Organizational Excellence:
Organizational Alignment and Performance Optimization

Art Johnson - Infinity Systems
Stephanie Thompson - Crowned Bridge
Organizational Excellence:

Organizational Alignment

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Organizational Excellence

Strategy
Structure
Culture

Optimal Performance
Organizational Alignment

Strategy
Organizational Alignment

Structure
Organizational Alignment

Culture

Organizational Excellence
Organizational Alignment

Components of Alignment

- Communication
- Creativity
- Best Practices
- Accountability
- Development
- Teamwork
- Leadership
- Empowerment

Alignment to Mission, Vision & Strategic Plan
80% of business leaders do not believe that their organization’s efforts to improve employee engagement do anything to drive business outcomes at their companies.

85% of...
- Employees aren’t sure what their organizations are trying to achieve.
- Senior leadership teams spend less than 1 hour per month discussing their business strategy, with 50% spending no time at all.

*Studies by CEB and Partners in Leadership*
The Dark Side of Employee Engagement

- 31% of employees are “highly engaged”

- Among “highly engaged” employees, 60% do not believe their work is aligned with company goals.

- “The correlation between engagement and performance outcomes is far from perfect [and] many engaged individuals and teams are not delivering the results that leaders expect.”

*Harvard Business Review
Engagement + Purpose = Alignment
“Though leaders are skilled at creating value through process improvements, they have much to learn about creating value by aligning the mission and purpose of their company with business strategies, culture, brand, and performance measures.”

-Chris Groscurth, Gallup
“All organizations are perfectly aligned to get the results they get.”

- Arthur Jones
Organizational Excellence: Performance Optimization

Stephanie Thompson - Crowned Bridge
“The rung of the ladder was never meant to rest upon, but only to hold a man’s foot long enough to enable him to put the other somewhat higher”

– Thomas Huxley
Quality Management System (QMS) Basics

• Edwards Deming, Father of quality,

• Key learnings:
  • Systems thinking
  • Plan-Do-Study-Act cycle
  • Common vs special variation
  • Quality costs
  • Employee wellness linkage
  • Culture of excellence
Total Quality Management (TQM)

- Leading with objectives
- Customer oriented
- Internal and external customer relations
- Zero-Error program
- Work in processes
- Continues improvement with measuring units
- Involvement of all employees
- Trainings and further education
- Frequent management audits

Encompasses all parties involved in the system
SIPOC Analysis

The SIPOC Diagram shows the business continuum from suppliers through customers.

**Suppliers**
- List suppliers of any inputs to this process.
  - Supplier 1
  - Supplier 2
  - Supplier 3
  - ...

**Inputs**
- List the Inputs to this process.
  - Input 1
  - Input 2
  - Input 3

**Process**
- Describe the process and list key process steps.
  - Process Name
  - Description

**Outputs**
- List the outputs of this process.
  - Output 1
  - Output 2
  - Output 3

**Customers**
- Identify the customers of these outputs.
  - Customer 1
  - Customer 2
  - Customer 3
Deming Cycle (PDCA / PDSA)

Repeating the cycle again and again for continuous improvement

Phase 1: Identify the improvement
Phase 2: Analyze the process
Phase 3: Develop the optimal solution
Phase 4: Implement solution
Phase 5: Check the implementation of the solution
Phase 6: Standardize the solution
Phase 7: Plan for the future

Organizational Excellence

“There is a way to do it better – find it” – Thomas Edison
## Costs of Quality

### Prevention costs

The cost incurred in the process to reduce the potential for defects and errors. (Quality Improvement Costs, Quality Training, Planning)

### Appraisal costs

The cost of determining the current quality of the production process or service. (Inspection costs)

### Internal failure costs

The cost incurred when defects and errors are found before delivery to the customer.

### External failure costs

The cost of trying to correct defects and errors after the product or service is delivered to the customer.
Costs of Quality

Illustration

Organizational Excellence
Employee Empowerment

Involving employees and teams in product and process improvements

Using the power of the Team to suggest and implement change

- Reward employees and recognize empowered behavior
- Involve employees (Show value for the employee / trust)
- Provide feedback & guidance
- Share leadership visions, goals and directions
- Delegate authority and impact opportunities, solve problems
- Build communication networks and provide information for decision making
- Move responsibility from managers to employees

“Without involvement there is no commitment” – Stephen R. Covey
• Many countries have a national quality or organizational excellence award

“The world-class organization is continuously bathed in a stream of integrated data”– Chang, Labovitz, and Rosansky
Baldridge Criteria for Performance Excellence (USA)
What Matters Gets Measured

Organizational Excellence
Principles

1. Leadership involvement
2. Alignment
3. Focus on the customer
4. People involvement
5. Prevention based process management
6. Partnership development
7. Continuous improvement
8. Data based decision making
9. Societal commitment

Exceptional quality, safety and patient outcomes

Organizational Excellence
Key Management Areas

- Governance
- Leadership
- Planning
- Customer
- Employees
- Work Processes
- Suppliers & Partners
- Resource Management
- Continuous Improvement & Performance Measurement

Exceptional quality, safety and patient outcomes
Improvement Process

- Identify opportunities for improvement
- Prepare action plans to address opportunities
- Prepare Gantt chart with actions over desired time period
- Assign overall responsibility to Excellence Manager
- Establish regular meeting schedule

“IT isn’t about what you find, it’s about what you do about what you find” - Crosby
DMAIC Problem Solving
Can be applied to both professional and personal situations

- **Define**
  Define problem and the project goals

- **Measure**
  Collect relevant data key aspects of current process

- **Analyze**
  Verify cause-and-effect relationships and Root Cause

- **Improve**
  Optimize current process and implement solution(s)

- **Control**
  Control and monitor the future state process

*“What is worth doing is worth evaluating” – Wynn and Guditus*
## Action Plan

<table>
<thead>
<tr>
<th>Key Management Area:</th>
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<tbody>
<tr>
<td>Practise:</td>
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<td>Action Steps:</td>
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<td>1.</td>
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<td>Responsibility:</td>
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<td>Timing:</td>
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<td>Measurement:</td>
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<td>Cost:</td>
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Benefits

- Provides the foundation on which to develop an organization
- Provides an integrated and coordinated way to drive tangible results
- Identifies the interdependencies and interrelationships between management areas
- Reduces non-value adding activity
- Contributes to becoming an ‘employer of choice’

“Coming together is a beginning. Keeping together is progress. Working together is success” – Henry Ford

Organizational Excellence
Tips for Success

- Leadership commitment paves the way
- Build on the organizations’ strengths
- Share responsibility across the organization
- Concentrate on opportunities that directly link to strategic direction (ALIGNMENT)
  - Start with ‘quick wins’
  - Involve people
  - Communicate success/results of changes

“Leaders don’t force people to follow – they invite them on a journey”
– Charles S. Lauer
Quality Management System Model (Hospital-Based)
Hospital Based Healthcare QMS Model

Available at http://asqhcd.org/hbok-99-001/
Thank you!

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