

ORGANIZATIONAL EXCELLENCE

What is it? Why use an excellence framework? How does an organization get started?

Over the past 23 years, I have learned three very important things about organizational excellence: #1

- Implementing an excellence framework (quality management system) is positively related to improving organizational performance. #2 - About 1/3 of payroll in small and medium organizations is spent on activities that do not add value and this cost is higher for service organizations than for manufacturing organizations. #3 - Only 10% of the working population has knowledge about excellence frameworks. To me, these learnings really speak volumes about the current state of organizational productivity and sustainability and spark some thinking about how we might move toward a desired future state.

What is an excellence framework? Excellence frameworks were first developed in the late 1980's and early 1990's by several jurisdictions around the world. These jurisdictions conducted research with high performing organizations to define their common characteristics. The resulting 'excellence frameworks' were comprised of 'principles' that described the organizational culture and the 'best management practices' that were used across key management areas. These jurisdictions also developed award programs to recognize organizations that successfully implemented their respective excellence framework and gathered data on performance. Today, 86 countries have organizational excellence programs.

For close to 25 years now, the research data has shown a positive relationship between implementing an excellence framework and organizational performance.^{1,2,3,4,5,6} This positive relationship has been evidenced across different size (i.e. micro, small, medium, large) and types of organization (i.e. private, public, non-profit). Award recipients have reported results such as: increases in share value, cost savings, higher ratings in customer and employee satisfaction, faster turnaround time, lower injuries, appreciation that an excellence framework can be used to assess and improve any aspect of the organization, and so on. In fact, most organizations implementing excellence frameworks have been considered to be 'employers of choice' and have demonstrated long-term 'sustainability'.

Why use an excellence framework? In addition to the performance data above, a recently published report⁷ examined a number of challenging issues facing organizations today (i.e. globalization, productivity, technology, customer and workforce demands, organization mindset toward decision-making, value, and measurement, and the willingness of politicians, organizations, and individuals to embrace necessary change) and concluded that implementing an excellence framework will continue to be relevant for organizations and will be the entry point to the marketplace.

How does an organization get started? At Organizational Excellence Specialists we use a simple, straightforward, time efficient, and cost effective process. Whether the organization uses a "do it yourself" or 'need some assistance' approach the four key steps include: (1) train a cross-section of employees about the Organizational Excellence Framework (OEF), (2) ask the employees to self-assess the organization against the OEF and identify gaps, (3) work with the employees to develop an action-oriented improvement plan to address gaps, and (4) encourage employees to take responsibility and get involved in implementing the improvement plan. Throughout this process, the organization may take advantage of a consultant to facilitate, train, coach, mentor, and assist as required.

For those that wish to know more about the Organizational Excellence Framework (OEF), it is a publication that is unique in that it 'consolidates' and defines the principles and best management practices of global excellence frameworks and provides 'implementation guidelines' and additional resources for the practitioner. In essence, it combines 'what we know' in the field of organizational excellence with 'how we do it' in management consulting.

References:

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Organizational Excellence Specialists work with organizations to improve performance and make a positive contribution to productivity.