

## Canada's Strength in the World - Focus on Excellence

Canada is embracing a new era of globalization with a focus on developing very broad free trade agreements. There are a lot of expert opinions and recommendations as to what we need to optimize these international opportunities. Canada has many natural strengths and a "brand" reputation that gives us a positive image globally. We have a progressive national government working to advance a Canada "brand" that has innovation and sustainable development as core themes. We are known as being an inclusive and welcoming country. All of which is good, however that recognition alone will not lead to success in a very competitive world. How we leverage and use those strengths to deliver exceptional quality of goods and services will determine actual results for success in this rapidly changing world. To win requires a long game commitment to excellence to be competitive with the best in the world.

Overall I am very positive about our potential as Canada has the basic elements for success internationally. However, and there is a however, I think we are missing a key element which requires a renewed focus on quality systems and excellence frameworks. That is how the rest of the world, particularly Europe and Asia is moving forward. There is ample research of the positive impact that quality systems and excellence frameworks have on organizational performance. When I was CEO of the National Quality Institute (now Excellence Canada) we started to track stock market performance for publically traded companies who were Canada Awards for Excellence recipients. The results continue to be tracked and demonstrate that there is about a 2 times greater return with CAE recipients compared to the value of a same investment in the in the S&P/TSX indices for the same time period.<sup>1</sup> Empirical evidence from private sector organizations and testimonial evidence from public sector and not-for-profit sector organizations demonstrate that when leaders commit to implementing and sustaining quality systems there is a direct impact on performance, the type of performance that Canada needs more of to realize the opportunities from international trade. To get to such world-class performance requires leaders to step forward and commit to the long game, as that is what it will take to win in the international markets. It will also take a renewed commitment by leaders to use excellence frameworks as the basic platform for sustaining competitive products and service.

Not having that long game strategy means we end up focusing on problems, not strengths and go looking for the quick fix and opting for the latest hyped productivity tool without considering the impact on the organization. Using an excellence framework builds alignment up, down and across the organization. It is true that many quality initiatives are not sustained, but that is because there is little investment in having a supportive system for the long run. This is not a quality issue but a leadership issue for Canada.

The search for the quick fix results in too many conflicting changes causing organizational fatigue and uncertainty about direction. This builds resistance to change from employees as leaders in their search for short-term fixes miss the opportunity to build a sustainable competitive approach by not focusing on a system of management to support quality improvements. We have been there before and the lessons learned then seem to be forgotten.

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<sup>1</sup> See the article titled "Excellence Pays Off on Shareholder Value, by Adam Stoehr at Excellence Canada

This quote from W. Edwards Deming from the early 1980's is still relevant today. He said "***A bad system will beat a good person every time.***"

Quality systems and national excellence frameworks were developed in the mid 1980s early 1990s. Leaders at that time in business and government were concerned that North America was losing the competitive edge to other countries, especially Japan. Deming and others worked with industry and government leaders to convince them that a focus on quality systems as a foundation for doing business was key to regaining competitive ability and that investing in their best strengths- their people was critical to success. His basic premise was that it is not people who are to blame for poor quality but poor systems. That is why he focused on working with leaders, as it is leaders who control the resources and the working systems. This focus on quality systems led to developing frameworks for excellence with the Baldrige criteria in the USA and the Canada Awards for Excellence criteria, and the EFQM Framework in Europe. Such frameworks are now in place in many countries around the world.

The basic principle of an excellence framework is that to improve quality you have to improve the working systems that provide the organizational architecture. What bothers me from what I see is that many leaders have relegated quality to a series of fixes and quick hit programs rather than understanding that you build quality throughout your organization, such that the people who work with the systems and processes are best positioned to work on what needs to change. I am not against such initiatives as Kaizan, Six Sigma & LEAN they are all good processes, but without an organizational system to support the initiatives what you get are short-term results and a loss of interest by the people in the organization. You also get a waste of resources. I know why leaders opt for those processes as we live in a rapidly changing world where quick results has become the mantra with a lot of focus on reducing costs. Leaders in all sectors face tremendous pressure to stretch the capacity of the organization to deliver results.

Which brings me to a quote that I often use from Peter Drucker "***The task of leadership is to create an alignment of strengths.... making a system's weaknesses irrelevant.*** Drucker understood the pressures that leaders have. He also understood that great leadership comes from building on the strengths that exist within any organization and with every person in the organization. The leaders role is to create the positive space for people at all levels of the organization to use their skills, innovative thinking and personal motivation to achieve success. Excellent leaders understand that their role is to build the organizational architecture and to create the space to align organizational strengths. When that happens in concert with quality systems and excellence frameworks you have the pathway for aligning strategy with every level in an organization. One of the best practices that I advocate is using employee quality assessment teams on an ongoing basis as such an approach creates a shared sense of what needs to be done and how everyone has a role in making the strategy a reality.

I applaud our new national focus on advancing Canada's place in the world. I suggest that if we want to succeed we have to go "back to the future" with a renewed national call for quality systems and excellence frameworks as that is what other countries, such as the European Union and Asia have done. I think Excellence Canada performs a great role by drawing in more organizations and leaders through their focus on the Canada Awards for Excellence. My sense though is that other countries are moving ahead of Canada leaving us once again in a catch up mode. In the private sector, especially manufacturing, there is less emphasis on such frameworks when in fact the opposite should be taking place. That is not what will lead Canada

to success in this new focus on globalization. Quality systems require nurturing by leaders and require their sustained personal involvement. Leaders who take such an approach build an organizational architecture that is inclusive, strategic, and agile such that the customer/client experience is part of the organizational DNA. We have been there before and should have learned the lessons from the past.

***About the Author:*** Dan Corbett is recognized for facilitating strategic organizational change that taps into the positive strengths & energy of people who share a desired future for excellence in their organization. He has served as President & CEO in the public and not-for-profit sectors and senior executive roles in the private sector. He has lead executive team workshops, facilitated strategic governance sessions, participated as a speaker and panelist at conferences and seminars and believes in making a difference as a community volunteers.

*As President of the National Quality Institute (now Excellence Canada), Dan promoted NQI as the Canadian voice for Excellence and Healthy Workplace. He positioned the Canada Awards for Excellence as the national recognition program for organizations and championed the innovative Healthy Workplace program as a key employee engagement program.*

*Linkage to the OEF Framework:*

*The Organizational Excellence Framework is a platform for long-term organizational success that is based on world-class criteria. It complements other quality initiatives (e.g. ISO, balanced scorecard, lean enterprise, customer service, health and safety, environment, six sigma) and provides an umbrella under which these programs can be brought together to form one comprehensive system.*

*The Organizational Excellence Framework integrates the best of the quality management system (QMS) frameworks from key jurisdictions. In developing the OEF criteria, research included Canada, United States, Europe, Australia that have award programs recognizing organizations that have successfully implemented excellence frameworks.*

*Research from quality award recipients has indicated these organizations outperform their comparators on key performance measures. The value of the OEF is that the consistent use of the criteria provides the validation point, for where the organization wants to be. The criteria can be adapted to meet the specific challenges and workplace culture. There is value in knowing what is working well right now and to leverage those strengths to build on opportunities for improvement. The OEF Framework and criteria is comprised of the principles, practices, and measures common to high performing world-class organizations.*