CREATING ORGANISATIONAL EXCELLENCE

A) Introduction.

This paper presents a concept of Organisational Excellence based on the integration of key streams of management studies and research. It originated in the author's 5- year doctoral study on management work in Singapore. The research led to the postulation that management work in Singapore leading to good corporate performance was focused on the following areas:

1) Identifying Needs which companies and organisations commit themselves to satisfy. This was done largely through Information Network and Analysis activities.
2) Establishing shared Objectives and desired Results linked to measures of Quality
3) Defining the Work that has to be done together with the Policies and Procedures to establish a supportive work climate.
4) Determining the core Competences needed and empowering people with skills and teambuilding needed to achieve results.

Because the research focussed on management work, other tasks of organisational life contributing to organisational excellence were not covered. A review of published studies on management work suggested that these should include those focussing on aspects of organisational life and tasks, related to the critical role of the top leadership in mission and vision creation and the transformational impact of such behaviours. Integrating these different strands will lead to a more complete understanding of the components that define organisational excellence

B) Brief Review of Management Studies

The history of organisational management studies over the last 80 years reveals a number of trends in terms of research and practice focus. A quick if simple overview will reveal the following:

1) Up to the early 1950's, much of the interest was devoted to finding ways and means of improving the Efficiency of work done. Thus was initiated by the work of F. Taylor and the Scientific Management revolution. This was also the era of Operations Research and Quantitative Analysis and the genesis of the Productivity Movement.
2) Towards the late 60s and early 70s, attention shifted to Effectiveness, largely through the influence and writings of Peter Drucker, especially in his books, The Effective Executive and Managing For Results. Other names well-known for their ideas on Management by Objectives include John Humble, Bill Reddin and Louis Allen.
3) In the early 1980's, Tom Peters burst on the scene with his ideas on the importance of Organisational Culture in the pursuit of Excellence. An Enabling Environment, with appropriate values is what organisations were encouraged to pay attention to. Earlier, Edgar Schein had written a seminal book of Leadership and Organisational Culture which contributed greatly to an appreciation of culture in developing strong organisations
4) In the early 1990's, the accent was on the quality of Leadership. Earlier works emphasised the two dimensions of Task and People relationships. They did not satisfactorily explain why organisations which performed their tasks efficiently, were productive and treated people with dignity and respect, nevertheless did not 'turn' people on, or excite them in any meaningful way. Attention turned to identifying organisational leaders who could develop organisations with missions and visions that people would want to associate themselves with; Organisational excitement was the term used to describe the emotional tone found in such organisations. Writings and teaching on the crucial contribution to organisational success of Transformational & Charismatic Leadership behaviours emerged, by such authors as James McGregor Burns, W. Bennis, Bernard Bass and others.

5) Along the way and over a stretched period of time, there was considerable interest in such issues as 'How to get people to do what you want them to do or what they should be doing'. Writings on Motivation, Interpersonal Skills and Emotional Intelligence come under this category, including the following:
- A. Maslow's Hierarchy of Human Needs Theory
- D. McGregor's Theory X/Y assumptions of workplace supervisors
- E. Mayo' emphasis on the workplace meeting social needs became part of the Human Relations movement
- D. McClelland's Primary Social Motives
- F. Herzberg: Hygiene-Motivation Factor Theory
- Lawler and Porter's Motivation theory
- Daniel Goleman's Emotional Intelligence

6) In 1990, the author embarked on a managerial study project around the research question: What do Singapore-based managers actually do which contribute to good organisational performance. The study collected data from a purposive sample of 770 managers and used factor analysis to derive 10 Management Work Factors. A second level factor analytic solution yielded 5 Megafactors of Management Work:

a) **Organisational Empowerment.**
   This factor emerged to be the strongest determinant of good performance. It identified the work managers did to create an organisational climate within which people were encouraged to take initiative to be innovative and creative to develop new and better ways of doing things. It also included the empowerment of people through delegation and other measures so that they could act and correct their own mistakes.

b) **Quality Management**.
   Here the managers' work focused on determining the results people were expected to achieve, guided by quality and productivity concerns. Reports and feedback, in a cybernetic loop, provided the necessary information to help benchmark desired results.

c) **Goal Achievement Management**.
   This was the work of establishing understood and accepted objectives and developing skills to equip people with the competences needed to achieve results.

d) **Information Network and Analysis.**
   This was the work managers did to scan the environment and build forecasts to frame the needs the organisation was committed to satisfy. Networking with outside stakeholders provided important sources of information gathering.

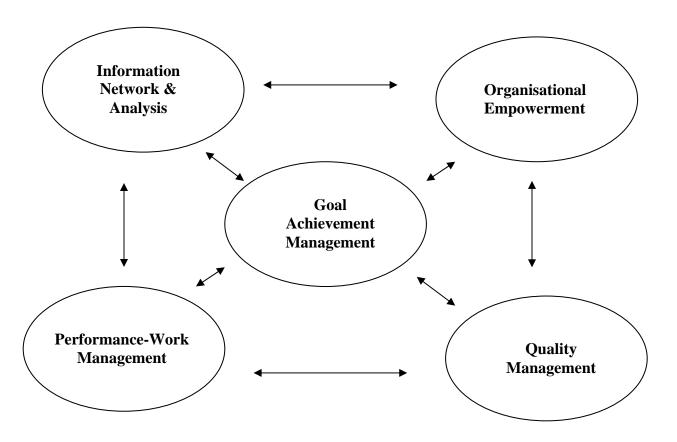e) **Performance Work Management**.
   This was the work of establishing policies and procedures to define performance standards and acceptable ways of doing work.
   Central were the managerial competences needed since, at the time of commencement of the study, the focus was on what is now seen as the efficiency-effectiveness aspects of organisational management. However, captured in the data and analysis were indications of the importance of management work contributing to good organisational performance through organisational climate building activities.

   The findings of this study led to the conclusion that good organisational performance is predicated upon the creation of a positive organisational climate within which managers are

committed and motivated to acquire and use an identified set of managerial competences to produce good performance. Not captured in the study were aspects dealing with the work of mission and vision creation associated with top leadership.

SINGAPORE MANAGEMENT WORK MEGAFACTORS

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      ┌─────────────┐                    ┌─────────────┐
      │ Information │                    │Organisational│
      │ Network &  │◄──────────────────►│ Empowerment │
      │  Analysis  │                    │             │
      └─────────────┘                    └─────────────┘
           ▲         ╲              ╱         ▲
           │          ┌───────────┐          │
           │          │   Goal    │          │
           │          │Achievement│          │
           │          │Management │          │
           ▼         ╱             ╲         ▼
      ┌─────────────┐                    ┌─────────────┐
      │Performance-Work│                │   Quality   │
      │ Management │◄──────────────────►│ Management  │
      └─────────────┘                    └─────────────┘
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C. Developing A Systemic Framework

Further analysis of the the Singapore study on Management Work led the author to conclude that management work can be re-categorised under four headings
1. Identify Needs through environmental scanning and establishing forecasts
2. Articulate Results to be achieved in measurable terms
3. Identify the Work to be done to achieve these results
4. Assess competences present and needed by staff to do the work necessary to achieve results.

Where do all these findings lead us to? How do they relate to the real world of organisations and management? What constitutes Organisational Excellence in practice?

In implementing the framework, two issues have to be addressed:
1. the need to link organizational needs with results, work and competence

2. the value of developing a holistic model that incorporates the organizational dimensions of efficiency, effectiveness and enabling environment.

Bringing together the different strands of management studies and practices led to the belated and dawning realisation that such a holistic view will aid comprehension of the complexity of managing organisations towards excellence. It is as if someone mulling over the evidence and matching it with experience suddenly blurted out: Its all three, stupid – Efficiency, Effectiveness and Enabling conditions

Leadership is about Effectiveness, doing the Right Things, often with transformational impacts.

Management is about Efficiency, doing Things Right. To achieve Organisational Excellence, we need management leaders who can do the right things right, and keep doing them over a long period of time, consistently; hence the necessity of a supportive organisational environment.

A Strong Organisational Culture, which will provide the environment and the Enabling conditions to attract, retain and empower talent and keep them motivated, committed and challenged.

Successful design and implementation would lead to the creation of a fully functioning and effective organization capable of a dynamic balancing among conflicting concerns, challenges and paradoxic demands:
- external versus internal focus
- stability versus flexibility
- differentiation versus integration
- transformation versus statis
- extrinsic versus intrinsic
- profit-orientation versus corporate social responsibility
- means (process) versus ends (goals)
- individual empowerment versus co-operative (group) relationships
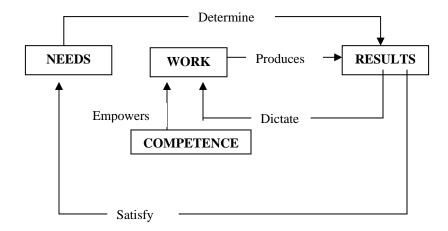

D. Towards Organisational Excellence.

Any holistic framework of Organisational Management then must be built a round the following:
1. The Principle of Needs, Results, Work and Competence
2. Concept of Organisational Excellence

1. The Principle of Needs, Results, Work and Competence.

The author's research on management work in Singapore suggested that any framework of good performance in organisations must address organisational needs, work, results and competence. The centrality of this important management principle lies in the fact the sole justification for an organisation's continued existence is the satisfaction of unmet or unsatisfied human needs. These needs will be met when certain results are achieved, usually expressed in objectives established for the organisation (often summarised in the vision and mission statement). Only when desired results with their associated standards of performance have been ascertained can the organisational work and tasks to achieve these results be meaningfully identified. Effective work that produces results can only be performed by people who must be equipped with the requisite competencies.

A comprehensive framework of organisations must include structures and processes to identify Needs, Results, Work and Competences in a linked cause and effect relationship. The task of building organizational excellence must direct focus on work that leads to the identification of needs, work that establishes measurable desired results, work that categorizes the work that needs to be done and the work of building the core competences needed to perform the work to the desired levels.

Determine

| NEEDS | | WORK | Produces | → | RESULTS |

Empowers   Dictate

COMPETENCE

Satisfy

2. Concept of Organisational Excellence

An Excellent Organisation, by definition, is one that has successfully worked out its integrated portfolio of Needs, Results, Work and Competence.

First it has identified the Needs of its three main Stakeholders: Customers, Employees and Shareholders.

Next, it has translated these Needs into Objectives or Results to be achieved that will satisfy these Needs.

As its third step, the organisation has articulated the Work that has to be done to achieve these Results. This Work covers three areas, based on the analysis and integration of existing research and studies on organisational management:

- Someone or a group provides Visionary Leadership.
- There is a group of Committed and Competent Management Leaders equipped with the necessary competences
- The organisation's management spends much time and energy to build a Strong Organisational Culture.
  Finally, the organization has to put in place a system of identifying and developing core Competences needed to carry out the work needed, including leadership succession development plans.
a. Visonary Leadership

Visionary leaders make three vital creative contributions to organizational excellence. They lead by

- Creating an exciting vision
- Creating value-added opportunities
- Creating empowered individuals.

Visionary leaders are not just charismatic personalities. Charismatic leaders are often larger than life characters who bring 'presence' but not necessary substance to the organization.

Visionary leaders on the other hand, have the capacity, commitment and competence to generate and articulate shared vision that generates organization-wide excitement, understanding and acceptance. They are able to put together conditions, events, projects, products and services which provide opportunities for others to participate in work that translate vision into reality, and ideas and concepts into concrete results. They are able to empower others through the process of delegation, decentralization and competence development. In the language of Jerry Porras & Jim Collins in the book, Built To Last, the difference is between Time-telling and Clock-building.

b. Committed and Competent Management Leaders.

They constitute the Linking Pins between Top leadership and employees, between plans and implementation, between results and work.
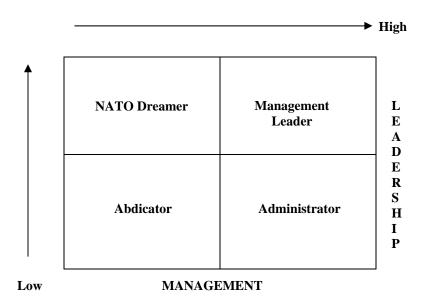
The ability to attract and retain competent managerial personnel who are committed to organisational excellence remains one of the biggest challenges facing top management. They must be equipped with requisite competences (KASH, to symbolize Knowledge, Attitudes, Skills, Habits) that will help them to cope with the efficiency and effectiveness dimensions of organisational life. The need of most organisations is not just managers or just leaders but management leaders, that rare breed of results-oriented personnel that will support the vision of top leadership in achieving the organisations's mission.

The core competences such management leaders possess include:
- Managing Concepts/Ideas – Planning
- Managing Resources – Organising
- Managing People/Talent – Leading
- Managing Integration of Work and Results – Controlling

In modern business terminology, these are often, wrongly, described as Transactional leadership competences. More appropriately they are better designated as management leadership competences.

Equipping management with such a portfolio of competences is an important responsibility of top management and calls for systematic and sustained human resource developmental efforts.

	High
NATO Dreamer	**Management Leader**
Abdicator	**Administrator**

L E A D E R S H I P

Low   **MANAGEMENT**

c) Strong Organisational Culture.

Excellence is not a flash in the pan, here today, gone tomorrow. What distinguishes the really excellent organisations from the rest of the pack is their ability to stay competitive and in leadership positions in their industry for a long while. A strong organisational culture makes this possible, providing it stability, and at the same time, providing it with enough flexibility and dynamism to ensure continuing organisational relevance and effectiveness. An organisation's culture is strong if there is fit between its shared mission and values and the strategies it adopts to achieve them. This fit is achieved through the following processes, as per Edgar Schein:
- External Adaptation
- Internal Integration
- Anxiety Reduction

External Adaptation.

There is a close relationship between an organisation and its environment such that external changes have impacts on the needs, results and work of the organisation. An essential function of dynamic organisations is External Adaptation, necessitating continuous monitoring of environmental changes and using the feedback and information processing to maintain or transform the organisation in an unending attempt to remain relevant and effective. External Adaptation enables an organisation to compete and survive in the face of potentially destabilising changes. It requires the organisation to go beyond the single-loop learning of negative feedback and information processing (the cybernetic principle), to embrace double-loop learning mechanisms of receiving all relevant information from the external environment, processing it and using it to respond quickly to environmental changes that impact the organisation's missions, vision, strategies and values. This double-loop learning ability helps the organisation to transform itself, as opposed to the first order level single-loop learning that merely promotes maintenance (status quo) of current performance levels. According to Prof E. Schein, organisations build into their strategic planning system the following components to anticipate and respond to environmental changes. Organisations typically engage in the following activities as part of the process of external adaptation:

EXTERNAL ADAPTATION MECHANISMS IN ORGANISATIONS

COPING ELEMENTS	MANAGEMENT SYSTEM COMPONENTS
a) Mission & Strategy	Setting Strategic Direction (& Policies)
b) Goals	Establishing Key & Critical Objectives
c) Means	Organisational Structure & Empowering People
d) Measurement	Establishing Planning
e) Correction	& Controlling System

Organizations with effective external adaptation coping mechanisms have mastered the art of double-loop learning. They possess the capacity to sense and respond to environmental changes with transformational impacts.

Internal Integration.

An organisation's ability to adapt to external changes must be reinforced by its capacity to integrate its internal structures, systems and processes guided by the principle of fit between

Structure and Strategy. Often the feedback and information processing signal the need for internal structural, systems and processual changes. Organisations which achieve this have acquired deutero-learning competence. This is a second order level of learning and helps the organisation to manage the interface between the organisation's external environment and its internal structures, systems and processes. This is typically carried out the establishment of the following elements of organisational bonding activities

INTERNAL INTEGRATION MECHANISMS IN ORGANISATIONS

COPING ELEMENTS	MANAGEMENT SYSTEM COMPONENTS
a) Common language	Common Vocabulary for U/A in communication
b) Inclusion Criteria	Delegation (Accountability, Authority, Responsibility)
c) Stratification	Organisation Structure
d) Peer Relationships	Teambuilding
e) Rewards Allocation	Performance Appraisal System
f) Ideology	Policies & Procedures

Anxiety Reduction

People in organisations need to be assured of a sense of inclusion and belonging. These individual human needs go beyond the extrinsic factors of economic survival and security. Employees want to regard themselves as part of the organisation they work for. They want to be able to experience a sense of achievement by contributing to the organisation's objectives. They value the ownership of the projects and tasks assigned to them. Shared values which they contribute towards the adoption of, help reduce their anxiety in organisational membership. This is why both the outcome and the process of an organisation's value clarification exercise mean a lot to its members in generating a genuine and sincere inclusionary relationship as opposed to an adversarial one. In particular, sincere attempts are made to satisfy higher order individual needs of status, sense of achievement, growth and responsibility and self-esteem.

Thus a more complete understanding of the concept of organisational excellence can come about through the synthesis and integration of Needs, Results, Work and Competence

This is fleshed out in holistic fashion in a manner captured in Appendix 1.

For practitioners, this framework constitutes a useful and usable template for assessment and design of organisations related to good performance. It provides a way of evaluating existing organisational structures and functioning and point the way ahead for transformational management work to be identified and acted upon in the pursuit of excellence.

E. Summary

Moving an organization towards excellence improves tremendously its competitiveness in an everchanging marketplace. It requires discipline and commitment. It involves the management of innovation and change and a systematic approach to assess and design excellence into an enterprise. This presupposes a clear understanding of an organisation's Concept of Excellence and its acceptance as a basis for integrating and synergizing essential processes into an overall scheme of things that balances on the one hand, the nexus among the key variables of Needs, Results, Work and Competences. It helps to create an organization that through Enterprise Planning, Position Planning and Competency Development, dynamically balances conflicting social, organizational and personnel demands in such a way that facilitates sustainable adaptation, growth and success. (Appendix 2)

CREATING ORGANISATIONAL EXCELLENCE

GLOBALISATION
(Global Village)

GREEN
BIOTECHNOLOGY
(Environmentalism vs
Genes Engineering)

NEEDS

RESULTS

WORK

COMPETENCE

Anxiety
Reductionn

Strong
Organisational
Culture

Organisational
Objectives

Employee
Satisfaction

Internal
Integration

External
Adaptation

Manage
People

ORGANISATIONAL
EXCELLENCE

Create
Empowered
Individuals

Committed,
Competent
Management
Leaders

Visionary
Leader-
ship

Manage
Resources

Manage
Ideas
Work &
Results

Create Value-
added
Opportunities

Create
Exciting
Vision

Customer Delight

POSTMODERNISM
(Creative Destruction
& Social Construction)

INFOBAHN
(Democratic Protocol)

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ORGANISATIONAL EXCELLENCE THROUGH MANAGEMENT LEADERSHIP SYSTEM