of the Custodian
The dynamic nature of economies means that the common criteria must constantly evolve to meet the changes in organizational and economic dynamics. A custodian organization will need to ensure that the criteria are regularly reviewed and refreshed to include new leadership and operational paradigms.

It is important to emphasize that such an organization is a custodian and cannot achieve its objective in isolation. It is essential for such an organization to develop collaborative partnerships with all key economic players, including—but not limited to—government, business groups, labor collectives, academia, industry associations, and international partners. These partnerships will focus on continuously and critically reviewing the criteria and will enable the development of approaches to encourage organizations to effectively adopt the criteria.

The custodian organization will also need to play a role in promoting education and knowledge sharing of the common criteria. Partnerships will be key to this role and in developing interpretations of the criteria to suit specific segments of the economy. However, a common set of criteria does not mean that they will be interpreted in the same way across all sectors.

Support and Recognition
The success of the custodian organization and the ability to achieve the intent will also depend on the active support and explicit recognition it receives from key players—specifically from government, business groups, academia, and representatives of the labor force.
Without explicit recognition, the common set of criteria will no longer be “common.” Industry groups may develop their own definition of excellence with different criteria for assessing excellence. Where a common definition is absent, benchmarking and knowledge sharing will immediately become ineffective. Education and learning will be diluted and dispersed.

The custodian needs to be recognized and supported as the impartial arbiter of excellence with a mandate to promote the success of the economy as a whole.

**The Australian Organisational Excellence Foundation**

The Australian Organisational Excellence Foundation (AOEF) is the custodian of Australia’s National Excellence Awards program and collaborates with SAI Global, which manages the copyright and distribution of the Australian Business Excellence Framework. The AOEF is dedicated to promoting excellence and sustainable improvement. The foundation is a not-for-profit organization that focuses on the development and recognition of organizations and individuals in the pursuit of excellence. The foundation supports businesses, government, and the community services sector to embed proven international excellence concepts into those organizations.

**Is there Common International Agreement Today?**

No, and this remains one of the primary challenges. There is no global agreement on common criteria. Despite the increasing globalization, rules, regulations, and cultural norms remain too diverse at present to achieve common criteria. However, it is important to recognize that key organizations such as the Global Excellence Model Council and the Organisational Excellence Technical Committee are making progress towards developing global collaboration and learning.

Even within individual countries, there is rarely a common set of criteria with a recognized and supported custodian. Some countries have achieved this better than others. Singapore is often hailed as a positive example. The national custodian is SPRING Singapore—an agency under the country’s Ministry of Trade and Industry. SPRING is the custodian of the country’s business excellence framework that is widely recognized as the common criteria for excellence. SPRING also manages the quality awards and collaborates with key partners to promote learning and adoption of the common criteria.

In contrast, Australia is in a much different position. First, in Australia, the “quality” and “excellence” movements parted ways in the early 1990s, and they have remained largely separate since. The quality movement has focused mainly on management systems and process quality, whereas the excellence movement has focused on the national excellence model—the one currently embodied by the ABEF. This parting of ways has resulted over the years in a confused landscape of management approaches.

The situation in Australia has become even more complex with the emergence of performance improvement approaches such as Lean Six Sigma, the Balanced Scorecard, Kepner-Tregoe, and others. With passionate advocates for each stream, there is an increasingly complex array of approaches to choose from, many different ways to look at organizations, many different ways to prioritize improvements.

Although in the late 1980s and throughout the 1990s, a commonly recognized custodian existed in Australia (in the form of the Australian Quality Council), this recognition has disappeared over time.

Australia has taken key steps to address this issue. The foundation has now been established once again as the national custodian. Collaboration is beginning between the foundation and other like-minded organizations such as the Australian Organization for Quality, leading academic institutions, industry associations, and government. The foundation is also working with all levels of Australian government and industry groups to improve collaboration and align efforts to improve productivity and innovation in the country.

**Is a National Excellence Award Important to Australia?**

The national excellence awards—embodied by the Australian Organizational Excellence Awards—are today more important than ever. They represent the best-known way to achieve agreement on a common set of criteria and to get the needed support from government and organizational leaders for the essential focus on improving our productivity and competitiveness.

Ravi Fernando is currently an Advisory Director and CEO of the Australian Organisational Excellence Foundation, Australia’s representative on the Global Excellence Models Council, and the ASQ Organizational Excellence Technical Committee. He is also the managing partner of Thrive Plus, an advisory services company dedicated to supporting organizations to adopt the guidance of business excellence models. Ravi can be contacted at ravif@thriveplus.com.au.
Organizational Excellence Frameworks—How to Fail
A Dozen Reasons Your Organization Should Not Do Excellence Frameworks

By Prashant Hoskote

I often wonder why some organizations embrace excellence frameworks and others struggle to accept them as a way of life. At meetings and conferences, I am asked a variety of questions: Are these for everyone? Can they really fit in business, healthcare, not-for-profit, and even in education sectors? Aren’t they complicated? Are there real examples of how and where they truly have worked for organizations? Can I really implement something that is so systematic? Don’t they cost a lot? Such questions are usually apprehensions of people who want to be talked out of it.

These questions, and others, prompted me to put down some tongue-in-cheek thoughts about why excellence frameworks fail and what these frameworks require. If you intend to implement any excellence frameworks, be it Baldrige, EFQM, Deming Prize, the Australian model, or any such equivalent, be warned.

Reason #12—No Strong External and Internal Relationships

You have to build strong relationships with external suppliers, partners, and stakeholders, as well as build internal relationships with your staff. Additionally, these frameworks require an organization to develop performance metrics on how to measure and evaluate success with those relationships. The danger is, such relationships may break down barriers, improve teamwork, and set higher performance requirements, which could actually improve efficiency and effectiveness of operational processes. This could disrupt the status quo.

Reason #11—Train Without Action

Organizations often embark on an excellence framework by executing a Big Bang training plan to make all staff aware of the framework. Instead, start with the senior leaders; let them be the first few set of examiners or assessors. Staff at the grassroots level do not need to understand what framework you are using. They only need to know, implement, and improve just that part of the framework that impacts them. Aligned training might result in cost savings and targeted improvements. But it could upset your training department if they enjoy deploying high-impact, highly branded, costly training programs.

Reason #10—Disregard Free Consulting Advice

If you use any excellence framework and undergo an assessment or examination of your organization, you will receive a report that is the most inexpensive consulting assistance designed to improve your organization. Trained professional examiners or assessors will provide your organization with ways to improve and maximize resources. But we wouldn’t want a detailed analytical report from strangers highlighting where you can focus your efforts, especially when some of them don’t even understand your industry.

Reason #9—Think We Are Doing the Best We Can

If you use excellence frameworks, you will receive weird looks from other organizations and from insiders who don’t understand why the status quo isn’t adequate. Your organization will work toward world-class performance and outperform your competition. But then, you actually have to improve your organization. Frankly, it can be much easier to run an organization based on experience and gut feelings of your managers. After all, that’s why you hired them in the first place.

Reason #8—Confuse Activity with Results

When you receive your assessment feedback report, two things could happen:

1. Your organization might treat it like an audit report and pick up “non-conformities” for “closure.”
2. Organizations typically look to address all Opportunities for Improvement (OFIs) at one time, and in fact ignore the strengths. Remember the old proverb “How do you eat an elephant? One bite at a time!”

Excellence frameworks encourage prioritization and intelligent use of resources. Money, time, energy, and talent can be better focused on what is important. Such alignment can cause an organization to actually increase capacity and use fewer resources. But all this might create capacity for our staff. Reduction of unnecessary hiring could cause turmoil in the Human Resources department.
Reason #7—Don’t Communicate with Staff
If you use excellence frameworks, senior leadership and management will have to improve communications throughout the organization. This may mean meetings with frontline employees (management by walking around) to better understand business issues and how they can be improved. It could mean team huddles, webcasts, town-hall meetings. Leaders and employees will have to be honest and open about what they can—and more importantly—what they cannot do. But many leaders may be uncomfortable mingling with staff. They may prefer to just tell them what to do and see what happens.

Reason #6—Misunderstand and Misuse Tools
Excellence frameworks do not replace tools and techniques such as Lean, Six Sigma, Problem Solving, Kaizen, PDCA. To the contrary, these tools are needed to drive breakthrough improvements, reduce costs, and improve customer satisfaction. But be careful. Employees involved in these improvements may become more engaged and outspoken about what processes aren’t working. It’s a slippery slope from employee involvement to empowerment and on to an employee-driven organization.

Reason #5—No Action Planning
Using excellence frameworks requires planning. You may be required to develop short- and long-term goals that have to be deployed across the organization. But something could happen and plans might change. You will be thinking about whether your organization is agile enough to respond to changes. This may force you to develop alternative plans. Then you will want to tell everyone in the organization about your plans so they can help you execute them. So when will you actually do real work, if you have to plan so much?

Reason #4—No Benchmarking or Best Practice Sharing
You will want to understand your competitors and how your performance compares with theirs. You will start analyzing your industry and market. This will require you to discover world-class organizations that you may want to benchmark with. All this will give you insight into aspects of your business you hadn’t thought of. Then you will be thinking about how this knowledge can create a sustainable organization. See how, once you get started, one thing leads to another, and soon you’re out of your comfort zone.

Reason #3—No Organizational Alignment
Excellence frameworks will require daily work to be based on a strategic plan. The organization’s work systems will need to align with the strategic plan. Work will have to be continuously evaluated. Customers/patients will have to be consulted to understand how well you are doing to address their needs and expectations. The framework targets work, people, and projects. But all this seems like getting too many people to be aligned; all this seems like a slow process.

Reason #2—No Accountability
There’s too much accountability and responsibility up and down the organization. You are paid the same whether you effectively apply these world class excellence frameworks or not. You are already tired when you leave work, and you don’t need a rigid set of priorities linked to your performance appraisal. All anyone wants is to keep your head down, avoid any extra work, and hope for the best.

Finally, here’s the number one reason organizations fail to achieve success with an excellence framework.

Reason #1—Delegate Too Much
This might sound clichéd but the hard reality is that CEOs often delegate implementation of such things to a “Quality Department” and expect them to wave a magic wand to transform the business. The CEO may be there for an announcement or an introductory training. He or she may say all the right things, and then tell the Quality Department to make it happen. This trite approach can ensure failure. There is a reason why “Leadership” is the first category in all excellence frameworks. Implementation has to be driven by the senior leader, not just in speeches, but in continuous action, visibility, and support. Mr. or Ms. CEO, don’t even think about implementing an excellence framework unless you will unwaveringly lead the charge from the front.

Conclusion
All kidding aside, let me get back to the questions I started with, which represent concern about starting this journey. I have worked with excellence frameworks for over twenty years. I can say without any doubt that excellence frameworks work and can deliver dramatic results. They represent structure and discipline. But they only work if the organization is serious about improvement and demonstrates belief, grit, and determination. If the organization is not serious, it will deliver only frustration and agony.

In the words of Dr. Juran, “Look after the process, and the product will look after itself!”

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News from the QMD/HCD Healthcare Technical Committee

Introducing a Hospital-Based Healthcare Quality Management System Model

The Healthcare Technical Committee (HTC), a joint development of the Quality Management and Healthcare Divisions of ASQ, is pleased to announce the availability of a groundbreaking system for aligning the critical activities of hospital operations to patient-centered quality and safety. This monograph represents the work of a dedicated team of professionals who understand both hospital systems and quality management systems.

The work was released at the ASQ World Conference for Quality and Improvement in 2016 as the first in a new “Improving Healthcare Monograph Series” established by the ASQ Healthcare Quality Division. At the same time, the monograph was included on the Quality Management Division website for member use. During 2017 and 2018 additional work is being done by the Healthcare Technical Committee to pilot applications of the model and to develop tools for hospital quality teams to exploit the model for continuous or breakthrough improvement. Additional monographs are under development for self-assessment, case studies, and a glossary of healthcare quality terms.

As the Executive Summary of the monograph states, “This Hospital-Based Healthcare Quality Management System (QMS) Model is directed to the CEO and CMO who are seeking to improve patient outcomes, safety, and satisfaction, as well as cost savings, risk management, and regulatory compliance. A QMS is defined as a formalized system that documents the structure, responsibility, and procedures required to achieve effective quality management that is focused on the quality policy and quality objectives to meet customer requirements. In healthcare, a QMS specifically describes the process for improving all aspects of patient outcomes and operating performance.” See Figure 1.

The QMS model’s purpose is “to provide the leaders of healthcare organizations with a framework for evaluating current business conditions against a set of commonly accepted quality management fundamentals, which have been adapted specifically for the healthcare business environment.”

Particularly noteworthy is the new model for hospital-based quality management systems that includes these four areas of consideration (Figure 2):

- The core of the model delineates the results that are expected—exceptional quality, safety, and patient outcomes.
- The middle circle details four key components of the patient’s care delivery—identification and assessment, development of a treatment plan by all primary and ancillary services, delivery of care, and transition of care to the next level or discharge.

![Figure 1: A High-Level Conceptual Representation of the Healthcare QMS](image-url)
The ten critical quality system elements that provide the infrastructure and framework for supporting and influencing achievement of exceptional quality, safety, and patient outcomes are described in the outer circle.

All of these components work together and are supported by the integration of continuous improvement and innovation to ensure that better patient care and business efficiency are achieved.

The Healthcare Technical Committee has room for more volunteers with direct hospital experience and who are interested in testing the QMS model in their facilities. The model is most effective when applied to the complete hospital system, although a 2016 university graduate semester project applied the model to a hospital pathology laboratory with much success. Those interested are encouraged to contact Grace Duffy, co-chair of the HTC, at grace683@outlook.com.

The Hospital-Based Healthcare Quality Management System model can be downloaded from the Quality Management Division website under Technical Committees. Look for the Healthcare Technical Committee section and scroll down on the first screen to find the monograph among the papers listed. Or access the paper using the following link.

http://asq-qmd.org/resourcesmodule/download_resource/id/1258/src/@random4fcd89112af50/
The book begins by defining systems, establishing a common language, and exploring the fundamentals of systems in general. The author explores each individual component of the system (humans, equipment, and procedures) and briefly addresses the impact of change on different elements of the system and the involvement of top management. Once the reader has an understanding of systems, the author moves into a discussion of Quality-I.

In the section devoted to Quality-I, Andonov provides the reader with the fundamentals of quality, including a brief history, definitions, and some specifics relating to measuring quality. He explores aspects of a good quality management system that should exist in all organizations. His exploration of Quality-I is appropriate for those with minimal background in quality and serves as a good review for those with a deeper understanding of the topic. Andonov then takes a similar approach with his discussion of Safety-I. Readers will recognize similarities to the discussion of Quality-I (In this book, the term “Safety-I” refers to safety based on understanding failures.).

In a book of this length, it is not possible to get a deep understanding of the specifics and subtleties of both quality and safety, and that is not the author’s intent; rather, it is to explore basic principles and areas where the two overlap, intersect, and complement each other. By exploring each separately, Andonov is then able to explore the natural connection between the two and provide several examples that explore this connection. It illustrates how quality concepts are not only relevant, but also appropriate when dealing with safety, safety management, and safety systems.

Next, the author explores the deficiencies associated with a safety system that is linear, rigid, and limited to detecting and preventing failures (Safety-I). He goes on to explore the idea of a system that deals with successes (Safety-II) and is oriented to creating an environment that is tough enough to meet strict requirements but also elastic enough that normal variability does not result in accidents or near misses. This leads into a brief discussion of the concept of resilience engineering and the role it should play in Safety-II.

Andonov concludes by recognizing that there are many challenges associated with unifying quality and safety into a single system and argues that the benefits will be worthwhile. He admits that change is unlikely unless a regulatory body establishes a requirement for combining the two. He acknowledges that while some organizations seem to be supportive of aligning quality and safety, a full commitment to integrating the two is unlikely in the immediate future.
This will be Part Three of a four-part series on Overcoming Adversity with Attitude! In Part One, we explored dealing with adversity from others. In Part Two, we examined overcoming the adversity of setbacks. In Part Three, I want to ensure we fully understand and recognize the different sources of adversity we face in our daily lives and how they can affect our jobs. (In Part Four, we will explore the different strategies to deal effectively with extreme adversity.)

Adversity can hit us from several different directions. Our mental attitude, our health, our family situation, a challenge to our spiritual or core beliefs, or severe financial distress can all create adversity in our lives. Each of us can handle adversity from any one of these areas individually. Even adversity from a couple of areas at one time is not enough to stress most of us. It’s when we experience adversity in three or more of these areas at the same time that we can struggle with our professionalism and undermine our ability to function at our best. This includes both professional and personal situational stress. Our ability to deal with it all is not as dependent upon where it comes from as much as it is about how much stress we are dealing with at any given time. Let’s look at each area to ensure we are all “calibrated” to accurately recognize when it becomes a factor.

I have come to realize that each day is an adventure unto itself, and full of promise but also rife with potential risks. How I decide to approach my challenges is very much within my control. Aristotle told us, “We are what we repeatedly do.” I tell my coaching clients, “If you believe you can...You are right! If you believe you can’t...you are right!” We choose how we face the day and how we deal with daily challenges. Many people will tell me in great detail how unfair life has been to them and how they are the victim in almost every situation. They have chosen to be defeated by their circumstances! Those who know me can tell you every day I answer the question “How are you doing?” with the same answer each time—“Spectacular!” And I mean it. I choose to feel that way no matter what. Not every day is great. Personally, the day I lost my best friend, wife, and business partner was one of the very worst days of my life. I had several people come close to me that day and ask me how I was doing. A couple of people were shocked to hear me say “Spectacular!” Others (those who knew me best) smiled and knew that I was going to be OK, even if it was going to take a long time to get there. I had chosen to focus on what I still had and what I could still do instead of what I had lost or what I would never be able to do again. It was not “blind delusion.” It was a very conscious decision to focus on helping others and dealing with life from a position of strength instead of loss. We have all the control we need over our attitude—every day and in every way. The question is, how will you decide to use it?

Adversity can also strike us through our health. Few things in life are as terrifying as that phone call from your doctor when they say “I need to see you as soon as possible.” Many of us have serious health problems that we have to deal with that cause us terrible pain or limit us in many ways. Diabetes, heart conditions, cancer, and MS are just a few of the many in a list that is long and painful. I’ve discovered that all of us are dealing with something. Each of us has a cross to bear. Some crosses are big and heavy, others smaller but very painful.

Here again, we get to choose how we deal with these adversarial conditions. Some people choose to suffer in total silence, never allowing others to learn of their afflictions. Others tell everyone they meet the latest in their saga of woe and travail. Who’s to say what the best strategy is for them? Each of us must decide what helps us best cope and overcome our unique challenges. However you choose, realize that you are not alone—others are willing to help. The trick is finding them among all the others who don’t want to hear anything that may be painful or require them to get involved.

We can also experience significant adversity in our family relationships. Spouses, children, parents, friends, and co-workers can all contribute to serious adversarial relationships at some point in our lives. Ironically, no one can wound us as deeply as those we care most about. In terms of true adversity, it often seems like the challenges from personal and professional relationships often create the most stress in our lives. Even more disconcerting, professional and personal relationships tend to “go wrong” at about the same time. This can create tremendous stress in our lives that challenges even the toughest among us.

Adversity can come at us through events that create a need for us to choose between our deeply held personal and/or spiritual beliefs, and the need to “fit in” or “go along” in difficult situations. Some people never seem to have any trouble with this aspect of life, while others struggle with it terribly. One of the very strongest needs any human has involves “peer pressure.” This can be especially difficult if it involves those we respect or admire. Making the decision whether to bend and
compromise to build our relationships or stand fast against the crowd can cause tremendous amounts of adversity. In our professional lives, you either have, or you are going to face, a situation where you have to choose between “doing right” and “making money.” All of us face this situation sooner or later. Again, some people have little to no compunction about this (for those, money always seems to win the argument hands down). Others wrestle mightily over these conundrums. Still others actually relish the chance to “fight the good fight.” Their stress with this issue comes from an entirely different direction…

Last, but certainly not least, is the adversity our financial situation creates in our lives. All of us have had financial stress at one time or another. It can be as mundane as which bill gets paid this payday, to as severe as deciding whether to continue fighting against all odds or choosing to give up and declare bankruptcy. It seems the vast majority of couples have most of their adversarial relationships over finances. Who gets to choose; what is the right decision about what to buy or sell; when is the right time to make the decision? These and many other questions drive our stress over money and finances to some very serious levels.

It’s unreasonable to think that life will be nothing but roses and that we will always be happy. We are all going to experience each of these different types of personal adversity. In the next column, we will look at different strategies to deal with events where we have three or more of these issues facing us at the same time. Keeping our perspective and being able to remain professional and productive in the face of overwhelming adversity is the mark of a mature professional and a true leader.

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10 Most Powerful Lessons In Life

1. Life ain’t fair (keep looking in your birth contract...that clause still ain’t there).
2. Life is hard...It’s harder when you’re stupid...
3. Life favors the prepared...Nope...video games do not count as preparation.
4. Life is expensive...SOMEBODY has to pay for everything that occurs. Make certain you pay your own way as much as possible.
5. Life is scary...”Safe Zones” do not exist in the real world. You better learn to deal with stress as early as possible because it’s coming...and it’s scary.
6. Life is valuable. Treat it...and others, with the respect it deserves.
7. Life has meaning. You may not see it right now...you may struggle with understanding at times. But every life plays a part in the grand scheme. Some of us live up to our roles...some of us don’t...some of us flub our lines...some of us never have the courage to achieve our true destiny. But even that becomes the meaning you bring and the legacy you leave.
8. Life is meant to be lived. You will never regret the things you DID as much as you regret the things you didn’t do when you had the chance. Trust me on this one...
9. Life is “focused “ by death. We never truly live as intensely as we do when we are closest to death. It may be ironic, but death teaches us the most important lessons about life...The most powerful thing we will ever learn or know is that ITS NOT ABOUT US. Regardless of your spiritual beliefs, we all recognize that there is something “bigger than ourselves.” And that would be your Higher Power! Seek Him out. Search for Him. He is right there...always has been...always will be. He’s simply waiting for US to recognize our need for HIM...
And Finally 10. Life can be fun! If all you do is whine, complain, and moan about what you don’t have or what you’ve lost...you are squandering the most important part of living! Enjoy the ride! I don’t want to go into my casket pristine, without a scratch, and in perfect health! I want to be dumped into that box beat up, banged up, bruised, battered, bent, folded, spindled, and used completely up! I don’t want to leave ANYTHING “on the table” when I die. I want to look my Lord in the eye and know that I experienced, learned, traveled, and accomplished EVERYTHING He had planned for me and my life. And so far...I’m on a perfect glide slope to achieve that goal!

Now go live the best life you can in the time you have remaining!

JR McGee
Student of Life and People
Founder of the X-Stream Leadership Group
Please feel free to share this with anyone you think could use the encouragement!
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