

ENCOURAGEMENT OF CONTINUOUS IMPROVEMENT, OPEN INNOVATIVE ORGANIZATIONAL CULTURE AND SELF-ASSESSMENT AS THE BASIS FOR QUALITY AND BUSINESS EXCELLENCE

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Abstract: *In this paper we provide an overview of encouragement of continuous improvement, self-assessment and organizational culture as the basis for quality and business excellence development. Organizational culture that encourages teamwork, open communication and innovation is important factor of fostering a process of continuous improvement and implementation of quality and business excellence. Self-assessment is a powerful tool by which organizations can encourage organizational learning, innovative thinking, mutual dialogue and open communication. EFQM Excellence model recognizes innovation and learning as fundamental drivers of progress in the organization. Sustainable excellence provides a cause and effect link between the approaches used by the organization to reach the set goals, and the actual results achieved. Since 1992, the best European organizations have been benchmarking against the European Excellence Award (EEA) based on the criteria of the EFQM Excellence Model.*

Key Words: *continuous improvement, business excellence, EFQM excellence model, self-assessment, organizational culture*

1. INTRODUCTION

Systematic encouragement of proposals for improvement is closely related to organizational culture, management role, employee satisfaction and mutual trust. Nowadays management plays a key role in creating an appropriate organizational culture, encouragement of continuous improvement, innovativeness and employee motivation.

The fundamental concepts of excellence represent the basic philosophy which is systematically supported by European EFQM model, RADAR matrix and methodology for (internal) self-assessment and external assessment. The essential point of the use EFQM Excellence model is the use for internal self-assessment with aim to find organization's main strengths and areas for improvement. Since self-assessment is done by the people in organization, it can be used as very powerful tool for improving communication between different parts/levels of organization, dialogue between managers and the staff, innovative thinking and changing the organizational culture.

2. EFQM EXCELLENCE MODEL AND FUNDAMENTAL CONCEPTS OF EXCELLENCE

2.1 Definition

EFQM Excellence model provides a cause-and-effect link between the approaches organization uses and the actual results achieved. EFQM Excellence Model is a non-prescriptive framework that recognizes that sustained excellence can be achieved by using

different approaches ([1], [2], and [3]). EFQM can be used to gain a holistic view of any organization regardless of size, sector or maturity. Over the past 20 years, the EFQM Excellence Model has been a blueprint for organizations across and beyond Europe to develop a culture of excellence, access good practices, drive innovation and improve their results [1]. The Model was designed and implemented in 1991 by European Foundation for Quality Management (EFQM); its criteria have been used for assessment in European and 26 national quality and excellence awards in Europe.

EFQM Excellence Model consists of nine criteria, five of them are enablers (Leadership, Strategy, People, Partnerships & Resources and Processes, Products & Services) and four of them are results (Results criteria; Customer Results, People Results, Society Results and Key Results). The Results reflect successfully implemented approaches at the "Enablers" side. Learning, creativity and innovation are the driving forces of development in an organization ([1] and [2]).

The EFQM Excellence Model is based on eight fundamental concepts of excellence which are fully integrated into model criteria and sub criteria (see Table 1). The Fundamental Concepts of Excellence outline the essential foundation for achieving sustainable excellence for any organization. They can be used as the basis to describe the attributes of an excellent organizational culture. They also serve as a common language for senior management [1]. Table 1 provides the short description on all eight fundamental concepts of excellence.

Table 1. The Fundamental Concepts of Excellence [1]

CONCEPT	EXCELLENT ORGANIZATIONS:
1. Achieving Balanced Results	- meet their <i>mission</i> and progress towards their <i>vision</i> through planning and achieving a balanced set of results that meet both the short and long term needs of their stakeholders and, where relevant, exceed them;
2. Adding Value For Customers	- know that customers are their primary reason for being and strive to innovate and create value for them by understanding and anticipating their needs and expectations;
3. Leading With Vision, Inspiration & Integrity	- have leaders who shape the future and make it happen, acting as role models for its <i>values</i> and ethics;
4. Managing by Processes	- are managed through structured and strategically aligned processes using fact-based decision making to create balanced and sustained results;
5. Succeeding Through People	- value their people and create a culture of empowerment for the balanced achievement of organizational and personal goals;
6. Nurturing Creativity & Innovation	- generate increased value and levels of performance through continual and systematic innovation by harnessing the creativity of their stakeholders;
7. Building Partnerships	- seek, develop and maintain trusting relationships with various partners to ensure mutual success. These partnerships may be formed with amongst others, customers, society, key suppliers, educational bodies or non-governmental organizations;
8. Taking Responsibility For A Sustainable Future	- embed within their culture an ethical mindset, clear Values and the highest standards for organizational behaviour, all of which enable them to strive for economic, social and ecological sustainability.

2.2 Application

Conducting self-assessment by EFQM Excellence Model organization can gain an insight in its performance on different levels and identification of strengths and areas for improvement together with corrective action plan. Self-assessment is a powerful tool by which organizations can intensify their process of continuous learning, improvement and innovative thinking.

The tool of RADAR Matrix is used for assessment of organizational performance and applied within the EFQM excellence model. As such, it is an integral part of the excellence model methodology. RADAR provides a structured approach to question the performance of an organisation. The RADAR logic provides a structured approach to question the performance of an organization using EFQM excellence model. It also supports the scoring mechanism behind the European Excellence Award and other recognition or assessment schemes and can help to lead change and manage improvement projects in an organization ([1] and [2]).

The self-assessment process relies on the EFQM Excellence Model as its reference point for good management practice and long-term sustainability. Each organization is unique but because this model provides a non-prescriptive, generic framework of

criteria, it can be applied to any organization or subset [4].

Self-assessment according to the EFQM Excellence Model with their nine criteria cover all essential fields of an organization including leadership, people, policy and strategy, partnerships and resources as well as implementation of changes and process management. The results achieved in managing people, customers, wider public, and key performance results, can be measured. People – the drivers of changes and improvements – are involved and motivated, and the assessment is performed in an objective, structured way [5]. Organizations through the cyclical process of self-assessment obtain a powerful tool to further enhance of continuous learning, improvement, innovative thinking and fact-based decision making. Philosophy of Excellence model is that the organization achieves exceptional key results of performance with integration of employees and process improvement ([2] and [6]).

As a summary of the application of the EFQM Excellence Model we can conclude that it is strategic tool which cannot be use for day-to-day business, since its positive effects can be seen in long term. The cyclic systematic performance of self-assessment helps organizations to encourage the organizational dialogue, learning, benchmarking, teamwork, continuous improvements and innovative thinking.

For introduction strong support of senior management is required.

3. ORGANIZATIONAL CULTURE AND SELF-ASSESSMENT

3.1 Definition

Organizational culture is important factor related to encouragement of continuous improvement in organization. It takes in account all unwritten rules of conduct and behaviour of individuals and teams. The introduction of changes causes changing the organizational culture, which in turn means a gradual change in values of employees. Organizational culture is a system of thinking and ways of thinking which is common to people in the organization and distinguishes one organization from another [7]. Organizational culture provides the organization with personality, we are like that, and we stand for it [8]. Encouragement of continuous improvements and conducting self-assessment are close connected with management, organizational culture, mutual trust and satisfaction of employees in the organization.

Ideas are the engine of progress. They improve people's lives by creating better ways to do things. An idea begins when person is aware of the problem or opportunity, however small. Every day - regular employees – the people who do the office work, make the products, and serve the customers - see a plenty of problems and opportunities and come up with good ideas about how to address them. The best idea systems are extremely well integrated into the way the organization operates and become part of organizational culture. Traditional management practice has been to take thinking out of the jobs of front-line employees, but nowadays best-practice companies put it explicitly in it and employees are expected to come up with ideas (improvements) as part of their normal work. The middle manager's job is to promote improvements, assure resources are available for training and implementation, and become personally involved with more substantial improvements. Leaders should be personally involved in the improvements system to champion it and oversee its performance and to increase their personal effectiveness. [9]. for successful encouragement of improvements, implementation of changes and conducting self assessment commitment of senior management is prerequisite.

3.2 Application

Management plays a key role in designing and changing organizational culture, motivating people and using self-assessment for promoting continuous improvement and therefore implementing business excellence. The main benefit of conducting self-assessment using EFQM excellence model is gaining

the main organizational strengths and areas for improvements ([2], [4], [5], [10], and [11]).

Self-assessment is used as a fact-based tool for supporting continuous improvements in organization. The most frequent used approaches for implementing self-assessment are:

- Using questionnaire requires fewer resources and is made relatively quickly. It is an excellent approach to collect information on perceptions of people in the organization. It gives feedback information what people think about some issue, but it does not provide information why people think so and what suggestions they have about improvements.
- Using the workshop contribute to actively involvement of the management and team who does self-assessment. Management is responsible for gathering information and for presentation of gathered data to the people at the workshop.
- "*Simulation of recognition*" is the actual simulation of the application document used on national or European excellence award. It covers writing a complete application for an individual unit or entire organization, which does self-assessment and also assessment done by another unit or external peers.

Using self-assessment has several positive effects on organizational performance. The main are:

- Providing a highly structured, fact-based technique to identifying and assessing organization's strengths and areas for improvement and measuring its progress periodically.
- Improving the development of organization's strategy and business plan.
- Creating a common language and conceptual framework for the way organization is managed and improved.
- Educating people in organization on the fundamental concepts of excellence and how they relate to their responsibilities.
- Developing management skills of the staff.
- Involving people of all levels and in all units in process of improvements.
- Assessing in coherent manner organization at macro and/or micro level.
- Identifying and facilitating sharing of "good practice" within the organization.
- Integrating the various improvement initiatives into organization's normal operations.
- Providing opportunities to recognize both progress and outstanding levels of achievement through internal awards.
- Preparing organization before it applies to excellence award (on European or national level) [4].

As summary of the application of organizational culture, continuous improvements and self-assessment we can conclude that self-assessment can support mutual communication, dialogue, building open organizational culture and encouraging of continuous improvement. Implementation of excellence concepts into organization takes long time, normally self-assessment is repeated within a year or two, and it depends on effectiveness of successful application of action plan for improvements.

4. CONCLUSION

The key for successful implementing of continuous improvements and progress in organizational performance lays in deployment, measurement and improvement its own approaches, regardless of the selection tools. Open organizational culture and involvement of employees are important factors of continuous improvement and business excellence.

Self-assessment using EFQM Excellence model can help to implement open, innovative organizational culture by involving people in different organizational positions and levels, gathering their fact-based proposals about business performance, promoting dialogue between them and managements, strengthening communication among different organizational units and levels.

For successful implementation of open organizational culture self-assessment can be used as tool which involves people from different organizational levels with aim to support open communication, fact-based feedback information of view how things could be improved on organizational performance.

The support of top management is main precondition which is common for all demanding organizational projects related to implementing continuous improvements and change of organizational culture for implementing business excellence.

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