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**A CONCEPTUAL FRAMEWORK FOR  
STARTING THE BUSINESS EXCELLENCE (BE) JOURNEY  
IN NEW ZEALAND SERVICE ORGANISATIONS**

A dissertation submitted in partial fulfilment of the requirements for  
the degree of

DOCTOR OF PHILOSOPHY

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## ABSTRACT

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The services sector is important to the New Zealand economy in that it currently contributes 68% to the gross national product and has consistently contributed the most to economic growth since 2002 (Statistics New Zealand, 2005). It has been suggested by the Workplace Productivity Group (2004) that much of the growth in the economy has been due to people working longer hours and that attention now needs to be given to improving productivity and organisational performance. In response to the need to improve performance New Zealand service organisations are adopting business excellence (BE) and an associated BE framework, the Baldrige Criteria for Performance Excellence or CPE (NZBEF, 2005) to guide their improvement journey. Anecdotal evidence suggests that once the decision has been made to adopt BE, the next challenge is how to start the improvement journey.

BE is an internationally recognised business practice that has evolved from total quality management (TQM) principles and practices. Researchers argue that not all TQM practices are transferable to services (Behara & Gundersen, 2001; Sureshchanda, Rajendran & Anatharaman, 2001) and that not all TQM practices are relevant for the start of the improvement journey (Banerji, Gundersen & Behara, 2005). Although organisations are known to adopt a BE framework to guide the improvement journey, much of the TQM literature to date has focused on the validity of BE frameworks as measurement tools and the organisational results achieved by BE organisations. There has been limited attention given to how organisations start the improvement journey being guided by a BE framework.

The aim of this study is: “To develop a conceptual framework that represents how New Zealand service organisations start the BE journey”. The term BE journey was defined by the researcher for the study, as “an improvement journey being guided by a BE framework, such as the Criteria for Performance Excellence or CPE (NZBEF, 2005)”. An initial conceptual framework was developed through researching the existing relevant literature. This framework was then developed further through obtaining empirical evidence from New Zealand service organisations. The proposed conceptual framework represents the start of the BE journey as an organisational development and change process, with five aligned and integrated elements (1) organisational profile, (2) improvement processes, (3) key practices and people, (4) intermediate outcomes, and (5) organisational results. The study contributes to the existing knowledge base for BE in service organisations, and has the potential to inform BE theory development and to guide BE practice.



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# **Chapter 1**

## **INTRODUCTION**

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Services are important to the New Zealand economy in that they currently contribute 68% to the gross domestic product (GDP) and have consistently contributed the most to economic growth since 2002 (Statistics New Zealand, 2005). The Workplace Productivity Group (2005) suggests much of this recent growth is due to an increase in labour hours worked which is not sustainable and that future growth will need to come from an improvement in productivity and organisational performance.

This study and thesis focus on how New Zealand service organisations apply business excellence (BE) and the Baldrige Criteria for Performance Excellence – CPE (NZBEF, 2005) to improve organisational performance. In New Zealand, services are described by Statistics New Zealand (2005) as being all organisations that are not primary (e.g. agriculture, forestry, fishing and mining) or goods-producing organisations (e.g. manufacturing, electricity, gas or water). BE is a recognised business practice and way of working that has been shown to contribute to improved organisational performance in a range of service organisations (Hicks, Davis & Jackson, 2004; Singal & Hendricks, 1999).

The purpose of Chapter 1 is to introduce the reader to the study and the thesis. The chapter is organised into four sections. In Section 1.1 the researcher introduces the background for the study which address the New Zealand organisational performance context and the BE context. Next, the researcher discusses the need for the study in Section 1.2 and then describes the aim and the scope of the study in Section 1.4. The researcher concludes the chapter in Section 1.5 with an overview of the thesis.

### **1.1 BACKGROUND FOR THE STUDY**

The researcher provides the background for the study by reviewing the New Zealand organisational performance context. This is then followed by a review of the BE context.

### **1.1.1 New Zealand organisational context**

A review of New Zealand's economic performance (New Zealand Treasury, 2005) indicates that although New Zealand's economy has performed well since the 1980s and that GDP growth has run above the OECD average since 1993, there is room for improvement. The Workplace Productivity Group (2005) suggests much of this recent growth is due to an increase in labour hours worked (labour utilisation) which is not sustainable and that future growth will need to come from an improvement in labour productivity and organisational performance (which is currently low and static relative to the OECD). In another report, the International Institute for Management Development (2004) suggests New Zealand needs to improve results in key measures such as economic performance, government efficiency, infrastructure and business efficiency. Each of these areas are examined briefly next.

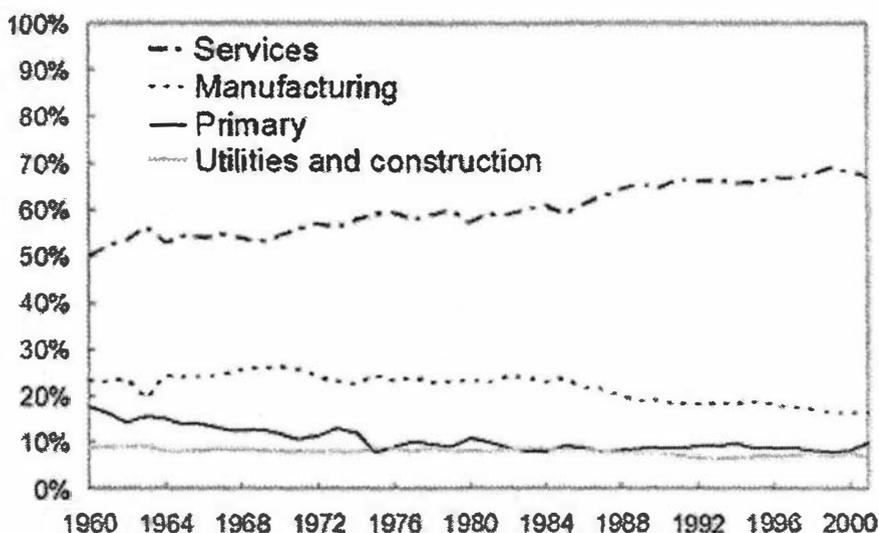
#### **Economic performance and government efficiency**

Sustained economic growth is a key outcome for the New Zealand government (New Zealand Treasury, 2005). Recent statistics indicate that large service organisations make a significant contribution to GDP and economic growth in New Zealand. While there is no official definition for a large organisation in New Zealand, reports published by the government's Ministry of Economic Development imply that a large organisation is one that employs 20 or more people (Ministry of Economic Development, 2004). In a review of enterprises in New Zealand Cameron and Massey (1992) define a large organisation as employing over 100 full time equivalent people. Although large organisations represent less than 1% of enterprises in New Zealand they employ 47% of all employees in New Zealand (Statistics New Zealand, 2005). In an analysis of economic performance, Healey (2003) establishes that 5% of the large organisations in New Zealand account for 80% of the country's GDP.

In New Zealand, services are described by Statistics New Zealand (1996) as being all organisations that are not primary (e.g. agriculture, forestry, fishing and mining) or goods-producing organisations (e.g. manufacturing, electricity, gas and water). As reported by Statistics New Zealand (2005) services enterprises make up 89% (298,722) of total enterprises (excludes farming and non GST registered enterprises) and employ 82% of the working population (head count of 1,415,320). Economic growth since 1993 is attributed to a large extent to growth in the service sector (New Zealand Treasury, 2005). In 2001, the service sector was reported to account for 67% of New Zealand's economic output,

compared with 50% in 1960, as shown in Figure 1.1 (Ministry of Economic Development, 2006). Recent analysis of GDP trends show that the service sector has consistently made the largest contribution to economic growth in New Zealand since 2001 (Statistics New Zealand, 2005).

Figure 1.1: Services growing importance



Although the recent business practices research project “Firm Foundations” (Knuckey et al. 2002) includes large service organisations, it excludes some service organisations that contribute to GDP such as government administration, defence organisations and personal services. Other research reports examining business practices in New Zealand (ACNielsen, 2001; Saunders, 2005) have included all services in their sample but have not differentiated services in the analysis. Another New Zealand-based study (Corbett & Angell, 2004) report a moderate positive correlation between type of industry (manufacturing or service) and increase in results score but do not discuss this result. A recent New Zealand-based report addressing business practices (Workplace Productivity Group, 2005) acknowledges our limited understanding for services and encourages researchers to include all services in their studies, such as private, public and not -for-profit organisations.

Services contribute to economic output as consumer services (such as hotels, tourism, public services) and as producer services (such as research, design, consulting) with producer services being of most interest to the Government due to their export earning capability. The New Zealand Treasury (2005) is focusing on our export sector to contribute to sustained

economic growth outcomes. Easton (2006) suggests that the export sector has the potential to accelerate growth as it typically grows faster than the rest of the economy and will “drag the domestic economy along with them”. For New Zealand, he suggests growth can be achieved with “intra-industry trade” where a similar product or service is traded between countries. Easton points out that if New Zealand enterprises are to gain from intra-industry trade our enterprises need to improve performance and develop their competitive advantage.

The World Trade Organisation (WTO, 2006) estimates that export services will form 50% of world trade by 2020. A service is considered to be exported when the home service supplier provides their service to an overseas customer; the overseas customer may be within the supplier’s country or within their own country. In New Zealand, parts of the service sector are increasingly “joining the tradeable sector” and currently contribute 25% of foreign exchange receipts (Easton, 2006). Currently, key export services are tourism (relying on overseas customers coming to New Zealand), education and professional services such as legal, consulting, architectural, construction, postal and courier services.

The New Zealand Government is working towards improving access for services to international markets through international agreements. The Service Protocol of the CER between Australia and New Zealand permits free movement of labour between the two countries and recognition of occupational qualifications. Membership of the WTO General Agreement on Trade and Services (GATS) has the potential to bring more of the world’s services trade under free trade rules. The goal of GATS is to “help trade flow as smoothly, freely and predictably as possible” (New Zealand Ministry of Foreign Affairs and Trade, 2006). The negotiations, launched in 2001, are scheduled to be complete by July 2006. While membership of GATS offers greater access to international markets; it also enables international providers to trade freely in New Zealand. Both scenarios highlight the need for service organisations to improve performance so they can compete effectively within the domestic and the international markets; and so sustain contribution to New Zealand’s economic growth.

### **Infrastructural and business efficiency**

Infrastructure is concerned with business capability or the ability of an organisation to produce goods and services, and to improve organisational performance. The Firm Foundations project focuses on the business capability of New Zealand organisations and concludes that “there have been great improvements in business capability ... although much

remains to be learned” and stressed the need for “a more sophisticated understanding of business improvement and its relationship with operational outcomes and business results” (p.19). A more recent report “The Workplace Productivity Challenge” (Workplace Productivity Working Group, 2004) recommends research is carried out to develop the knowledge base for “better business practices” and that organisations adopt these practices in order to “continually improve organisational performance” (p.9).

Business efficiency focuses on the capability of leaders, managers and their people to contribute to organisational performance. Recent research (Knuckey et al. 2002; NZIM, 2003) identifies key opportunities for improvement in leadership and manager capability within New Zealand organisations. Knuckey et al. highlight the trend for New Zealand business leaders to have a short to medium term focus (versus a long term focus) and comment on how this practice limits continual improvement and growth. Likewise the NZIM (2003) study identifies capability to lead and achieve organisational improvement as the lowest rating business management capability. When reviewing the findings for human resource practices, Knuckey et al comments that “although firms demonstrated a genuine commitment to the welfare of their staff” they do not appear to have a systematic approach to enabling their people to contribute to organisational improvement and growth (p.13).

The review of the New Zealand organisational context indicates there is an opportunity for research to contribute to knowledge in two key areas, such as: (1) how service organisations (including government administration and defence) achieve performance improvement, and (2) how better business practices and people enable organisational performance improvement and growth. The remainder of Section 1.1 focuses on BE and its application in services.

### **1.1.2 The business excellence (BE) context**

BE is characterised by key phases of evolution, identified as (1) inspection and control quality, (2) quality assurance and (3) total quality management (Dale, 2003). Recent theory development and practice indicates there is a shift away from TQM towards BE. Each of these phases of BE evolution are described next.

#### **Inspection and quality control**

Within the early days of mass production and manufacturing, product quality was addressed through inspection and later quality control (Dale, 2003). Inspection was reactive, occurring

at the end of the production process, and involved the detection of non-conformance by independent inspection departments. Although still reactive, quality control introduced the notion of process control and self inspection by trained operators. During this time, Walter Shewhart (1931, see Table 1.1) developed a new approach to inspection and quality control, known as statistical process control (SPC).

It wasn't until some time later that these quality control practices were developed further. ISO 9000 was a quality management system designed to go beyond SPC and to manage the quality of products and processes. It was originally developed for European Countries within the common market and those wishing to trade with these countries and is now recognised and applied throughout the world, including New Zealand. The International Organisation for Standardization (2000) developed the original series of written quality standards in 1987. These standards were revised in 1994 and again in 2000. The most recent version, ISO 9000: 2000, is promoted as being relevant for all business types (manufacturing and service) and particularly useful as an entry-level quality framework (Dale, 2003). Although the new standard is more comprehensive than earlier versions, it continues to have a primary focus on product and process control.

### **Quality assurance and total quality management (TQM)**

A fundamental shift occurred in quality management thinking with the introduction of quality assurance and TQM (Dale, 2003). Quality assurance introduced the notion that quality offered competitive advantage and shifted the emphasis away from quality control of processes and products towards the prevention of process defects. Quality assurance initiatives were characterised by planning for quality, designing for quality and using quality tools to understand the cause of process defects. Deming (1986, 1993; see Table 1.1) and Juran (1988, 1991) developed many of the quality assurance practices and tools while working with the Japanese to rebuild their economy after World War II. The quality system developed and used in Japan was known as Total Quality Control (TQC) and was later renamed by Rehder and Ralston (1984) to TQM to avoid the negative connotations associated with the word control. The US Navy was the first organisation to use the term TQM in 1985 to describe its approach to quality management (Martines, Lovente, Dewhurst, & Dale, 1998).

**Table 1.1: Evolution of business excellence – key people or organisations and their contribution**

<b>Era</b>	<b>Person or organisation</b>	<b>Contribution</b>
<b>1930s</b>	Walter Shewhart, 1931	Statistical Process Control (SPC)
<b>1950s</b>	Deming, 1986, 1993	System of profound knowledge Deming's 14 points
<b>1950s</b>	Juran, 1988, 1991	Quality trilogy
<b>1951</b>	Union of Japanese Scientists and Engineers (JUSE)	Deming Application Prize Criteria; 10 categories & 66 sub categories
<b>1970s</b>	Crosby, 1979, 1987	Absolutes of Quality Management Basic Elements of Improvement Quality Matrix Grid
<b>1980s</b>	Rehder and Ralston, 1984 Naval Air Systems Command, USA, 1985	Total Quality Management – the term
<b>1987</b>	National Institute for Standards & Technology (NIST), USA	Malcolm Baldrige National Quality Award (MBNQA) Baldrige Criteria for Performance Excellence (CPE)
<b>1987</b>	Australian Quality Council (Now with SAI Global)	Australian Business Excellence Award and Framework (ABEF)
<b>1987, 1994, 2000</b>	International Organisation for Standardization, UK	ISO 9000: 2000 family of standards
<b>1991</b>	European Organisation for Quality (EOQ) Now named EFQM	European Quality Award (EQA) EFQM Excellence Model
<b>1992</b>	NZ Quality Foundation (Now NZBEF) Business Development Board (No longer exists)	NZ National Quality Awards, NZ (Now NZBEF National Awards) Business Development Quality Awards, NZ (Now the PERSA Awards)
<b>1994</b>	Global Benchmarking Network	To achieve a consistent understanding of benchmarking as a management method and to promote its world-side spread & utilisation
<b>1998</b>	The Multinational Alliance for Advancement of Organisational Excellence (MAAOE)	Brings together leading academics, from many disciplines, to investigate, create, disseminate and apply multidisciplinary and multicultural knowledge about organisational excellence
<b>2000</b>	Global Business Excellence Model (GEM) Council	Global forum for sharing state of the art practices & successful implementation strategies to achieve and sustain BE

TQM was popular from the mid 1980s and throughout the 1990s (Ahire, Landeros & Golhar, 1995; Evans & Dean, 2003). Although there are many definitions of TQM, three studies have focused on defining TQM as a distinct field. Hackman and Wageman (1995) provide a conceptual analysis in order to specify the core of TQM. They argue that TQM is a distinct field as there is convergent validity among the founders of TQM for key principles and

practices, and that TQM assumptions and practices are distinct from other organisational improvement strategies.

Secondly, Dean and Bowen (1994) examine the frameworks promoted by Deming, Juran and Crosby with the intention of validating TQM. They suggest that TQM is characterised by principles, practices and techniques as represented in Table 1.2. Lastly, Sousa and Voss (2002) apply the Dean and Bowen framework in a review of TQM in manufacturing and recommend that future researchers adopt the Dean and Bowen framework to enhance consistency in TQM research. In contrast to the three studies reviewed above that support TQM as a distinct field, Dale, Zairi, Williams and van der Wiele (2000) suggest that TQM may look like a “complete theory” but based on a recognised procedure for developing theory, argue that TQM is “not as advanced as might be expected”(p.440).

**Table 1.2: TQM guiding principles, practices and techniques (summarised from Dean & Bowen, 1994)**

<b>Principles</b>	Customer focus	Continuous improvement	Teamwork (collaboration within & external to the organisation)
<b>Practices</b>	Direct customer contact	Process analysis	End to end process focus
	Understand customer needs	Cause analysis	Formation of a range of teams (cross functional, improvement)
	Use this information to design & deliver products & services	Improvement process (plan/do/check/act)	Training in group skills
<b>Techniques</b>	Customer surveys & focus groups	Flowcharts	Group decision making techniques (nominal group technique, weighted voting)
	Quality function deployment (translates customer information into product & service standards)	Statistical process control	Team building methods (role clarification, feedback)
		Pareto analysis	
		Fishbone diagrams	

### 1.1.3 Business excellence (BE)

The distinction between the TQM and BE is yet to be agreed to by the academic and the practitioner community. Martinez-Lorente, Dewhurst and Dale (1998) analyse business articles published since 1986 and note that a number of papers including QM or an equivalent term were published at the beginning of the 1990s, with the peak in 1993, and that since then the numbers have been decreasing. The term BE is being adopted by academic

communities, for example in 2003, the “Total Quality Management Journal” changed its name to “Total Quality Management and Business Excellence”.

The transition from TQM to BE began with the development of quality awards and the associated quality frameworks, now known as BE awards and BE frameworks or BEFs (Hermel & Ramis-Pujol, 2003). These frameworks were originally developed to represent TQM and to provide the criteria for quality awards (Adebanjo, 2001). There are several awards and associated frameworks applied throughout the world (Bohoris, 1995; Miguel, 2004; Puay, Tan, Xie, & Goh, 1998). The key ones identified by the above writers are the Deming Application Prize in Japan (established in 1951), the Malcolm Baldrige National Quality Award (MBNQA, established in the USA in 1987 and assessed against the CPE), the Australian Quality Award (introduced in 1987 and assessed against the Australian Business Excellence Framework, ABEF), and the European Quality Award (introduced into Europe in 1991 and assessed against the European Foundation Quality Model, EFQM, 2005).

The language used in the awards and associated frameworks has been instrumental in facilitating the shift from TQM to BE. Dale et al. (2000) observes that by 1999 the EFQM, the managing agency for the EFQM framework in the United Kingdom, had removed all reference to QM and quality from their framework. Likewise in 2000, the National Institute of Science and Technology (NIST), the managing agency for the MBNQA had also removed quality from its framework, the CPE. About the same time the New Zealand Quality Foundation changed its name to the New Zealand Business Excellence Foundation (Ronalds, 2004)

While the language used signals a shift in focus, the nature and the extent of the shift is still being debated. Not all writers agree that BE represents a transition away from TQM. Dale et al. (2000) challenge the notion of a transition and caution against the potential risk of losing TQM knowledge. They suggest that moving away from quality marginalises quality and reinforces the notion that quality is a fad.

Adebanjo (2001) acknowledges the apparent shift from TQM to BE and suggests the distinction is a matter of focus. He explains the distinction as QM focuses on the “management of quality” and BE focuses on the “quality of management” (p.40). Within the same argument, Dale (2000) suggests “TQM has become a fit with organisation practice” (p.111) while others argue that TQM has been stretched now to include aspects that are unrelated to core TQM principles and practices (Sousa & Voss, 2001). For example the BE

concepts of agility and innovation, and a concern for governance and social responsibilities (NZBEF, 2005) are not core TQM principles.

Others take the view that BE is a developing field in its own right and is distinct from QM. In 1998, Dalrymple, Edgeman, Guerrero-Cusumano, Hensler and Parr (1999) and other leading researchers from a range of fields formed the Multinational Alliance for the Advancement of Organisational Excellence (MAAOE) as a vehicle to create, disseminate and apply organisational excellence knowledge. The group adopted the term organisation excellence to ensure the inclusion of not-for-profit organisations and defined organisation excellence as “the overall way of working that balances stakeholder concerns and increases the probability of long term organisational success through operational, customer-related, financial and marketplace performance excellence” (p. 139). The writers of the “Embracing Excellence in Education” report (HEFCE, 2003) appear to view quality and BE as distinct concepts. They suggest “the shift from quality to excellence was subtle but significant” in that excellence “looks beyond quality to an outcome that is excellent in the eyes of all relevant stakeholders” (p.6).

A potential further evolution of BE is suggested by Dervitsiotis (2003). He proposes that future organisations need to develop the capacity to operate in a dual management mode which integrates conventional BE (during periods of stability) and sustainable BE (during periods of dramatic change and turbulence). Dervitsiotis makes the observation that conventional BE and existing BEFs have proven to be useful when the external environment is relatively stable or key aspects of the environment are predictable. He suggests that in the future, sustainable BE and BEFs will need to emphasise “resilience” to a changing business environment and “fitness” to adapt and to renew themselves in times of environmental change (p.266).

For the purpose of this study, the researcher adopts the view that BE is a developing field that integrates and builds on the QM knowledge base, and that aspects of BE are distinct from QM. This view influences the approach taken for the study in that where relevant the distinction between QM and BE is made by the researcher and the study is designed to contribute to the BE knowledge base.

#### **1.1.4 Business excellence (and quality management) in services**

Of particular interest to this study is the application of BE in services. In New Zealand, services are described by Statistics New Zealand (2000) as being all organisations that are

not primary (e.g. agriculture, forestry, fishing and mining) or goods-producing organisations (e.g. manufacturing, electricity, gas or water). Three aspects of services relevant to BE are examined next (1) the distinction between service and manufacturing organisations, (2) the usage of BE in services, and (3) the scope of BE in services research.

In line with the stance taken by the researcher on the distinction between QM and BE (as discussed in Section 1.1.2) the review addresses BE in services and includes QM studies if a particular study adds unique knowledge to the BE knowledge base. The term QM is used when the literature focuses on QM and the term BE is used when a study focuses on BE or addresses the application of a BE framework.

### **The distinction between service and manufacturing organisations**

The services management literature takes three different views when discussing the distinction between service and manufacturing organisations. These views are (1) there needs to be a different management approach for service and manufacturing organisations due to the difference in goods and services, (2) there are management practices applicable to both service and manufacturing organisations, and (3) the management approach depends on the type of service.

Firstly, those researchers who focus on the difference between service and manufacturing organisations (Grönroos, 1984; Lovelock, 1992; Sasser, Olsen & Wyckoff, 1978) identify distinctions in the approach to quality, the nature of the product (services are intangible and perishable), and the nature of service delivery (services are delivered in real time). Relatively few QM studies make the distinction between service and manufacturing organisations, and those that do suggest that not all QM practices are universally important to QM success. Powell (1995) examines the competitive advantage of QM in service and manufacturing organisations and concludes that “manufacturing QM firms outperform service firms” (p.23) on the grounds that QM produces the best results for organisations that reflect the historical background in which QM emerged, which is the manufacturing environment. Mohrman, Tenkasi, Lawler and Ledford (1995) report on a series of three surveys with Fortune 1000 service and manufacturing organisations. Their study of QM in service organisations identified a relationship between core QM practices (identified as improvement teams, quality councils, cross-functional planning, work simplification, customer satisfaction monitoring, direct employee exposure to customers) and performance outcomes (identified as productivity, quality of products and services, and customer service); and observed there

was no relationship between production-orientated practices (identified as self-inspection, statistical control method, just-in-time, work cells) and performance outcomes.

Four studies examine the key practices applied to both service and manufacturing organisations (Behara & Gundersen, 2001; Mohrman et al. 1995; Powell, 1995; Sureshchandar, Rajendran & Anantharaman, 2001). Powell demonstrates that intangible practices, such as open culture, employee empowerment and executive commitment, are more important to QM success in service organisations than to manufacturing organisations. Behara and Gundersen examine a comprehensive range of practices in service organisations and compare these with empirical studies from both service and manufacturing organisations. These researchers identify constructs distinct for services and suggest not all QM practices are transferable to services. In their conceptual work of QM in services, Sureshchandar, Rajendran and Anantharaman (2001) identify key practices they believe to be generic to services and manufacturing, such as visionary leadership, top management commitment, human resource management, design and management of processes, information and analysis, benchmarking, continuous improvement, employee satisfaction, customer focus and customer satisfaction; union intervention and social responsibility; and those practices specific to services, such as the service environment and the service culture.

Other writers suggest that the management approach taken depends on the type of service not whether they are a service or manufacturing organisation. Based on the analysis of service processes, Silvestro, Fitzgerald, Johnston and Voss (1992) propose there are three services types: professional, service shop and mass service. Professional services, such as business services, health and community services, are characterised as organisations with relatively few transactions, high customisation of services and the value being added at the front office. Mass services, such as communication services and transport services, are characterised as organisations with many transactions and involving limited customisation. The service offering is predominately product-orientated, with the value being added away from the front line. The service shop classification is applied to hybrid services, which have characteristics of both professional and mass services, such as insurance, education, government administration and defence.

Harvey (1998) focuses on the effect of different service types on QM implementation and argues that routine services (such as mass services) may be designed and delivered along the lines of manufacturing and some QM practices from manufacturing are appropriate; whereas QM in high contact services (such as professional services) requires a “radically different

mindset” with attention “focused on the critical moments of truth that take place during service encounters” (p.596). He argues that for these services the manufacturing perspective of quality and QM is less appropriate. Taking this line of work further, Hough (2004) challenges QM researchers to update their thinking to be relevant for the new economy where “competitive advantage is increasingly based on knowledge and service” (p.758). He stresses the need for researchers to develop understanding for service and knowledge organisations, and to develop new frameworks that reflect the new economy.

### **The usage of BE in services**

BE, BE awards and BEFs are used by service organisations throughout the world (Ronalds, 2004). A study commissioned by The National Institute of Standards and Technology (Miguel, 2004) reports that 76 countries have quality or BE awards and that 68% of these countries reference their award process and frameworks to the MBNQA and the CPE. Blodgett, (1999) examines the use of BE within the United States and reports a steady overall increase in the number of organisations applying for national, state and local awards, with almost half being service organisations.

Researchers have examined the use of BE in services internationally. A study sponsored by the American Society of Quality (Market, Probe, 2004) with public sector organisations identifies that Baldrige (CPE) was the least well known and used improvement approach (services @ 3.7%, healthcare @ 7.2%, education @ 16.3%) when compared with other approaches such as TQM, benchmarking, ISO, quality circles and six sigma. In contrast, the United Kingdom government has actively encouraged public sector organisations to adopt BE and the European framework (EFQM). Price Waterhouse Coopers (2000) identified that 56% of public sector organisations were current users of the EFQM and that police (88%), government (73%) and defence (71%) organisations were the highest users.

In 2000 Deloitte Touche Tohmatsu (2000) conducted a similar survey to the United Kingdom survey with 200 top organisations in Australia (58% of the respondents were from service organisations). Nearly 90% of the respondents indicated they had a formalised approach to business improvement, and nearly 40% of these organisations reported using the ABEF as their preferred approach to business improvement. A more recent survey sampled a range of Australian organisations (Mann & Grigg, 2005) and produced very different results; only 9.5% of the surveyed organisations had heard of the ABEF. Mann and Grigg suggested the difference in results is due to a different research design and believed their results

provide a more accurate picture of awareness amongst Australian organisations for the different business improvement approaches.

There is evidence to suggest that New Zealand organisations are concerned with business improvement but researchers are yet to establish the extent of BE adoption in New Zealand. A survey of 380 organisations (from all sectors) found that 86% of the respondent organisations had improvement initiatives underway (ACNielsen, 2001). Unfortunately the survey did not question respondents on their awareness or use of BE or BEFs; nor have national studies since the ACNielsen study established the extent of awareness or knowledge for BE and BEFs in New Zealand.

### **The scope of BE in services research**

Although the above review indicates there is a shift away from QM towards BE, the review of BE literature found very few studies that focus on the application of BE versus QM and there were even fewer studies that focus on BE in services (see Table 2.4). In some studies BE award winners are selected as the sample for the research but the purpose of the study is unrelated to the application of BE and BEFs (Abraham, Fisher & Crawford, 1997; Angell, 2001; Gallear & Ghobadian, 2004). Of those studies that do focus on the application of BE and BEFs, many include both service and manufacturing organisations within the sample but do not distinguish between them in the analysis or discussion (Bauer, 2003; Boys, Wilcock, Karapetrovic & Aung, 2005; McCaul, 1997; Mann & Grigg, 2004; Mann & Grigg, 2006; Samson & Challis, 2002; Saunders, 2005; Saunders & Mann, 2005; Sirca, 2003; NZBEF, 2004).

Although there are a number of case studies for service organisations available from BE organisations such as NIST, these are often the award reports submitted by mature organisations and do not address how they started the BE journey. The few studies that do focus on the start of the BE journey in service organisations typically apply the single case study design (Barnes, 1996; Jackson, 1999; McFarlane, 2001). An exception to this approach is the reported research for the introduction of the EFQM excellence framework to further and higher education organisations in the United Kingdom (HEFCE, 2003; Hicks, Davis & Jackson, 2004).

### **1.1.5 Business excellence in New Zealand**

This section provides the New Zealand context for the study by describing the evolution of BE and the focus of BE research in New Zealand.

#### **Evolution of BE in New Zealand**

The evolution of BE in New Zealand is similar to the international trends described in Section 1.1.2. In the mid 1900s, attention was given to inspection and quality control within the primary sector as New Zealand developed large factories to process and export primary products (McKean & Houston, 2000). During this time the New Zealand government established the Standards Institute (now known as Standards New Zealand) to develop product standards.

Next, quality assurance and TQM principles and practices were promoted to New Zealand businesses and Government throughout the 1980s, via a range of industry lead groups and the New Zealand Organisation for Quality Assurance (now known as the NZOQ). McKean and Houston (2000) note that New Zealand organisations opted for ISO 9000 in preference to TQM, as ISO offered them international recognition and TQM was perceived to be too different from conventional management. This situation resulted in companies achieving ISO certification, but not “seriously engaging in QM” (Samson, 1997, p.218).

The impetus for BE came in 1992 when the New Zealand Government developed an economic recovery strategy reliant on export growth and followed the United States’ initiative of introducing quality awards as an incentive for industry to achieve world class business practice. The Government was instrumental in establishing two quality award programmes, both based on the MBNQA and the CPE of the day. One of the awards, the New Zealand National Quality Awards, targeted large business, while the other award, the Business Development Quality Awards, targeted small and medium businesses.

New Zealand now has a number of organisations concerned with promoting BE. The New Zealand Business Excellence Foundation (NZBEF) is the custodian for BE in New Zealand. The term custodian is used to by Mann and Griff (2006) to refer to the organisations or bodies that promote and administer a national BEF. In New Zealand, the NZBEF supports organisations which apply BE and facilitates a range of national awards. Regionally focused award programmes are offered by the Performance Excellence Study Awards (PESA) and a range of regional business development organisations. Professional training in quality is available from the New Zealand Organisation for Quality and the New Zealand Quality

College. In addition there are a number of research organisations and consultants who contribute to developing the national BE capability.

### **BE research in New Zealand**

There are a limited number of empirical studies addressing BE in New Zealand. As with the international research, most studies focus on QM, with a few addressing BE and BE in services. In a review of QM in Australasia Samson (1997) comments that “significant progress is being made in Australia and New Zealand” although he did note that service organisations had been late to adopt and implement QM (p.214). Dawson and Palmer (1995) develop a processual framework for the implementation of QM based on case study work with seven Australian organisations and one small New Zealand manufacturing company. An unpublished Masters study by Todd (1995) describes the implementation of QM within four manufacturing organisations. Sullivan-Taylor and Wilson (1996) describe workplace variables unique to New Zealand that are perceived to influence QM implementation in four service organisations. More recently, Duncan, Mouly and Nilakant (2001) describe the implementation of QM within the New Zealand Police.

The researcher sourced one New Zealand study focusing on BE that distinguishes between service and manufacturing organisations in its analysis. Corbett and Angell (2004) examined the progress made by award winners in order to understand what influences the rate of improvement in mature organisations. Although they did not find evidence for a “barbed wire barrier” as expected, they did report a moderate positive correlation for type of industry (manufacturing or service) and increase in business results. Unfortunately they did not explore the distinction between manufacturing and service further. Other New Zealand studies have examined the application of benchmarking in New Zealand organisations (Bartley & Mann, 2002; Saunders & Mann, 2005) but do not make the distinction between manufacturing and service organisations.

Prior to the present study, the researcher had a number of informal conversations with people within the BE community in New Zealand to develop her understanding for the research need. The researcher spoke to the Chief Executive of the New Zealand Business Excellence Foundation, as well as a number of BE practitioners, consultants and academics (personal communications, June, 2000). The researcher heard a consistent message from all these people – we need to understand how to start the BE journey and how to influence our rate of improvement at the start of the journey.

### **1.1.6 Business excellence frameworks**

BE is often associated with BE frameworks (BEFs). These frameworks were originally developed to represent TQM and to provide the criteria for quality awards (Adebanjo, 2001). Aside from these initial awards frameworks, there are now a number of theoretical and practitioner based frameworks (Yusof & Aspinwall, 2000). Before reviewing the application of existing BE frameworks the researcher examined the relevance of frameworks.

#### **The relevance of frameworks**

The term framework and model are used throughout business and applied research with little agreement for their definition (Cooper & Schindler, 1998). Some authors use the terms framework and model interchangeably. Miles and Huberman (1994) explain the distinction between models and frameworks as a continuum, with models being representative of causal relationships and frameworks being representative of conceptual relationships. In their review of TQM implementation frameworks Yusof and Aspinwall (2000) differentiate between models and frameworks and suggest a model represents “what is TQM” and addresses underlying theory whereas a framework translates theory into practice and represents “how to” implement TQM. These authors recommend that “developing a sound implementation framework is crucial and should be one of the first things to be done before embarking on TQM” (p.285).

Both Mann and Grigg (2005) and Yusof and Aspinwall (2000) define success factors for BEFs. Mann and Grigg (2005) describe the characteristics required for the new version of the Australian BE Framework (ABEF) as: (1) to be responsive to the external environment, (2) to be internationally comparable, (3) to reflect best practice, (4) to ensure assessments against the ABEF lead to long term business success, (5) to be supported by empirical research, (6) to be simple to understand, and (7) to enable multiple types of assessment. While the focus of the ABEF is as an award framework, Yusof and Aspinwall describe key characteristics for a framework to guide TQM implementation: (1) it provides an overview of TQM, (2) it highlights key issues to be addressed, (3) it guides the identification of strengths and weaknesses, and (4) it improves the chances of TQM being implemented successfully. Together the two lists provide a useful checklist for assessing or developing a BEF.

### **The application of BEFs**

There are diverse views on how the award based BEFs such as the CPE (NZBEF, 2005), the Australian Business Excellence Framework (SAI Global, 2005), and European Foundation Quality Model (EFQM, 2005) contribute to performance improvement. Some authors (Dale, 2003) focus on the BEFs as being primarily tools to measure quality or excellence. Dale cautions against using the frameworks to guide the start of the improvement journey as the frameworks and associated assessment processes are designed for mature organisations. In contrast, authors such as Ghobadian and Woo (1996), Yusof and Aspinwall (2000) and HEFCE (2004) suggest BEFs can be used to guide implementation. Other writers support the application of BEFs as a guide for improvement but recommend additional criteria to complement the CPE such as criteria for organisational adaptability (Barnes, 1996) and technology capability (Cobb, 2003).

Alternatives to the awards based frameworks have been developed by academics and are often promoted as being useful to guide the QM journey. Two well known empirically based frameworks, the UMIST framework originally developed by Boaden and Dale (1993) and the Business Excellence Model developed by Kanji and Wallace (2000) meet the framework requirements outlined by Yusof and Aspinwall (2000). Both frameworks are limited in value as a guide for starting the BE journey in service organisations. While the UMIST framework is based on empirical research within the banking industry it limits the role of BEFs as a measurement tool. Although the Business Excellence Model is based on empirical research with service organisations as well as manufacturing organisations, it does not address the distinction between services and manufacturing organisations.

In order to address the gaps highlighted above, the researcher identified three frameworks that focus on practices and performance in services. Two empirically based framework, the International Service Study Research Model (Voss, Blackmon, Chase, Rose & Roth, 1997) and the Service Management Model (Robson and Prabhu, 2001) were developed to measure practices and organisational performance in service organisations. Although these frameworks are influenced by BE and BEFs they do not focus on the application of BE and BEFs. The third framework developed by Sureshchandar et al. (2001) is based on a review of the services and QM literature and focuses on the implementation of TQM in service organisations. This framework identifies 12 critical dimensions for QM in services but does not address the application of BE or BEFs. Since the CPE is recognised as the most

commonly applied BEF in New Zealand (Ronalds, 2004), the researcher describes this framework in more depth in the next section.

### **The Baldrige Criteria for Performance Excellence (CPE)**

The CPE and the associated award programme (MBNQA) were developed by the United States government in the early 1980s to address a decline in productivity in the private business sector. The programme continues today and is managed by the National Institute of Science and Technology (NIST). Within New Zealand the CPE and the associated national award programme are promoted by the New Zealand Business Excellence Foundation (NZBEF). As in the United States, the award is used to recognise the achievements of leading performers as assessed against the CPE.

Originally the CPE was developed by a team of experts (lead by Baldrige) who examined internationally proved business practices and integrated these practices into the framework. The CPE is reviewed annually and updated as relevant to ensure it reflects the latest thinking in organisational performance. The latest version is presented as Figure 1.2. Although the MBNQA was started in 1987 it was not until 2000 that service organisations were eligible to apply and now NIST have developed versions of the CPE for the health and education sectors and plan to release a version for non-profit organisations in 2006 (Ronalds, 2004).

#### *The elements of the CPE*

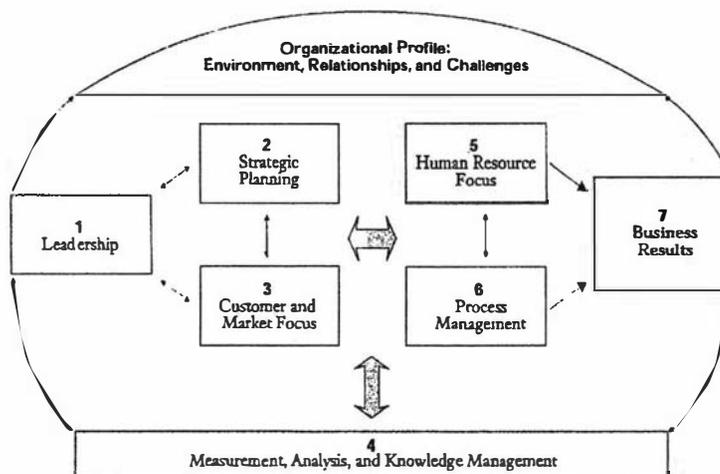
The CPE (NZBEF, 2005) is represented as Figure 1.2, and includes four key elements (1) core values and concepts, (2) organisational profile, (3) categories, and (4) the scoring system. The core values and concepts such as visionary leadership, customer focused excellence, organisational and personal learning are considered to be the “building blocks of effective QM implementations” and are recognised as being “embedded within high performing organisations” (p.5).

The organisational profile is described by NZBEF (2005) as the context for the way the organisation operates and how it addresses the key aspects of its environment and key organisational challenges. The third element of the CPE is the interrelated system of seven categories (see Figure 1.3). Within the CPE, each category provides a focus statement, key items and areas to address, that are promoted as reflecting best practice. The final element, the scoring system provides a guide for scoring the level of performance for each category.

### *Validation of the CPE*

The CPE has been validated as a measurement tool. Evans and Ford (1997) studied the relationship between the core values and the categories. Their results indicate that each category integrates at least one core value. Evans (1997) developed a theoretical base for causal models based on the 1997 CPE. These causal models reflect the relationship between the leadership triad (leadership, strategic planning and customer and market focus) and the categories for human resource and process management; also the relationship between all categories and business results.

**Figure 1.2: Baldrige Criteria for Performance Excellence or CPE (NZBEF, 2005)**



Pannirselvam and Ferguson (2001) extended Evans' work and validated the proposed relationship between the CPE categories, using confirmatory analysis on data from 69 organisations that had participated in state awards in 1993. They analysed the strength of the relationship between the different categories and determined that the most significant influence on business results was customer focus. Evans and Jack (2003) continued this validation work and examined the relationship between performance metrics that drive results and performance results using a large empirical data set and correlation analysis. Their analysis supported the key linkages represented within the CPE (see Figure 1.2).

**Figure 1.3: CPE list of categories, items and points (NZBEF, 2005)**

<b>2004 Categories &amp; item listing</b>		<b>Point values</b>
<b>1. LEADERSHIP</b>		<b>120</b>
1.1 Senior leadership	70	
1.2 Governance & social responsibility	50	
<b>2. STRATEGIC PLANNING</b>		<b>85</b>
2.1 Strategy development	40	
2.2 Strategy deployment	45	
<b>3. CUSTOMER AND MARKET FOCUS</b>		<b>85</b>
3.1 Customer and market knowledge	40	
3.2 Customer relationships and satisfaction	45	
<b>4. MEASUREMENT, ANALYSIS AND KNOWLEDGE MANAGEMENT</b>		<b>90</b>
4.1 Measurement, analysis & review of organisational performance	45	
4.2 Information and knowledge management	45	
<b>5. HUMAN RESOURCE FOCUS</b>		<b>85</b>
5.1 Work systems	35	
5.2 Employee learning and motivation	25	
5.3 Employee well-being and satisfaction	25	
<b>6. PROCESS MANAGEMENT</b>		<b>85</b>
6.1 Value creation processes	45	
6.2 Support processes & operational planning	40	
<b>7. BUSINESS RESULTS</b>		<b>450</b>
7.1 Product and service outcomes	100	
7.2 Customer-focused results	70	
7.3 Financial and market results	70	
7.4 Human resource results	70	
7.5 Organisational effectiveness results	70	
7.6 Leadership & social responsibility results	70	
		<b>1000</b>

Two New Zealand studies also examine the validity of the relationship between the categories in the CPE. The first study used data from 15 New Zealand organisations that had

completed the same CPE-based self-assessment questionnaire. When studying the self assessment results, Mann and Saunders (2005) identified a number of significant relationships between the system categories (the category numbers are shown in brackets). Strong relationships were identified between leadership (1) and strategic planning (2); employee education, training & development (5.2) and process management (6); human resource focus (5) and information management (4.2). They also identified a strong relationship between selected system categories and selected results categories, for example support processes (6.3) and business results (financial & market results-7.3, organisational effectiveness results-7.5); customer & market focus (3) and financial & market results (7.3); customer & market focus (3) and customer results (7.2). When aggregated, the system category points (Category 1 to 6) were shown to have a strong relationship with business results and in particular, financial & market results and organisational effectiveness results. The second New Zealand study examined the results of all national award applicants since 1993 (Corbett & Angell, 2004). As with the Saunders and Mann study, the analysis demonstrated a strong relationship between the system categories (Categories 1 to 6) and the results category (Category 7). Further analysis was undertaken with the scores of 8 organisations that had submitted more than one application. The results indicate a significant correlation between overall improvement (as measured by the total CPE score) and improvement in leadership (1), strategic planning (2), customer and market focus (3) measurement, analysis and knowledge management (4) and human resources score (5). These results confirm the linkages represented in the CPE with the exception of process management (6). While the researchers' comment that results vary for manufacturing and service organisations they do not discuss this distinction further. The lack of a strong relationship between process management and overall score may reflect a dominance of service organisations, hence support the service literature reviewed earlier in the chapter. While the above studies validate the CPE as a measurement tool, there are a number of studies that report on the benefits associated with the adoption of BEFs. These studies are reviewed in Section 2.4.6.

#### *The application of the CPE*

Organisations assess their practices and results against the CPE using the defined scoring system which is based on three evaluation dimensions; approach, deployment and results. Approach refers to the practices used, and deployment refers to the extent to which the

approach or practice is applied within the organisation. The results dimension measures the outcome of the approach and deployment actions. An assessment may be in the form of a self-assessment or an application for an award based on the CPE (Hutton, 2000). Both approaches typically provide an organisation with a score for each category and a list of its key strengths and opportunities for improvement. Organisations are able to monitor their performance by repeating the assessment or award application at some future date.

In New Zealand, all organisations are eligible to apply for the National Business Excellence Awards. The Award process is managed by the NZBEF and is based on a team of trained evaluators assessing the applicant against the CPE. The evaluator team produces a comprehensive report that is given to a panel of judges and also made available to the applicant. The judges determine the most appropriate award. New Zealand has a tiered system of awards such as gold (national award), silver (achievement award), bronze (commendation award) and progress award. The gold award in New Zealand is equivalent to the Baldrige Award in the United States (Corbett & Angell, 2004). To win the gold award an organisation is required to score at least 651 points using the CPE scoring system. This is over three times the score of the average New Zealand organisation (personal communication, 2000) and as at June 2005 has only been awarded twice (NZBEF web site).

Clearly, neither of these assessment processes guides an organisation on how to start the improvement journey nor do they identify which actions are likely to influence the rate of improvement. Likewise, although the CPE in association with one of the assessment processes guides the identification of key strengths and opportunities for improvement it does not advise the organisation how to use the strengths or address the opportunities that have been identified (Hutton, 2000). The organisation is left to its own devices to start the journey and to gain the most from the assessment process.

This section has reviewed the relevance of frameworks and the application of existing BEFs. It was noted that the award frameworks, such as the CPE have traditionally be used to measure quality and performance and are being used by some organisations to guide the improvement journey. Generally, award based frameworks are considered inappropriate for guiding the start of the improvement journey (Dale, 2003). Although there are BEFs developed to guide the start of the BE journey those reviewed focus on QM implementation and do not distinguish between service and manufacturing organisations. The indication is that there is a need to develop a framework that represents the start of the BE journey and can be used to guide practice.

## **1.2 THE NEED FOR THE STUDY**

The key themes from the background that influenced the focus of study are (1) the importance of service organisations to the New Zealand economy and the need to develop our understanding for how service organisations improve organisational performance, (2) the need to develop the knowledge base for BE in services and to understand how service organisations apply BE and BEFs, (3) the need to understand how New Zealand service organisations start the BE journey and how they influence their rate of improvement, and finally (4) the need to develop a framework that represents how service organisations start the BE journey that can be used to inform theory development and to guide practice. Each of the above needs are discussed briefly next.

### **The New Zealand context**

A review of New Zealand's economic performance (New Zealand Treasury, 2005) indicates that although the economy has performed well since the 1990s there is room for improvement. Services are considered key to achieving this improvement in that they make up 89% of enterprises, employ 82% of the working population and have increasingly contributed to GDP, particularly in the export sector. While there is agreement for the importance of services to the New Zealand economy, business improvement research focusing on services is limited. The review of the New Zealand organisational context indicates there is an opportunity for research to contribute new knowledge in two key areas (1) how service organisations (including government administration and defence) improve organisational performance, and (2) how better business practices and people enable organisational performance improvement.

### **The BE in services context**

BE is an internationally recognised business practice that has evolved from total quality management (TQM) principles and practices. While some researchers suggest that TQM and BE are distinct; and others argue that not all TQM practices are transferable to services (Behara & Gundersen, 2001; Sureshchanda, Rajendran & Anatharaman, 2001) there is limited attention given to how service organisations apply BE and BEFs to improve organisational performance. This gap in the BE literature highlights the need for empirical research to focus on the application of BE and BEFs in services.

## **Starting the BE journey**

New Zealand organisations that have decided to adopt BE as their organisational improvement strategy report the start the improvement journey is particularly challenging, in that they need to understand how to start the BE journey and how to influence their rate of improvement. A review of the literature identified a lack of empirical research focusing on the start of the journey. Much of the BE literature to date has focused on the validity of BE frameworks as measurement tools and the organisational results achieved by BE organisations. While the QM literature identifies key practices for QM implementation some researchers argue that not all QM practices are relevant for the start of the improvement journey (Banerji, Gundersen & Behara, 2005). There appears to have been limited attention given to how organisations apply BE and BEFs at the start of their improvement journey.

### **A framework to guide the start the start of the BE journey**

Prior to developing the aim and the research question for the study, the researcher examined the BEFs typically associated with BE. While there are empirically-based frameworks, based on BE and BEFs, designed to measure practices and performance in service organisations, these frameworks are not they designed to guide the start of the journey (Robson & Prabhu, 2001; Voss et al. 1997). Also, the award frameworks, such as the CPE (NZBEF, 2005) are considered appropriate to measure practices and performance in mature organisations and inappropriate for guiding the start of the improvement journey (Dale, 2003). Although there are frameworks developed to guide the start of the improvement journey those reviewed did not distinguish between service and manufacturing organisations (Dale, 2003; Kanji & Wallace, 2000; Oakland, 2005). Hence, there is a need to develop an empirically-based framework that represents how service organisations start the BE journey and has the potential to inform theory development and guide practice.

## **1.3 THE AIM AND THE SCOPE OF THE STUDY**

The aim and scope of the study are influenced by the background described so far in this chapter. The key themes from the background that influenced the focus of study are (1) the importance of service organisations to the New Zealand economy and the need to develop our understanding for how service organisations improve organisational performance, (2) the need to develop the knowledge base for BE in services and to understand how service organisations apply BE and BEFs, (3) the need to understand how New Zealand service

organisations start the BE journey and how they influence their rate of improvement, and finally (4) the need to develop a framework that represents how service organisations start the BE journey that can be used to inform theory development and to guide practice.

### **1.3.1 Aim of the study**

The researcher applied the management-research question hierarchy promoted by Cooper and Schlinder (1998) to focus the study, the questions and the aim of the study. The hierarchy guides the researcher to consider 5 levels of logic.

**Level 1** in the hierarchy addresses the management dilemma. Of interest for this study is the importance of service organisations to the New Zealand economy and the need to develop our understanding for how service organisations improve organisational performance.

For this study service organisations are defined using the ANSIC codes (Statistics New Zealand, 2005). Although not defined specifically, reports by the Ministry of Economic Development imply that services include construction (E), wholesale trade (F), retail trade (G), accommodation, cafes & restaurants (H), transport and storage (I), communications services (J), finance and insurance (K), property and business services (L), government administration and defence (M), education (N), health and community services (O), cultural and recreational services (P) and personal and other services (Q); and exclude goods-producing organisations, such as agriculture, forestry, and fishing (A), mining (B), manufacturing (C), electricity, gas and water supply (D).

**Level 2** of the management-research hierarchy is concerned with developing a management question. Based on the background review, the researcher identified the management question as: “How do service organisations improve organisational performance with BE and the BEF used in New Zealand, the CPE?”

**Level 3** of the management-research hierarchy focuses on the research question. For this study the researcher defined the research question as: “How do New Zealand service organisations start the BE journey?”

The term BE journey was defined by the researcher as a business improvement journey guided by a BE framework, such as the Baldrige Criteria for Performance Excellence (NZBEF, 2005).

The researcher defined starting the BE journey as the transition period between the decision to start the journey and sustaining it (adapted from Dawson & Palmer, 1995).

Dawson and Palmer argue that although it is difficult to identify the start or completion of transition for a large scale change programme, such as the implementation of TQM, it is useful for analytical purposes to identify three general timeframes, such as a period of initial awareness (conception of the need to change), transition (process of organisational transition) and when the new practices are embedded in daily routine (operation of new practices and procedures).

The process of organisational transition, identified as starting the journey for the present research can be characterised by integrating Dawson and Palmers' timeframes, descriptions for the level of TQM adoption (Dale & Lascelles, 1997), and the scoring bands adopted by NZBEF for the national BE awards (NZBEF, 2003). Full descriptions for each of these approaches are provided in Chapter 2 (the literature review).

For the present research the start of the BE journey can be characterised:

- (1) As starting after the decision has been made to start the journey or after the “conception of a need for a change” (Dawson & Palmer, 1995)
- (2) As “the process of organisational transition” (Dawson & Palmer, 1995)
- (3) As when the organisation focuses on sustaining the BE journey or when the organisation achieves “operation of new work practices and procedures are in place” (Dawson & Palmer); or when an organisation is characterised as an Improver (Dale & Lascelles, 1997); or when an organisation achieves at least 501 points when assessed against the CPE in a national award process; or when an organisation achieves at least Silver Award status as described by NZBEF (2003).

**Level 4** of the management-research hierarchy focuses on establishing investigative questions which are the questions the researcher answers in order to make conclusions about the research question. The investigative questions for the study are listed below.

Q1. How does the organisational profile influence the start of the BE journey?

- .. What are the attributes of the service organisations that start the BE journey?
- .. What are the key drivers for starting the BE journey?
- .. To what extent does the organisational profile influence the start of the BE journey?

Q2. How are improvement processes perceived to influence the start of the BE journey?

- How does sequence influence the start of the BE journey?
- How do cycles of improvement influence the start of the BE journey?
- How do processes associated with BE practices influence the start of the BE journey?

Q3. What are the key practices and who are the key people perceived to influence the start of the BE journey?

- What are the key practices that enable or constrain the start of the BE journey?
- Who are the key people that enable or constrain the start of the BE journey?
- To what extent do these key practices and people influence the start of the BE journey?

Q4. How are key practices and people perceived to influence the start of the BE journey?

Q5. How is organisational performance perceived to change from the start of the BE journey?

- What is the most significant change in organisational performance?
- To what extent has organisational performance changed?
- To what extent has BE influenced the change?

**Level 5** of the management-research hierarchy addresses measurement questions which are the questions the researcher asks the participants or respondents. The measurement questions are discussed further in Chapter 3, Research Design. The questions used in the case study are listed in Appendix A, and the questions used in the survey are provided in Appendix in the questionnaire booklet.

Based on the management-research question hierarchy presented above, the researcher defined the aim of the study as: “To develop a conceptual framework that represents how New Zealand service organisations start the BE journey”.

The purpose of this two phase, mixed methods study was to first explore and generate themes for how New Zealand service organisations start the BE journey. The themes were based on existing literature and the perceptions of people within organisations known to be actively implementing BE. Secondly, it was intended to use this information to describe key elements perceived to influence the start of the BE journey in New Zealand service organisations, to offer explanations for apparent relationships where possible and to represent these as a conceptual framework.

It was intended that the emergent conceptual framework would contribute to the BE in services knowledge base by informing theory development and guiding practice. As discussed in Sections 1.3.2 and 3.2.1, theory development was focused on integrating three bodies of knowledge (organisational studies, QM and BE, organisational development and change) to provide a holistic representation of the key elements perceived to influence the start of the BE journey. It was intended that the framework would have the potential to guide practice in that it would represent key elements to consider as organisations plan to start the BE journey and would identify key practices and people perceived to influence the start of the BE journey. This non-prescriptive approach has the potential to guide an organisation as they plan a course of action which is consistent with their needs and resources.

### **1.3.2 Scope of the study**

The scope of the study is influenced by the nature of doctoral study as it requires the study and the thesis to make a distinct contribution to the primary field of study, which for the present study is BE in services (Evans & Gruba, 2002; Hart 2000; Massey University Doctoral Research Committee, 2002). The contribution of the present study is the development of new knowledge for how New Zealand service organisations start the BE journey and a conceptual framework (based on empirical research) that represents how New Zealand service organisations start the BE journey. The intention is also to suggest implications for practice based on the empirical research and the conceptual framework.

The researcher explored different views on theory and frameworks. Lawler et al. (1999) summarise theory as “rigorously and consistently formulated frameworks of understanding that can be empirically tested and validated” (p. xxiii). These authors suggest a framework is “more tentative and incomplete than theory” (p.xxiii). Miles and Huberman (1994) suggest theoretical outcomes may be viewed as a continuum, where there are no clear boundaries between descriptive – explanatory – and causal outcomes. With these views in mind, the scope of the conceptual framework is descriptive and explains the apparent relationships where possible.

The concept of being useful to practice also has a number of different understandings. Lawler et al. (1999) point out that influencing practice may involve a range of impacts, from influencing peoples’ belief systems about business improvement to influencing how organisations approach the BE journey. Lawler et al. (1999, p. xxxiii) advocate that researchers adopt a number of “multi-views” in order to do meaningful research. The scope

of the present research integrates a number of “multi-views” to enhance its usefulness for practice. For example, the theory base integrates three bodies of knowledge (organisational studies, QM and BE, and organisational change), the research design applies the mixed methods approach (case study and survey) and the study participants are from a range of service organisations.

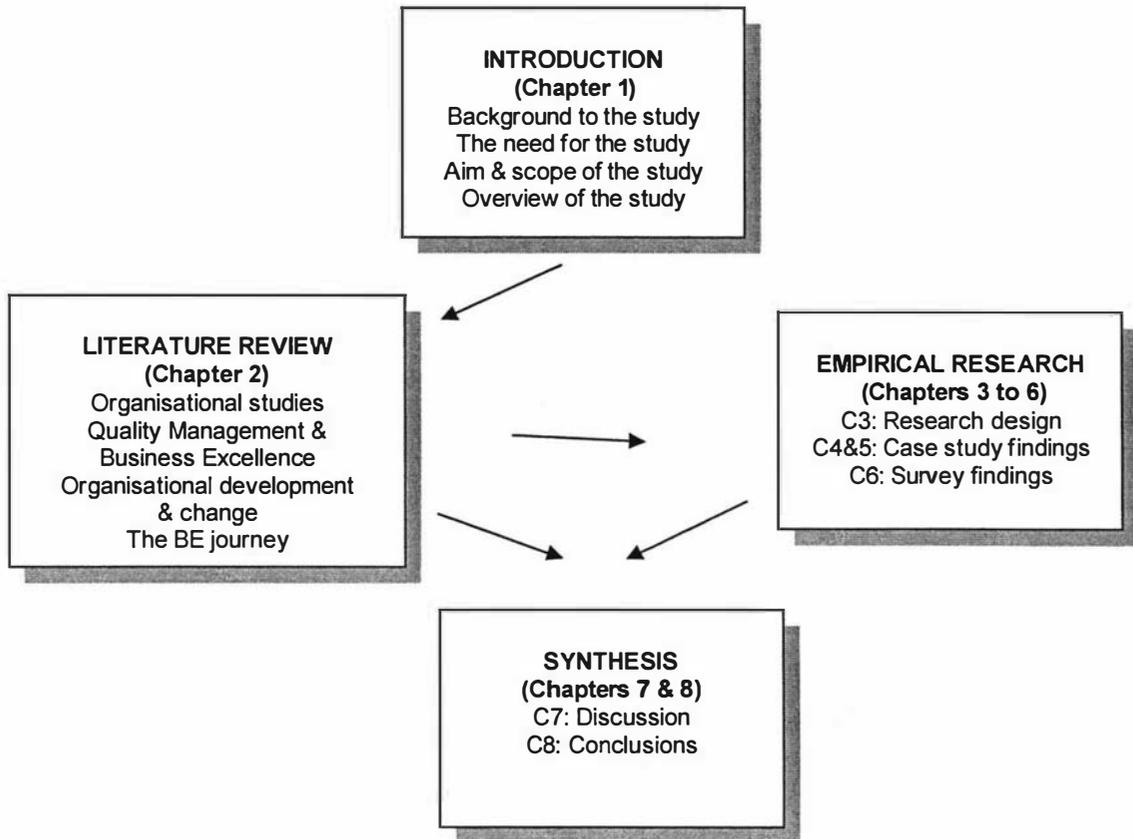
The scope of the study is limited to examining how New Zealand service organisations start the BE journey. As the CPE is recognised as the most commonly applied BEF in New Zealand (Ronalds, 2004) the study focused on organisations known to be actively applying BE and the CPE. Although limiting the scope ensured manageability, the researcher recognised that this approach would restrict the ability to generalize the findings to other service organisations and BEFs.

#### **1.4 OVERVIEW OF THE THESIS**

The thesis, as defined by Hart (2000), is the document that “expresses ... a coherent argument or investigation” (p.172). The present thesis captures the investigation for how New Zealand service organisations start the BE journey. It is based on existing knowledge and is developed with sound evidence and reflective thinking. The thesis is structured into four key parts as presented in Figure 1.4.

The researcher introduces the study and the thesis, in Chapter 1, by providing the background to the study. In the next chapter, Chapter 2, the researcher reviews the existing knowledge base relevant for the BE journey. The research design and the empirical research are presented within Chapters 3 to 6. In Chapter 3, the researcher discusses the research design, and follows this by the presentation of the case study findings in Chapters 4 and 5 (Strand 1 of the study). In Chapter 5, the researcher identifies the key themes for the BE journey across all seven case organisations. The researcher then presents the survey findings in Chapter 6 (Strand 2 of the study). The findings from the empirical research (Chapters 4 to 6) are synthesised and discussed by the researcher within Chapter 7. In Chapter 8, the researcher presents the latest version of the conceptual framework, discusses implications for theory and practice and provides final conclusions for the thesis.

**Figure 1.4: Overview of the thesis**



## **1.5 CONCLUSION**

The key themes from the background that influenced the focus of study are (1) the importance of service organisations to the New Zealand economy and the need to develop our understanding for how service organisations improve organisational performance, (2) the need to develop the knowledge base for BE in services and to understand how service organisations apply BE and BEFs, (3) the need to understand how New Zealand service organisations start the BE journey and how they influence their rate of improvement, and finally (4) the need to develop a framework that represents how service organisations start the BE journey that can be used to inform theory development and to guide practice.

Based on the key themes, the researcher identified the research question as: “How do New Zealand service organisations start the BE journey”? and the aim of the study as: “To develop a conceptual framework that represents how New Zealand service organisations start the BE journey”. The intention was to add to the knowledge base for BE in services, to develop a conceptual framework that would inform future research and guide practice.

The next chapter (Chapter 2) reviews the literature relevant to the aim of the study and the research question in order to ensure that the present study is guided by existing knowledge and addresses key gaps in the BE in services knowledge base. The researcher reviews the organisational studies, the QM and BE, and the organisational development and change literature to develop an initial conceptual framework that is used to guide the first phase of the study.

## Chapter 2

### LITERATURE REVIEW

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In Chapter 1, the researcher introduced the reader to the background of the study which influenced the focus for the research question and the aim of the study. The research question is: How do service organisations start the BE journey? The aim of the study is: To develop a conceptual framework that represents how New Zealand service organisations start the BE journey. For this research, the researcher defined the BE journey as a business improvement journey guided by a BE framework, such as the Baldrige Criteria for Performance Excellence or CPE (NZBEF, 2005).

The purpose of the literature review in this chapter is to synthesize and analyse existing knowledge relevant to BE and the BE journey in services. The review enables the present study to build on what other researchers have done by filling key gaps that may exist. As recommended by Pettigrew, Woodward and Cameron (2001) and Sousa and Voss (2001) the researcher intends to extend the existing knowledge base for BE in services by integrating different knowledge bases relevant to the BE journey in order to develop new insights for how service organisations start the BE journey. Broad themes relevant to the BE journey are examined from three bodies of knowledge: (1) organisational studies, (2) QM and BE, and (3) organisational development and change. These themes are then integrated to review the empirical evidence relevant to how organisations start the BE journey, as represented in Figure 2.1.

The literature review is structured into four sections. In Section 2.1 the researcher briefly reviews the evolution of organisational studies to place the present study in context. The researcher then reviews the scope of the empirical research for QM and BE (Section 2.2) in order to identify key gaps in the knowledge base for BE in services. For this review the term QM is used when the literature focuses on QM and the term BE is used when a study focuses on BE or involves the application of a BE framework. In Section 2.3, the researcher reviews models of organisational development and change to provide new insights for the BE journey as an organisational development and change process. In the final section of the

review (Section 2.4) the researcher reviews the existing knowledge for how service organisations start the BE journey. The findings from the review are then applied in Chapter 3, the Research Design, to guide the development of an initial conceptual framework and investigative questions for the study.

**Figure 2.1: Relationship between the literature for organisational studies, QM and BE, and organisational development and change.**



## **2.1 ORGANISATIONAL STUDIES**

In Section 2.1 the researcher briefly reviews the evolution of organisational studies to place the present study in context and to identify current trends in organisational research relevant to the present study. The review illustrates how current business practice, including BE and QM, has been influenced by earlier organisational studies. The review is organised into four broad overlapping approaches; the classical approach, the behavioural (or human relations) approach, the systems approach and lastly the focus on excellence and business improvement.

### 2.1.1 The classical approach

In the classical approach to organisational theory (Robbins & Barnwell, 2002) models of organisations were developed that had a functional and mechanistic perspective (see Table 2.1). People were seen as a predictable component of the process. Much of the early thinking about organisational structures and systems can be traced back to the classical schools such as scientific management. The influence of scientific management is evident within BE practices such as strategic planning, process management, performance measurement, monitoring the cost of quality and benchmarking. There is also evidence of the influence of scientific management in the core values and concepts of the CPE (NZBEF, 2005). For example, the core values include process management, management by fact and focus on results.

**Table 2.1: Developments in organisational studies 1900 - 1960**

Era	Person and focus	Contribution
From 1900 to 1960	Frederick Taylor (1911) Principles of scientific management - focus on one best way	Classical approach
	Henri Fayol (1916) Principles of organisation - focus on the functions of a manager	<ul style="list-style-type: none"> <li>- improved productivity</li> <li>- one best way to maximise efficiency</li> </ul>
	Max Weber (1947) Bureaucracy – focused on the most efficient structure to achieve goals	<ul style="list-style-type: none"> <li>- organisations were seen as being rational and having machine like properties</li> </ul>
	Ralph Davis (1951) Rational planning – focuses on the development of clear goals and plans to achieve these goals.	
	Elton Mayo (1939) Hawthome studies – focus on the work environment, behaviour of work groups and work relationships	Behavioural approach
	Chester Barnard (1938) functions of the executive – focus on managers and the need to consider the task and the people – early thinking of cooperative systems	<ul style="list-style-type: none"> <li>- viewed organisations as social entities, made up of tasks groups and individuals, that needed to be managed</li> <li>- focus on the motivations and actions of the workforce</li> <li>- teamwork &amp; co-operative working</li> <li>- employee involvement &amp; value of contribution</li> </ul>
	Douglas McGregor (1960) theory X and theory Y – focus on managers & their view of employees - negative (X) or positive (Y) – early thinking of employee involvement	

### **2.1.2 The behavioural (or human relations) approach**

As interest moved away from the classical approach towards the behavioural approach managers were encouraged to adopt a more social perspective (Robbins & Barnwell, 2002). The focus moved from functional and mechanistic approaches towards more social and organic organisations. Many of the principles associated with the behavioural approach influence current leadership and human resources theory. Table 2.1 outlines the key contributors to the human relations school.

As with the classical approach, many of the principles associated with the behavioural approach have influenced BE practice: for example, managers are encouraged to be actively involved in improvement initiatives and to facilitate employee involvement. Likewise some of the core values within the CPE (NZBEF, 2005) reflect the influence of the behavioural approach, such as leadership and valuing employees.

### **2.1.3 The systems approach**

Although the classical and behavioural approaches offered managers quite different perspectives they shared a focus on prescribing one best way for managing an organisation and the people within the organisation. The next development, the systems approach addressed the complexity of organisations and their environments. A system refers to an interconnected set of elements that interact with the external environment and form an organised whole. Systems theory is credited with integrating ideas from both the classical and behavioural approaches (Gilbert, Jones, Vitalis, Walker & Gilbertson, 1997). Although general systems theory was developed as early as 1920s among scientific fields of enquiry, Katz and Kahn (1966) are recognised as introducing the idea of general systems theory to organisational theory (see Table 2.2).

The contingency approach developed at this time challenged the traditional “one best way” of thinking associated with earlier theories and suggested that different circumstances may require different management approaches. Contingency theories (Burns & Stalker, 1961) developed the idea that an organisation’s structure should be mechanistic in a stable and certain environment and organic when the environment is turbulent and complex. Later, Lawrence and Lorsch (1967) established the importance of matching the organisation’s structure and processes to situational requirements, such as the level of uncertainty.

Another development at this time was the focus on strategic management. Two landmark studies contributed to strategic practice. The work of Miles and Snow (1978) set the

direction for contemporary strategy and Porter (1985) introduced the idea that organisations could design their strategy for competitive advantage.

**Table 2.2: Developments in organisational studies 1960 -1990**

Era	Person and focus	Contribution
From 1960 to 1990	<p>Katz and Kahn (1978) open systems - focus on the need to examine an organisation within its environment – early thinking for organisations need to adapt to a changing environment</p> <p>Lawrence and Lorsch (1967) contingency theory – focus on 'no one best way' to manage and organise organisations</p> <p>Bums and Stalker (1961) mechanistic and organic – focus on relationship between context &amp; structure</p> <p>Miles and Snow (1978) focus on corporate strategy; Michael Porter (1980) focus on competitive strategy</p> <p>Deming (1986, 1993), Crosby (1979, 1987), Juran (1988, 1991) focus on quality management</p> <p>Lovelock (1983) focus on the distinction of services &amp; classification of services; Gronroos (1984) focus on managing services for competitive advantage</p>	<p>Systems approaches</p> <ul style="list-style-type: none"> <li>- Open systems view – contributed the focus on the relationship between the environment and the organisation; corporate synergy &amp; cross functional working; end to end processes</li> <li>- Contingency theory - views the structure of organisations as contingent on contingency factors.</li> <li>- Mechanistic structures are associated with stable environments and centralised management; organic structures are associated with rapidly changing environments and authority is decentralised</li> <li>- Strategic management is an approach concerned with environmental influences; concern for customers &amp; the organisation</li> <li>- Total Quality Management – systems focus &amp; integration of scientific management and behavioural approaches</li> <li>- Services management - Service as an organisation imperative, quality as defined by the customer</li> </ul>

It was about this time that managers identified that a focus on quality and service offered competitive advantage and focused on achieving quality products (Deming, 1986; Crosby, 1979) and quality service (Lovelock, 1983). The early work of quality practitioners such as Deming (1986, 1993), Juran (1988, 1991) and Crosby (1979, 1987) brought together the thinking and practice of the classical and behavioural approaches (Gallear & Ghobadian, 2004) which along with the systems and contingency approach continue to influence BE practice today.

Services management was another body of knowledge developing at this time. Marketing researchers in the United States of America (Lovelock, 1983) and Europe (Grönroos, 1984) were the first to study issues specific to services. This literature is not dissimilar to the QM literature, in that both have a focus on the delivery of quality services and products to the

customer. The distinction is that services theory was originally influenced by marketing thinking, whereas early QM theory was influenced by operations thinking.

#### **2.1.4 Excellence and business improvement**

Over recent years a number of approaches have emerged to address the need for a theory to guide managers as they develop and improve their organisations (Hermel and Ramis-Pujol, 2003). One of the many approaches is the focus on excellence and business improvement discussed below.

Peters and Waterman (1982) are credited with bringing the concept of excellence into the conscious practice of managers and organisations. Hermel and Ramis-Pujol (2003) suggest Peters and Waterman stressed the need for managers to take an integrated perspective when managing for excellence and provided managers with guidelines to develop business excellence in the form of the McKinsey 7s Framework. This framework was based on the idea of integrating hard variables (strategy, structure, systems) and soft variables (staff, shared values, style) to achieve skills. Although well accepted at the time, the 7s Framework is criticised for its lack of attention to the external environment and its focus of achieving stability versus sustainability in a changing environment (Hermel and Ramis-Pujol, 2003).

In their paper on the evolution of excellence, Hermel and Ramis-Pujol (2003) highlight a shift in excellence and business improvement research towards “integrated development” (p.240). Four trends in integrated development are reviewed below. These are (1) integrating and balancing a concern for process and results, (2) integrating and balancing multiple levels within an organisation, (3) integrating and balancing multiple actions, and (4) integrating hard and soft factors.

##### **Integrating and balancing concern for process and results**

Hermel and Ramis-Pujol (2003) advocate improvement initiatives that focus on guiding excellence (or the process) and achieving excellence (the result). They observe that research has tended to focus on the results of improvement initiatives and that “implementation is a somehow forgotten issue in management theory” (p.241). For example the majority of QM in services literature focuses on the results of the improvement journey (Agus, 2004; Behara & Sohal, 1999; Madu, Kuei & Jacob, 1996; Powell, 1995; Singal & Hendricks, 1999). Some of the more recent BE in services studies address both the process and the results of the journey, such as studies by HEFCE (2004), Corbett and Angell (2005), and Kanji and

Wallace (2000). This integrated approach appears to have value for further research and practice.

### **Integrating and balancing multiple levels within organisations**

Organisational behaviour researchers Stace and Dunphy (2001) recognise that improvement initiatives can be targeted at a number of different levels within the organisation such as (1) the whole organisation, (2) a division or business unit, (3) within a work group, and (4) at the individual level. Hackman (2003) advocates that researchers should “cross levels” in order to develop understanding of organisational and behavioural dynamics (p.905). He recommends research design “brackets one’s focal phenomenon by attending to constructs at both higher and lower levels of analysis” (p.905).

In a conceptual paper, Leonard and McAdam (2002) advocate that the implementation of TQM is examined from three integrated levels within an organisation; strategic, tactical and operational. The strategic level is concerned with the organisation identifying TQM as a competitive strategy and integrating this into strategic planning. The tactical level is concerned with the deployment of the quality strategy and is characterised by quality planning, structures and measurement systems. The operational level focuses on the co-ordination of QM -based improvement projects and the application of tools and techniques.

### **Integrating and balancing multiple actions within organisations**

Organisational change researchers Nadler and Tushman (1980) introduce another perspective for integrated development. They observed the need to use and co-ordinate multiple actions or leverage points throughout the organisation to bring about successful change. In a later study Nadler (1989) argued that although leadership is consistently identified as a key factor for organisational change, “leadership is not enough” on its own and that “many bullets” are required (p.194). A study with a range of organisations in the United States by Hart and Banbury (1994) identified those organisations that had introduced a number of improvement strategies simultaneously throughout the organisation outperformed those that had focused on single strategies.

BE studies have also demonstrated the need for multiple actions to facilitate improvement and change. A recent study by Meers and Samson (2003) explored what influenced the initiation of BE initiatives and the consequent failure to sustain these initiatives in three case organisations. They concluded that CPE-based assessment processes were “catalytic in prompting improvement initiatives” but not sustainable without consideration for the

organisation's strategy, operating environment and culture (p.54). Following his study with a large service organisation in the United States, Barnes (1996) noted that "while Baldrige succeeded as an odometer, it failed as a road map as it measured progress on the quality journey but failed to identify the requirements needed for the journey" (p.13). Barnes proposed the CPE could be developed as an effective guide for the journey by integrating the CPE with organisational learning perspectives.

### **Integrating and balancing hard and soft factors**

Building on the ideas of Peters and Waterman (1982), a number of researchers have applied the distinction between hard and soft factors. Although the operational definitions vary for these concepts, hard factors are typically associated with the scientific management approach and soft factors are typically associated with the behavioural approach. The literature based models of Burke and Litwin (1992) and Sureshchandar, Rajendran and Anantharaman (2001) predict soft factors will have a greater influence on performance improvement than hard factors. When examining QM empirical studies that include services in their sample Powell (1995) is the only researcher to report that soft factors have a greater influence on performance than hard factors. While the review identified evidence for hard factors having a greater influence on performance in manufacturing organisations (Flynn, Schroeder & Sakakibara, 1995; Lawler, Mohrman & Ledford, 1998), the review did not find evidence for hard factors having a greater influence than soft factors in service organisations. Other researchers (Hermel & Ramis-Pujol, 2003; Stace & Dunphy, 2001; Thiagarajan & Zairi, 1997c; Zairi, Letza & Oakland, 1994) advocate improvement is best achieved by applying a balance of hard and soft factors.

The review of organisational studies has identified key trends in organisational research and has placed QM and BE within this context. The review illustrates how current business practices, including QM and BE, have been influenced by earlier organisational studies. The review also presents the trend towards a focus on integrated development for business improvement research.

## **2.2 QUALITY MANAGEMENT (QM) AND BUSINESS EXCELLENCE (BE)**

In Section 2.2 the researcher reviews the work of the QM founders and the empirical research for BE in services in order to synthesize and analyse the scope of what is known

and to identify any key gaps relevant to the research question and the aim of the study. In line with the stance taken by the researcher on the distinction between QM and BE (discussed in Chapter 1) the review of empirical research primarily addresses BE in services and includes QM studies if a particular study adds unique knowledge to the BE knowledge base. The term QM is used when the literature focuses on QM and the term BE is used when a study focuses on BE or addresses the application of a BE framework. The review focuses on the contribution from the founders of QM and the empirical research for BE in services; and not the practitioner literature nor the popular press.

### **2.2.1 Founders of quality management (QM)**

Many individuals have made substantial contributions to the theory and practice of QM. Key people such as Deming (1986, 1993), Juan (1988, 1991) and Crosby (1979, 1987) are credited with integrating the theory and practice of the time to provide the foundation for QM. The following review briefly describes their contribution to QM. The reader is referred to Martinez-Lorente, Dewhurst and Dale (1998) for a comprehensive review.

#### **Deming**

Deming's (1986, 1993) philosophy was focused for improving products and services by reducing uncertainty and variability in the design and manufacturing process. Deming developed a theory of management known as a *System of Profound Knowledge*. He describes the System as having four parts (1) knowledge of the theory of variation, (2) appreciation for a system, (3) theory of psychology, and (4) the theory of knowledge. The theory of variation is concerned with applying statistical thinking to minimise variation. A system is portrayed as a set of functions or activities within an organisation that need to work together to achieve organisational goals. Deming recognised the need to understand the psychology of the individual person versus treating them as interchangeable components of a process. He advocates that managers have a responsibility to learn and apply theory in order to achieve sustained success versus adopt the latest fad.

In addition to his System of Profound Knowledge, Deming (1986) is recognised for introducing the concept of continuous improvement, often represented as the PDCA cycle (plan, do, check, act) or the PDSA cycle (plan, do, study, act) are termed the Shewhart cycle by Deming. This continuous improvement cycle has been adapted by QM practitioners (Dale, 2003) and BE practitioners (Hides, Davies & Jackson, 2004). The 'P' typically represents planning, 'D' represents deployment or the implementation of action plans, 'C'

represents check or study implementation and ‘A’ represents act in the form of change the plan or embed the approach into work as usual.

**Table 2.3: CPE (NZBEF, 2005) - core values and concepts mapped to the key philosophies of Deming, Juran and Crosby**

<b>2005 CPE core values &amp; concepts</b>	<b>Key philosophies of Deming, Juran and Crosby</b>
Visionary leadership	Deming; purpose is profit, benefit to customers & employees
Social responsibility	Deming 1. Management commitment – the job of management is leadership and guidance; motivate with trust not exhortations; Deming 7. Teach & institute leadership; Deming 8. Drive out fear – create trust – climate for innovation; Deming 14. Take action; top management must institute improvement and involve everyone in it  Crosby; Juran – Top management support
Customer driven excellence	Deming 2. Learn the new philosophy – customer driven approach based on cooperation labour and management, & a never ending cycle of improvement  Crosby; Juran – customer relationship
Valuing employees and partners	Deming 10. Eliminate exhortations of the work force – achieve motivation through trust; ensure the system is OK; Deming 12. Remove barriers to pride in workmanship – remove performance appraisal
Management by fact	Deming 3. Understand inspection – inspection should be used as an information gathering tool for improvement  Crosby; Juran; measure and monitor the cost of poor quality
Systems perspective	Deming; managers must understand the system and the variation within it  Crosby; management must understand the implementation process
Organisation and personal learning	Deming 5. Improve constantly – continuous, incremental improvements throughout the organisation; Deming 6. Institute training – all employees should be trained in job skills, quality tools, and continuous improvement; Deming 13. Institute education; develop peoples value & self worth; self development is a powerful motivator  Juran; Quality Trilogy – plan – control – improve; Crosby; absolutes must be understood by everyone
Focus on the future	Deming 11. Eliminate quotas – they reflect a short term perspective & limit long term improvement; arbitrary goals with no resources have no meaning
Agility	Deming 9. Optimise teamwork – teamwork helps breakdown barriers and meet customer needs
Managing for innovation	Deming 12; remove barriers to pride in workmanship – avoid performance appraisals as they destroy teamwork, limit risk taking & foster mediocrity
Focus on results and creating value	Deming 4. End the practice of awarding business on the basis of price alone- select suppliers on quality not cost.

## **Juran**

Juran (1988, 1991) worked with Deming during the pioneering days of developing statistical control methods and then again in Japan after World War II. Juran recognised that people at

different levels in the organisation have different concerns. He suggested top management should be concerned with achieving product quality and that department managers should be concerned with production quality, with both working towards *fitness for use*. Juran is also known for what he called *The Quality Trilogy* which focused on key practices: quality planning, quality control, and quality improvement. Quality planning is customer driven; quality control focuses on performance measurement; and quality improvement is concerned with improvement projects and providing controls to sustain the improvements.

### **Crosby**

Crosby (1979, 1987) is credited with bringing quality to the attention of American executives. His quality philosophy differs from Deming and Juran in that he focuses more on behaviour than on statistical techniques. The essence of his quality philosophy is described in what he called *The Absolutes of Quality Management* and *The Basic Elements of Improvement*. The Absolutes include: conformance to standards, zero defects is the only performance standard, problems are the responsibility of the people who cause them, do the job right the first time, the cost of quality is non-conformance. The Basic Elements of Improvement include determination (top management must be serious), education (used to develop people's understanding for the Absolutes), and implementation (management must understand the implementation process). Crosby was also the first quality writer to propose stages of quality maturity. His Quality Matrix Grid identifies five stages of maturity: uncertainty, awakening, enlightenment, wisdom and certainty. The Grid is descriptive and can be used by organisations to identify how mature they are as a quality organisation.

The philosophies and ideas of the founders of QM are evident in the core values and concepts of the CPE (NZBEF, 2005). These core values and concepts are believed to be evident in high performing organisations (NZBEF, 2005) and are embedded within at least one category within the CPE (Evan & Ford, 1997). To illustrate this idea the researcher has mapped the core values and concepts of the CPE (NZBEF, 2005) and the philosophies of Deming (1986, 1993), Juran (1988, 1991) and Crosby (1979, 1987) and presented them in Table 2.3.

### **2.2.2 Empirical research for BE in services**

In Section 2.2.2 the researcher examines empirical research for BE in services in order to identify themes and existing knowledge for how service organisations start the BE journey.

This section focuses on reviewing the scope and the relative quality of the empirical studies; the key findings for these studies are described in Section 2.4.

In order to review the existing stock of literature relevant to the BE journey the researcher accessed the traditional database sources and consulted a wide range of BE organisations and individuals, within New Zealand and internationally. Each piece of research was critically assessed for relevance and quality and then categorised. The categories are reflected in the headings within this section. Due to the sheer number of pieces of literature the researcher focused on those studies that were highly relevant to the present study, presented original thinking and provided quality empirical research.

In line with the stance taken by the researcher on the distinction between QM and BE (as discussed in Section 1.1.2) the review focuses on empirical studies that addresses BE in services. Due to the limited number of studies that focus on BE in services, the researcher expanded the review to include studies that address BE in either service and manufacturing organisations where the study makes a distinction between findings for service and manufacturing organisations. These studies are outlined in Table 2.4. In addition the review includes studies that focus on QM in services where these add value to the BE knowledge base. These studies are outlined in Table 2.5. The term QM is used when the literature focuses on QM and the term BE is used when a study focuses on BE or involves the application of a BE framework.

The literature related to how service organisations start the BE journey was categorised into four broad themes or elements, each of which covers a number of dimensions. The elements were as follows (1) profile, (2) processes, (3) practices and people, and (4) results.

### **Profile**

BE in services researchers have examined how organisational characteristics influence the decision to start an improvement journey, the implementation of the improvement journey, and the approach taken to preparing and planning the start of the journey.

The BE in services researchers typically examine BE in mature organisations (eg award winners), with a few focusing on the start of the BE journey (Barnes, 1996; HEFCE, 2004; Jackson, 1999; McFarlane). While Sullivan-Taylor and Wilson (1996) examine how the level of organisational maturity influences the implementation of QM, the researcher did not identify a similar study for BE in services.

Angell (2001) examines the drivers for starting an improvement journey, while others examine the drivers for adopting a BEF (HEFCE, 2003; McCaul, 1997; van der Wiele, Dale & Williams, 2000) or the drivers for introducing a BE practice such as the self-assessment process (van der Wiele et al. 1996).

Studies that examine how organisational characteristics influence the implementation of the journey have addressed the type of business or ownership (Adebanjo, 2001; Deloitte Touche Tohmatsu, 2000; Mann & Grigg, 2005); the type of industry (Behara & Gundersen, 2001; Powell, 1995; Lawler, Mohrman & Ledford, 1998); type of sector (HEFCE, 2003; Win & Cameron, 1998); organisation size (Corbett & Angell, 2004; Singhal & Hendricks, 1999); structure (Abraham, Fisher & Crawford, 1997; Bauer, 2003); and organisational maturity (Sullivan-Taylor & Wilson, 1996). Although only addressed in the QM studies (see Table 2.5) Dawson and Palmer (1995) and Sullivan-Taylor and Wilson (1996) examine the influence of cultural diversity on the implementation of QM in service organisations.

BE researchers discuss the need to prepare and plan the approach taken for the start the improvement journey (Hides, Davis & Jackson, 2004). For example Meers and Samson (2003) focus on the influence of the organisation's competitive environment and stress the need for fit between the situation and the approach adopted while Bardoel and Sohal (1999) focus more on the need to achieve a fit between the organisational culture and the initiative. Barnes (1996) also examines the readiness of organisations to start the improvement journey and focuses on the capability of the organisation to change. Others examine the advantages and disadvantages of starting the journey in a unit within an organisation or starting the journey across the whole organisation (HEFCE, 2003; van der Wiele, 1996).

Two studies highlight the potential of sound preparation and planning for the start of the improvement journey. Both Brah, Wong and Rao (2000) and Powell (1995) identified that there is no relationship between years of QM adoption and organisational performance. These researchers argue that effective implementation versus years of adoption influences organisational performance.

**Table 2.4: Summary of empirical research for BE in services**

Study	Design	Scope of findings
Angell, 2001	<p>Focus: Environmental &amp; quality initiatives of Baldrige Award winners</p> <p>Sample: Mixed service (5) &amp; manufacturing (5), USA; MBNQA winners, 1997</p> <p>Design: Case study; semi-structured interview</p>	<p>Practices: Key enablers &amp; barriers</p> <p>Results: TQM implementation reduced resistance to change; TQM contributed to achievement of goals</p>
* Bames, 1996	<p>Focus: Understanding organisational change &amp; adaptation within a BE organisation</p> <p>Sample: Admin &amp; marketing company for John Deere, US; Starting the journey; 4 years</p> <p>Design: Case study over time (2yrs); observation &amp; interview</p>	<p>Profile: mgt capability, resources, control of critical variables, infrastructure</p> <p>Processes: Sequence of CPE categories (p.66, 153)</p> <p>Results: CPE at catalyst for change; change in organisational learning &amp; adaptability</p>
Bauer, 2003	<p>Focus: Implementation of BE as a quality system within organisational context (leadership, strategy, structure, technology)</p> <p>Sample: 56 Service (63%) &amp; manufacture (37%); EFQM membership list</p> <p>Design: Survey; interview</p>	<p>Profile: Organisations with simple &amp; informal organisational structures encounter fewer problems than org with complex &amp; formal structures</p>
Corbett & Angell, 2004	<p>Focus: Barbed wire barrier</p> <p>Sample: 8 service / manufacturing organisations; repeat applicants for NZBEF Award, since 1993</p> <p>Design: Case study; interview / cross case analysis; analysis of CPE scores over time</p>	<p>Profile: No correlation between size &amp; results; moderate correlation between industry type &amp; results</p> <p>Results: Strong correlation between change in Cat 2 (planning) &amp; total score; mod correlation between Cat 6 (PM) &amp; total score; Cat 4 (Info) &amp; total score</p>
* HEFCE, 2004; • Hicks, Davis & Jackson, 2004	<p>Focus: BE pilot in tertiary education organisations</p> <p>Sample: 6 Higher Education &amp; Further Education institutions, UK ; Starting the journey</p> <p>Design: Case study - pilot</p>	<p>Profile: external driver, whole vs. unit</p> <p>Processes: levels of maturity i.e. health check, planning, strategic tool</p> <p>Practices: key practices &amp; constraints</p> <p>People: champion, advisor</p> <p>Results: clarity of purpose &amp; key actions, stakeholder relationships, focus on people as well as systems, improved decision making, management capability</p>
* Jackson, 1999	<p>Focus: Adopting BE &amp; self-assessment</p> <p>Sample: Health organisation, UK; Starting the journey</p> <p>Design: Case study; single case</p>	<p>Results: Improvement in CPE scores; development of a continuous improvement culture; quality service</p>
Kanji & Wallace, 2000	<p>Focus: Application of Kanji (1998) BE Model</p> <p>Sample: 61 European service &amp; manufacturing organisations; managers; maturity?</p> <p>Design: Questionnaire based on the Kanji BE Model</p>	<p>Practices: 14 generic critical success factors / weighted</p> <p>Results: Validity of the relationship between the 14 CSFs</p>

Study	Design	Scope of findings
Leonard & McAdam, 2002	<p>Focus: Application of the EFQM</p> <p>Sample: 19 service / manufacturing organisations; evidence for the use of EFQM, 2001 &amp; participation in national quality awards</p> <p>Design: Conceptual &amp; description of practice</p>	<p>Processes: application of BEF at three levels; strategic (overview &amp; alignment), tactical (translating strategy into action – planning, structure, measure progress), operational (implementation of improvement initiatives)</p>
McCaul, 1997	<p>Focus: Use of CPE in NZ organisations</p> <p>Sample: NZ BE organisations</p> <p>Design: Survey; questionnaire</p>	<p>Profile: organisations adopt the CPE to provide information for the improvement journey</p>
* McFarlane, 2001	<p>Focus: Introducing &amp; managing improvement in the public sector with the EFQM model</p> <p>Sample: Regional development agency in Northern Ireland</p> <p>Design: Case study, single case</p>	<p>Practices: Description of how one organisation started the journey by integrating the self-assessment and the strategic planning process</p>
Meers & Samson, 2003	<p>Focus: Factors that contribute to the failure of BE</p> <p>Sample: 3 Australian case studies; 2 services &amp; 1 manufacturing</p> <p>Design: case study; over 5 years; interviews with senior managers &amp; observation</p>	<p>Profile: organisations undertake a contextual analysis prior to starting eg alignment with competitive business strategy (external view), congruence with operating environment &amp; culture</p> <p>CPE is a catalyst to start but not to sustain the journey; need guide to integrate CPE &amp; organisation</p>
NZBEF, 2004	<p>Focus: BE results in NZ</p> <p>Sample: 55 NZBE Awards applicants, 1993-2003, NZ</p> <p>Design: Descriptive analysis of CPE scores over time</p>	<p>Processes: duration of journey for winners is 5-7 years</p> <p>Results: positive trend in average CPE score since 1999; in 2003 average score was 377;</p> <p>Improvement range of 30 to 80 points / year; scores for approach &gt; deployment; scores for approach &amp; deployment improve faster than scores for results</p>
Przasnyski & Tai, 2002	<p>Focus: Financial impact of Excellence</p> <p>Sample: 31 Mixed service (7) &amp; manufacturing (24); publicly listed MBNQA winners, 1988-1998, USA</p> <p>Design: Financial analysis; stock performance measures selected based on accepted practice; adjusted for risk &amp; market movements</p>	<p>Results:</p> <p>Taken as a group MBNQA winners outperformed the market.</p> <p>Taken individually, half the MBNQA winners outperformed the market</p> <p>MBNQA winners outperformed stocks with similar risks, over the long-term</p>
Singhal & Hendricks, 1999	<p>Focus: Financial impact of excellence</p> <p>Sample: 600 mixed service &amp; manufacturing, USA; publicly listed award winners, USA, 1984-1994</p> <p>Design: Financial analysis</p>	<p>Profile: Organisational characteristics impact on findings eg low capital, small, focused, &amp; mature organisations achieve superior results</p> <p>Results: MBQNA winners outperform benchmark organisation on financial performance</p>
Sirca, 2003	<p>Focus: Financial impact of Excellence</p> <p>Sample: Mixed service &amp; manufacturing; All Australian BE Award winners, over past 13 years</p> <p>Design: Financial analysis</p>	<p>Results: Hypothetical investment in all Award recipients outperformed the market benchmark by 75%</p>

Study	Design	Scope of findings
Van der Wiele et al, 1996	Focus: Self-assessment process Sample: 117 mixed service (23)& manufacturing; members of EFQM, Europe Design: Survey based on the literature; questionnaire & interview	Profile: Start with Unit vs. whole Processes & Practices: Most important practices for the success of the SA process (in order); Business unit develops improvement plan; SA is linked to business planning process; Assessors present written findings to mgt team; Senior mgt monitor improvement targets; Mgt team present improvement plans to senior mgt Results: perceived improvements since the implementation of SA in: Line mgt understands TQM & its importance of TQM
Van der Wiele, Dale & Williams, 2000	As for Van der Wiele et al, 1996	Profile: External driver (eg head office, customers) has no effect on perception of success Internal drivers ( internal goals) have a strong positive effect on perception of success
Van der Wiele & Brown, 2002	Focus: Sustaining TQM over time Sample: 5 large service organisations, Australia; public, mature Design: Case study; case descriptions & cross case analysis	Practices: Factors that influence sustaining QM – tenure of CEO, quality foundations, driving force, extent of integration, BEFs, customer orientation, IS
Win & Cameron, 1998	Focus: Relationship of CPE categories to each other & to organisational performance Sample: Higher Education, US	Processes: based on sequence of categories, CPE, 1996 Results: as for the results category for CPE, 1996 – customer focus & satisfaction, quality op results

\* indicates those studies that focus on the start of the BE journey

## Processes

QM & BE in services researchers describe three improvement processes or temporal perspectives associated with the improvement journey, such as (1) the sequence of the BE journey, (2) the cycles of improvement, and (3) the processes associated with the application of BE practices. Each of these topics is examined next.

Researchers have taken different approaches to describing the sequence of the BE journey. QM and organisational change researchers Dawson and Palmer (1995) described the improvement journey as a continuous improvement process that can be represented as three timeframes for analysis: conception of a need, process of organisational transition, operation of new work practices. Other researchers represent the journey as stages or levels of maturity (Dale & Lascelles, 1997; HEFCE, 2004). While researchers recognise there is no one best way to start the journey (Hides, Davies & Jackson, 2004) some describe the sequence of practices adopted by single organisations (Barnes, 1996; Jackson, 1999; McFarlane, 2002).

An alternative approach is taken Win and Cameron (1998); they applied statistical analysis to establish the sequence of implementation of the CPE categories over time.

Although the QM literature describes the improvement journey as repeated cycles of improvement (Dale, 2003) BE in services researchers appear to have largely neglected this process perspective. The exception is the work of Leonard and McAdam (2002, 2002a). These authors represent BE implementation as cycles of improvement at three hierarchical levels within an organisation, such as: strategic, tactical (concerned with translating strategy to action) and operational (implementation of improvement initiatives).

The practitioner literature describes how to implement processes associated with BE practices such as self-assessment, awards and benchmarking (Blazey, 2004; Brown, 2004; Cobb, 2003; EFQM, 2004; Hutton, 2004). The empirical research is limited to the studies by van der Wiele and colleagues (1996, 2000) who examine the process associated with self-assessment; and the work of Codling (1992) who examines processes associated with benchmarking.

### **Practices and people**

A review of the BE in services research (Table 2.4) identified a number of studies that focus on practices that are perceived to influence the improvement journey but there are two main areas associated with practices that are relatively neglected in the BE research. These are: key practices that influence the start the journey and the extent to which key practices influence the BE journey. The majority the BE studies within Table 2.4 sample mature organisations such as award winners and typically do not examine key practices that influence the start of the journey. The exceptions are the BE studies by Barnes (1996), HEFCE (2003), Jackson (1999) and McFarlane (2002). Also, the HEFCE study (2003) and research by Angell (2001) are the only BE studies that identify key constraints as well as key enablers.

QM researchers (see Table 2.5) have addressed key practices that influence the start of the journey (Banerji, Gundersen & Behara, 2005; Boaden & Dale, 1993; Duncan, Mouly & Nilakant, 2001; Scharitzer & Korunka, 2000) and key practices that constrain the journey (Bardoel & Sohal, 1999; Tamimi & Sebastianelli, 1998). Unfortunately, the BE studies appear largely to ignore the findings from these studies and hence do not build on the existing QM in services knowledge base.

**Table 2.5: Summary of empirical research for QM in services**

<b>Study</b>	<b>Design</b>	<b>Scope of findings</b>
Agus, 2004	<p>Focus: TQM and service performance</p> <p>Sample: Public sector; Malaysia; 430 top officers; 430 matching customers</p> <p>Design: x2 survey; questionnaires</p> <p>Officers perception of 5 TQM practices in their org;</p> <p>Customers opinion re service performance &amp; satisfaction</p>	<p>Practices: 5 TQM variables; top management commitment, customer focus, benchmarking, training, employee focus</p> <p>Results: strong &amp; positive association between TQM, overall service performance &amp; customer satisfaction</p>
Banerji, Gundersen & Behara (2005)	<p>Focus: TQM in services in an emerging economy, India</p> <p>Sample: 163 executives from variety of services</p> <p>Design: Survey instrument (Behara &amp; Gundersen, 01); used to evaluate the use of each QM practice</p>	<p>Practices: Key practices for an emerging economy</p> <p>Results: TQM practices significantly affected (improved) quality of products &amp; services, profitability, productivity</p>
Bardoel & Sohal, 1999	<p>Focus: TQM implementation &amp; cultural audit</p> <p>Sample: 7 mature services, Australia; range of roles</p> <p>Design: Case study; interview - description</p>	<p>Profile: Why adopt TQM;</p> <p>Processes: principles for culture change are applicable when implementing TQM; 5 step process</p> <p>Practices: Enablers &amp; constraints</p> <p>Results: Business results; improved customer perception of company; operational effectiveness</p>
Behara & Gundersen, 2001	<p>Focus: Validation of QM practices in services</p> <p>Sample: 170 service firms, ASQ members, USA; range of roles; ? maturity</p> <p>Design: Survey; questionnaire - factors developed by QM experts; Researchers rated the use of each QM practice; factor analysis</p>	<p>Practices: 10 QM practices; some distinct to services</p> <p>Results: 1 QM outcome factor; not all TQM practices are transferable to services</p>
•Boaden & Dale, 1993	<p>Focus: framework which represents the key aspects of QM implementation</p> <p>Sample: large bank, UK; starting the journey</p> <p>Study 1: semi-structure interview with key managers &amp; managers from 4 branches within 4 regions</p> <p>Study 2: questionnaire survey to QM members &amp; non-members within 50 branches within the same 4 regions, excl Study 1 branches</p>	<p>Practices: Confirmed framework &amp; associated practices; organising, changing the culture, using systems &amp; techniques, measurement &amp; feedback</p> <p>Results: QM practices facilitate change in culture (quality service) &amp; improvement in customer service</p>
Brah, Wong & Rao, 2000	<p>Focus: TQM &amp; performance in services</p> <p>Sample: 118 services firms; from 96/97 databases, Singapore; General manager or equivalent</p> <p>Design: Survey; Questionnaire; factors based on literature; factor analysis</p>	<p>Processes: No relationship between years of adoption and performance - effective implementation vs. length of adoption influences org performance</p> <p>Results: Key TQM practices improved organisational performance (operating &amp; financial performance)</p>

Study	Design	Scope of findings
* Dale & Lascelles, 1997	<p>Focus: Adoption of TQM – maturity levels for the TQM journey</p> <p>Sample: Senior management workshops in Europe, Hong Kong, South Africa</p> <p>Design: Description based on academic studies &amp; consultancy practice</p>	<p>Processes: Levels of maturity - 1. Uncommitted; 2. Drifters, 3. Tool pushers, 4. Improvers, 5 Award winners 6. World class</p>
* Duncan, Mouly & Nilakant, 2001	<p>Focus: TQM intervention Policing 2000, NZ Police</p> <p>Sample: 9 frontline police officers at medium sized metropolitan police stations; starting the journey</p> <p>Design: Case study; interview</p>	<p>Practices: Themes &amp; implications for change management</p>
Madu, Kuei & Jacob, 1996	<p>Focus: Influence of quality dimensions on performance</p> <p>Sample: Services (58.2%) &amp; manufacturing (41.8%), 1992/93, USA; 165 middle-line managers; maturity?</p> <p>Design: Questionnaire; perceptions of association between quality dimensions &amp; organisational performance measures</p>	<p>Profile: Distinction between services &amp; manufacturing organisations</p> <p>Results: Statistically significant relationship between observed changes in quality dimensions (customer satisfaction, employee satisfaction, employee service quality) and changes in organisational performance</p>
Lawler, Mohrman & Ledford, 1998	<p>Focus: TQM &amp; results</p> <p>Sample: 500 large service &amp; 500 large manufacturing organisations, USA; on average + 24, 354 staff, maturity?</p> <p>Design: Survey; questionnaire - use of TQM practices and perceived effectiveness</p>	<p>Core TQM practices: teamwork, QM council, cross-functional planning, monitor customer satisfaction, employees are exposed to customers</p> <p>Core TQM practices influenced results in service &amp; production organisations</p> <p>Production orientated practices influenced results in manufacturing organisations only</p>
Powell, 1995	<p>Focus: TQM as competitive advantage</p> <p>Sample &amp; design: CEOs &amp; quality executives in mature/large service &amp; manufacturing organisations; 3 stages</p> <p>Stage 1: review of empirical research &amp; development of TQM scales</p> <p>Stage 2: questionnaire; 21 firms with 50 or more, US</p> <p>Stage 3: interviews &amp; questionnaire; 23 TQM organisations</p> <p>Survey; questionnaire based on empirical research; mail survey; interview with 23 TQM organisations (distinct from first group)</p>	<p>Profile: differences between service &amp; manufacturing</p> <p>Processes: no apparent time performance correlation;</p> <p>Practices: TQM success depends on behavioural practices (executive commitment, open organisation, employee empowerment) &amp; less on TQM specific practices</p>

Study	Design	Scope of findings
* Scharitzer & Korunka, 2000	<p>Focus: Evaluation of TQM in public service organisations</p> <p>Sample: Municipal service unit of a city, Austria</p> <p>Design:</p> <p>Case study; interviews with employees from throughout the organisation</p> <p>Survey; questionnaire with customers before &amp; after TQM implementation</p>	<p>Key practices: information &amp; active participation reduces stress during change</p> <p>People: different roles have different perspectives</p> <p>Results: customer satisfaction improved</p>
* Sullivan-Taylor & Wilson, 1996	<p>Focus: TQM implementation in NZ service organisations</p> <p>Sample: 4 large NZ service organisations; Different stages of implementation; key people in each + 380 employees</p> <p>Design: Interviews to gain descriptive &amp; historical info; questionnaire to employees</p>	<p>Profile: Approach taken reflected the "trend" at the time, stage of growth, rationale (crisis, competitive advantage, continuous improvement, TQM vision)</p> <p>Implementation influenced by work culture, cultural diversity</p> <p>Processes: In hindsight; adopt change management process vs. "trend"; gradual rate</p>

\* indicates those studies that focus on the start of the BE journey

Attention to the influence of people in the BE research appears limited. The focus tends to be on the role of top management or leadership, the BE champion, and staff involvement; not on other people or groups of people who may contribute to the journey. Win and Cameron (1998) argue that the main effect of leadership is on organisational systems and not on organisational performance which suggests other people influence organisational performance. HEFCE (2004) and Jackson (1999) identify a BE champion or advisor as a key person. The QM in services research provides further insights for the people who may contribute to and influence the improvement journey, such as a dedicated QM team and middle managers (Bardoel & Sohal, 1999; Beer, 2003) and unions (Dawson & Palmer, 1995).

QM researchers (Coyle-Shapiro, 1999; Gallear & Ghobadian, 2004) suggest that key practices or channels may influence the journey by changing the organisational culture. Although Boaden and Dale (1993) identify organisational culture as one of the elements in their UMIST framework for TQM implementation, BE in service researchers appear to have neglected examining the relationship between practices, organisational culture and the improvement journey.

## Results

A review of the BE and QM in services research (Tables 2.4 and 2.5) identified a number of studies that focus on results. The impact of BE on Organisational results appears to have attracted the greatest attention from BE researchers. The relationship between BE and results is examined by applying statistical analysis (Corbett & Angell, 2004; Kanji & Wallace, 2000; NZBEF, 2004; Przasnyski & Tai, 2002; Singhal & Hendricks, 1999; Sirca, 2003; Win & Cameron, 1998) and by describing key practices perceived to influence results (Angell, 2001; Barnes, 1996; HEFCE, 2003; Meers & Samson, 2003; van der Wiele, 1996). Researchers have also examined aspects of the change in organisational performance over time, typically focusing on the change in business results such as product and service results, customer focused results, financial and market results, human resources results and organisational effectiveness results (Angell, 2001; Jackson, 1999; Corbett & Angell, 2004; NZBEF, 2004; Win & Cameron, 1998).

Researchers also address results associated with the BE and QM journey. For example researchers focus on the duration of the journey (Dale & Lascelles, 1997; Jackson, 1999; Singhal & Hendricks, 1999). Other research reports on the change in score for the system categories within the CPE (Category 1 to 6) or the total CPE score (Corbett & Angell, 2004; Jackson, 1999; NZBEF, 2004; Mann & Grigg, 2004). In addition researchers describe change in behaviour (Angell, 2001; Barnes, 1996; HEFCE, 2004; Jackson, 1999; van der Wiele et al, 1996). The majority of the studies above focus on change in organisational performance for award winners (or mature organisations); only two studies address change in organisational performance from the start of the improvement journey (Dale & Lascelles, 1997; Jackson, 1999).

In summary, the purpose of this section of the review was to examine empirical research for BE in services in order to identify themes and existing knowledge for how service organisations start the BE journey. The researcher identified four broad themes or elements, each of which cover a number of dimensions. The elements were as follows (1) profile, (2) processes, (3) practices and people, and (4) results.

Empirical studies that focus on BE in services are limited to single organisation case studies (Barnes, 1996; Jackson, 1999; McFarlane, 2001) and single sector studies (Win & Cameron, 1998; HEFCE, 2004). When the review is expanded to include studies that address BE in either service and manufacturing organisations where the study makes a distinction between findings for service and manufacturing organisations, a number of themes emerge such as a

focus on the organisational profile (Bauer, 2003; McCaul, 1997; Meer & Samson, 2003; Singhal & Hendricks, 1999), the improvement process (Dale & Lascelles, 1997; Leonard & McAdam; van der Wiele, Dale & Williams, 2000; Win & Cameron, 1998), key practices and people (Angell, 2001; Kanji & Wallace, 2000; van der Wiele et al, 1996; van der Wiele & Brown, 2002), and results (Corbett & Angell, 2004; NZBEF, 2004; Przanyski & Tai, 2002; Singhal & Hendricks, 1999; Sirca, 2003).

The existing knowledge for how service organisations start the BE journey is limited. Nearly all the empirical research reviewed has been carried out with award winners (expected to be mature organisations) with a very small number focusing on the start of the journey (Barnes, 1996; HEFCE, 2004; Jackson, 1999; McFarlane, 2001). The review highlights key gaps such as: (1) a lack of attention to BE in services, particularly for the start of the improvement journey; (2) how improvement processes influence the journey; (3) what are the key practices and who are the key people that enable and constrain the start of the improvement journey (4) how key practices and people influence the journey; and (5) how does the organisational performance change from the start of the journey.

In addition the review highlights the fragmented nature of the empirical research. There has been very little debate or interaction between researchers. Much of the research has been small scale and piecemeal, focusing on single organisations and single service sectors. Also, the research is typically reported but not interpreted within any theoretical framework. This reflects a lack of co-ordination in determining a research agenda and highlights the need for an integrated framework to guide theory development and practice for BE in services.

In the next section the researcher reviews organisational development and change models with the purpose of developing theoretical insights for the BE journey.

### **2.3 ORGANISATIONAL DEVELOPMENT AND CHANGE**

Following their comprehensive review of the empirical research for QM in manufacturing organisations, Sousa and Voss (2001) recommend that QM researchers develop integrative theory and practices by integrating QM and organisational development and change knowledge. In this section the researcher discusses the nature of organisational development and change, and then explores organisational development and change models.

### **2.3.1 The nature of organisational development and change**

Both strategic change and process change are associated with BE (Ford & Evans, 2001) and BEFs (Leonard & McAdam, 2002). Strategic change is characterised by Ford and Evans as being driven by environmental forces, involving a shift in organisation direction and typically involving much of the organisation. Burke and Litwin (1992) describe strategic change as involving multiple levels of the organization and a transformational change in culture; and they describe process change as typically involving incremental improvement in operational processes. As discussed in Section 2.2, the evolution of BE reflects a shift in concern for process change to strategic change. For example early QM practices focused on process change such as inspection, control and quality assurance. The next phase of evolution, TQM and BE are described as strategic change initiatives (Hermel & Ramis-Pujol, 2003) that are also likely to involve process change (Leonard & McAdam, 2002).

### **2.3.2 Models of organisational development and change**

Scholars have developed a number of frameworks or models to represent organisational development and change. Van de Ven and Poole (1995) classify models of organisational development and change based on different sequences of change events, and propose four perspectives to assist analysis of organisational development and change such as (1) life cycle, (2) teleological, (3) evolutionary, and (4) dialectical. Each of these perspectives is described below and illustrated with examples from the BE literature where available.

#### **Life-cycle perspective**

The life-cycle perspective adopts the notion from life-cycle theory that change is a natural process that follows a prescribed order. Van de Ven and Poole describe the typical progression of change events in life-cycle models as following a sequence of stages or phases, that these stages are cumulative, and that they share a common underlying process.

The life-cycle perspective is evident in the “Processual Framework” for organisational change developed by Dawson and Palmer (1995). These researchers describe the QM journey as a continuous journey of organisational development and change that can be categorised into three general timeframes for analysis (1) conception of the need for a quality initiative, (2) process of establishing TQM, and (3) operation of TQM and ongoing change (see Figure 2.4). Likewise Rao et al. (1996) describe the TQM journey as “Landmarks for the TQM Road” and identify three landmarks; awareness, understanding and maturity. Both

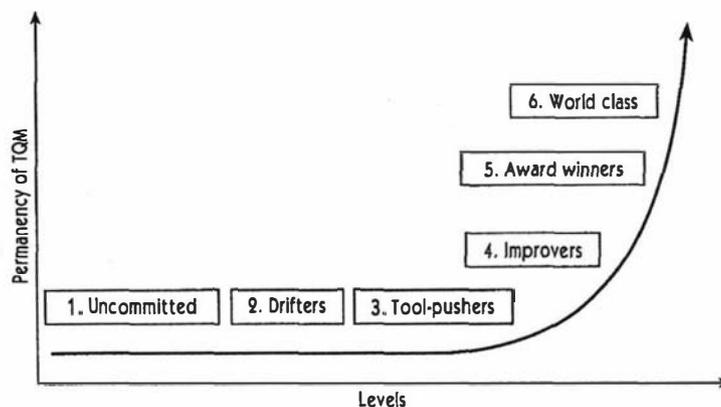
models imply the common underlying process is continuous change, and that the sequence of stages are cumulative.

Dawson and Palmer (1995) challenge the traditional view of “refreezing” being the final stage of organisational change as promoted by Lewin (1951) and argue that organisational development and change is continuous and that concern for sustainability is more relevant. Dervitsiotis (2003) considered the impact of ongoing change on BE implementation in his conceptual model of conventional BE and sustainable BE. He argues that conventional BE and existing BEFs have proven to be useful when the external environment is relatively stable; and that in the future, sustainable BE and BEFs will need to emphasise “resilience” and the ability to adapt to a changing business environment (p.266).

The “Levels of TQM Adoption” proposed by Dale and Lascelles (1997) illustrate the lifecycle perspective (see Figure 2.2). These researchers represent the TQM journey as a sequence of levels and provide descriptions for each level (1) uncommitted, (2) drifters, (3) tool-pushers, (4) improvers, (5) award winners, and (6) world class. Level 1 organisations are described by Dale and Lascelles as “those who have not yet started a formal process of continuous improvement” (p.419); Level 2 organisations are described as drifting although prepared to try a new way of working; Level 3 organisations are recognised by their ongoing adoption of a range of quality tools, often with no alignment or integration with organisational strategy.

Level 4, the Improver stage signifies the most dramatic improvement. Dale and Lascelles suggest that an organisation is likely to have been engaged in the TQM journey for three to eight years by the time it achieves the improver level. At this level of maturity they suggest managers understand the importance of customer focused continuous improvement; there is engagement of senior leaders in the TQM journey; and there is development and deployment of a TQM strategy; plus the organisation has an approach to developing the organisational cultural in line with TQM. Level 5 award winners are characterised by being capable of competing for a top national quality award. Level 6 is characterised by full alignment and integration of all facets of the organisation and evidence of exception organisational results.

**Figure 2.2: Levels of TQM adoption (Source: Dale & Lascelles, 1997)**



Within the BE literature HEFCE (2004) also illustrate the life cycle perspective. They propose that the excellence journey is characterised by a shift in maturity from using a BEF as a health check, to a planning tool and finally as a fully integrated strategic tool. They make the observation that “excellence is only achieved and sustained when the wider perspective of BE is adopted and integrated into planning and eventually applied as a strategic tool” (p.17).

The CPE (NZBEF, 2005) scoring guidelines recognise levels of maturity in BE implementation. Organisations achieve increasingly higher scores as they progress from evidence of an approach to the deployment of that approach, to learning and improvement, and finally alignment and integration. In New Zealand, the national business excellence awards are based on scores achieved when assessed against the CPE. There are four awards based on overlapping scoring bands and descriptors; progress award (at least 251 points), commendation or bronze award (at least 376 points), achievement or silver award (at least 501 points), and national or gold award (at least 751 points). While a direct comparison with the levels of TQM adoption proposed by Dale and Lascelles (1997) is difficult, there are similarities particularly between the achievement award and the improver level, and the national award and award winners or world class organisations.

### **Teleological perspective**

The second perspective of organisational change described by Van de Ven and Poole (1995) is the teleological perspective. This perspective is concerned with change processes focused

on a final destination. The change occurs within an iterative process of goal formation, implementation and evaluation and revision. Van de Ven and Poole explain that the teleological perspective differs from the life cycle perspective in that it assumes change moves an organisation towards a defined final state and that there is no prescribed sequence of events.

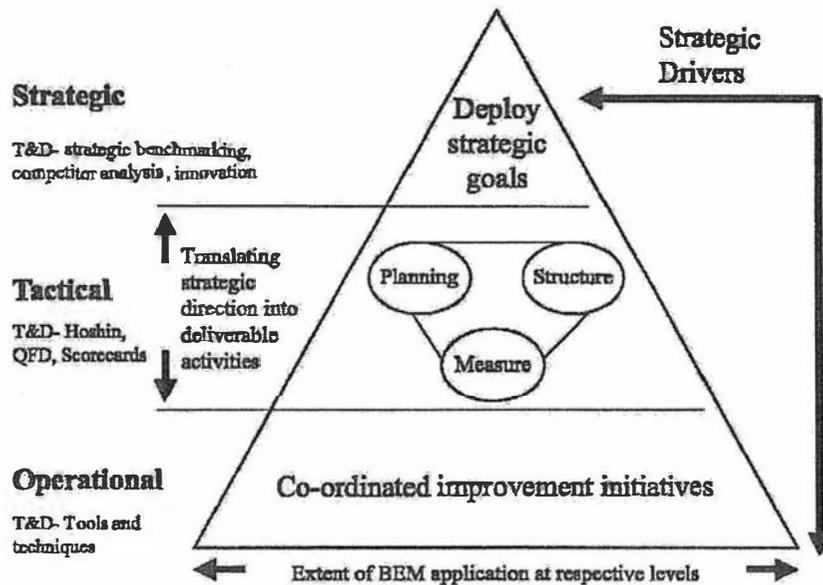
A well known illustration of the teleological perspective in the QM literature is the PDCA or PDSA cycle, originally developed by Deming (1986) and applied as a tool for guiding continuous improvement processes (Dale, 2003). The 'P' represents *plan* (i.e. the development of action plans), 'D' represents *do* (i.e. the deployment of implementation of action plans), 'C' represents check (i.e. evaluation, analysis, reporting) and 'A' represents action (i.e. possible change the plan based on the evaluation findings). An organisation may go through a number of cycles of improvement as it aspires to achieve the final destination of total quality (Dale, 2003) or excellence (Kanji & Wallace, 2000).

Leonard and McAdam (2002, 2002a) suggest BE implementation involves ongoing cycles of improvement at three hierarchical levels within an organisation; strategic, tactical (concerned with translating strategy to action) and operational (implementation of improvement initiatives) as represented in Figure 2.3. These researchers make the observation that BE implementation often starts at the operational level and often never achieves the strategic level. They propose that improvement in organisational performance is more likely to be achieved if BE is implemented at all three levels simultaneously.

### **Evolutionary perspectives**

A third perspective is the evolutionary approach. Van de Ven and Poole (1995) describe this approach as being concerned with cumulative changes across entities such as organisations and communities. The evolutionary perspective is described as "proceeding through a continuous cycle of variation, selection and retention." (p. 515). Variation is seen as occurring by chance, selection involves competing for scarce resources and retention considers the 'forces' that influence the ongoing nature of the change process.

Figure 2.3: The strategic application of the Business Excellence Model (Source: Leonard & McAdam, 2002)



### Dialectical perspective

The dialectical perspective as described by Van de Ven and Poole (1995) assumes the organisation exists in a pluralistic world of competing and opposing entities. Change is believed to occur in response to contextual changes. The researcher identified three approaches to the analysis of organisational development and change that align with the dialectical perspective and have the potential to guide the development of a conceptual framework to represent the BE journey. The approaches are: (1) Contextualism as a mode of analysis (Pettigrew, 1999); (2) the Processual Framework (Dawson & Palmer, 1995); and (3) the Model of Organisational Performance and Change (Burke & Litwin, 1992).

#### *Contextualism as a Mode of Analysis (Pettigrew, 1999)*

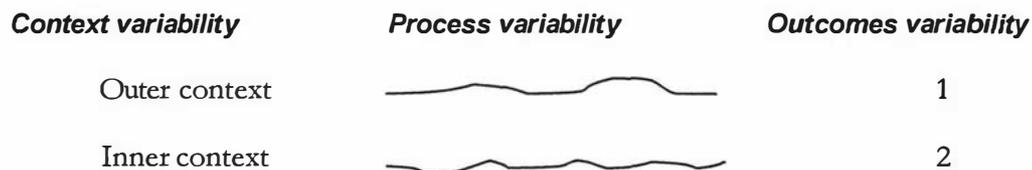
Pettigrew (1999) advocates the use of contextualism to inform theory development and data collection when studying organisational change. Both Pettigrew (1999) and Dawson & Palmer (1995) challenge the value of traditional models of change for today's complex environments. Pettigrew describes the traditional organisational development models as "a-historical, a-processual and a-contextual" (p.232). Dawson and Palmer suggests these models based on Lewin's (1951) three stage model of 'unfreezing-changing-refreezing' are only

relevant for understanding change in relatively stable conditions but not for complex environments.

Pettigrew describes the contextualist approach as having three basic components (context, process, and outcome) and that contextualist research requires an examination of variability of each component over time. The three basic components of the contextualist approach are described below and represented in Figure 2.3.

- *Context* is described by Pettigrew (1999) as multiple organisational levels and makes the distinction between the external and internal context for an organisation
- *Process* is described by Pettigrew as a “continuing system with a past, a present, and a future” (p.242)
- *Outcome* addresses the results of the phenomenon, which in the present study is the BE journey

**Figure 2.4: Components of the contextualist mode of analysis (Source: Pettigrew, 1999)**



*Processual Framework (Dawson & Palmer, 1995)*

Dawson and Palmer (1995) acknowledge the value of Pettigrew’s contextualist approach but criticise his work for lacking guidelines for application. They apply contextualism to develop their own “Processual Framework” for analysing and describing the implementation of TQM in Australian and New Zealand manufacturing and service organisations. For analytical purposes Dawson and Palmer represent the process of organisational change as three timeframes and the context of change as three determinants (see Figure 2.4). The three timeframes are:

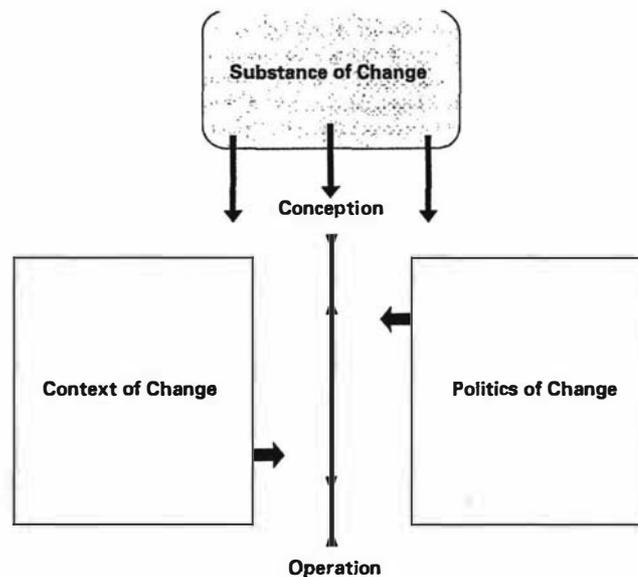
- Conception of a need; the organisation has recognised they need to change / improve and have decided on the general approach to be adopted eg BE
- Process of organisational transition; the organisation starts the implementation of the change / improvement strategy

- Operation of new work practices and procedures; the new way of working is evident throughout the organisation and there is sustainable

And the three determinants of change are:

- The context of change e.g. organisational context
- The substance of change e.g. the quality initiative
- Politics of change e.g. the influence of people

**Figure 2.5: A Processual Framework (Source: Dawson & Palmer, 1995)**



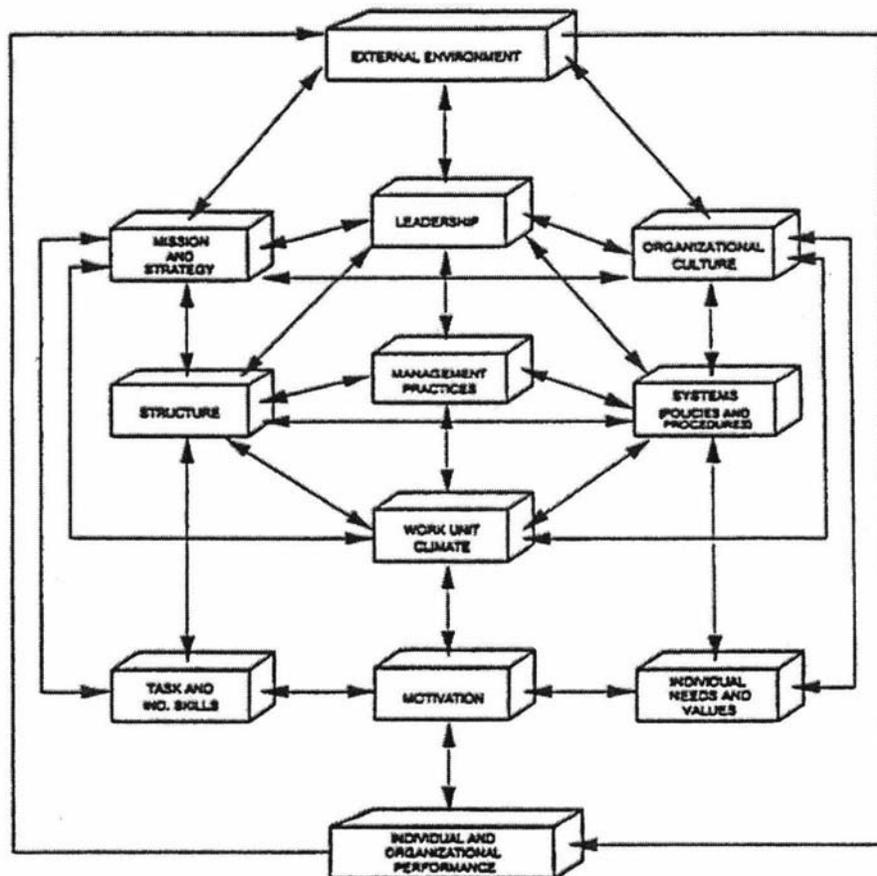
Although the processual framework developed by Dawson and Palmer (1995) operationalises aspects of contextualism as described by Pettigrew (1999) and integrates QM and organisational change it does not address how the determinants of change influence the process of change, nor the results of the process.

*Model of Organisational Performance and Change (Burke & Litwin, 1992)*

The researcher identified another organisational change model, also with a contextualist perspective that addresses how practices and people influence the results of change. The "Model of Organisational Performance and Change" (Burke & Litwin, 1992), presented as

Figure 2.5, represents the factors and the most critical linkages between these factors, that Burke and Litwin propose are the most important for achieving organisational change.

Figure 2.6: Model of Organisational Performance and Change (Source: Burke & Litwin, 1992)



Burke and Litwin promote the Model as a causal model of organisational performance and change that is based on empirical research and practice. They propose that external factors influence transformational factors which influence transactional factors and that together, transformational and transactional factors influence individual motivation. They describe transformational factors as “areas in which alteration is likely caused by interaction with environmental forces and will require entirely new behaviour sets from organisation members” (p. 529).

**Table 2.6: Factors within the Model of Organisational Performance and Change (Burke & Litwin, 1992)**

<b>External environment</b>	Any outside condition or situation that influences the performance of the organisation eg political / government changes
<b>Transformational factors (total system level)</b>	
Interact with the environment, are focused at the organisation level and are likely to influence organisation culture.	
Leadership	Senior managers provide overall direction and role models; employees perception of executive values and practice
Mission and strategy	What top management and the employees perceive to be the purpose of the organisation (mission) and how the organisation intends to achieve the purpose (strategy)
Culture	The collection of overt and covert rules, values and principles that are enduring and guide organisational behaviour
<b>Transactional factors (group or work unit level)</b>	
are operationally focused, and are likely to influence organisational climate	
Structure	Arrangement of functions and people into specific areas and levels of responsibility, decision making authority, communication and relationships assure effective implementation of the mission and strategy.
Management practices	What managers do to use the human and material resources available to carry out the organisation's strategy.
Systems	Policy and procedures that facilitate work, such as work systems, management information systems.
Climate	The perceptions that individuals have of how their own work unit is managed and how effectively they and their colleagues work with their manager, each other and with other units.
<b>Transformational &amp; transactional factors influence the individual</b>	
Task requirements & individual skills / abilities	The required behaviour for task effectiveness, including specific skills an knowledge required of employees to do their work
Individual needs & values	Psychological factors that provide desire and worth for individual actions or thoughts eg enriched jobs motivates people
Motivation	Net energy; behaviour that moves people towards goals, take needed action, and persist until satisfaction is achieved
<b>Final outcomes</b>	
Individual & organisational performance	Individual and organisational performance outcomes or results
<b>Feedback</b>	Feedback information and analysis influence future actions

Although Burke and Litwin recognise that within the context of general systems theory all factors affect one another, they propose that the external environment has the greatest impact on organisational change, followed by transformational factors, and then transactional factors. They propose that transformational factors have more “weight” than transactional variables as they impact organisational culture.

In their paper Burke and Litwin (1992) make the distinction between culture and climate. They define culture as “the way we do things around here ... the collection of overt and covert rules, values and principles that are enduring and guide organisational behaviour” (p.532) and define organisational climate as a “psychological state strongly affected by organisational conditions, such as systems, structures, and manager practices” (p.526). Burke and Litwin suggest that organisational climate is typically concerned with how individuals perceive the effectiveness of their own work unit and the effectiveness of the working relationships within their unit and between their unit and other units.

In Section 2.3 the researcher has explored models of organisational development and change in order to develop theoretical insights for the BE journey. Although the lifecycle and teleological models address aspects of the BE journey, the researcher proposes that the dialectical perspective provides the most comprehensive insights as the models within this perspective address the organisational context and the complexity of organisational development and change.

## **2.4 THE BUSINESS EXCELLENCE (BE) JOURNEY**

In Section 2.4, the researcher integrates the context of organisational studies (Section 2.1), the themes from the review of BE in services (Section 2.2.2) and the CPE framework (Section 1.1.5), and selected models of organisational development and change (Section 2.3) to provide a structure to review findings relevant for how service organisations start the BE journey.

The review focuses on findings from the empirical BE in services studies outlined in Section 2.2.2. These studies address BE in service and manufacturing organisations where the study makes a distinction between findings for service and manufacturing organisations (see Table 2.4). The review also includes QM in services research (see Table 2.5) and organisational studies research where the researcher believes these add value to the BE in services knowledge base. The review is organised into five topics which reflect the themes identified in the BE in services review: Section (1) organisation profile, (2) improvement processes, (3) practices that influence the BE journey, (4) people who influence the BE journey, (5) how practices and people influence the BE journey, and (6) organisational results.

### **2.4.1 Organisational profile**

Of interest to the present study is how the organisational profile influences the start of the BE journey. Within the CPE it is suggested that the organisational profile provides the “overarching guide” for the “organisational management system” (NZBEF, 2005, p.4). In reviewing the literature for how the organisational profile influences the BE journey the researcher focused on three dimensions (1) organisational description, (2) organisational challenges, and (3) preparing and planning to start the journey.

#### **Organisational description**

The research for how the organisational profile influences the BE or QM improvement journey is comprehensive. Researchers have examined the influence of organisational attributes such as business type, industry type, organisation size, organisational structure and organisational maturity. Each of these attributes are discussed briefly below.

##### *Business type*

Writing about the use of the EFQM excellence model in Europe, Adebajo (2001) notes the model has had more success in public sector organisations than private. He cites a Price Water House survey of 3,500 public sector organisations, which estimates 44% of public sector organisations are using the Model, with 81 % of users believing the Model is an effective tool within their organisation. In Australia, the use of BE is significantly higher among government organisations than private organisations (Deloitte Touche Tohmatsu, 2000).

##### *Industry type*

HEFCE (2003) commissioned extensive research into testing the introduction and embedding of the EFQM Excellence Model in further and higher education in the United Kingdom. The three year study identifies the application of the Model as “wholly appropriate and beneficial within both higher education and further education”(p.1). Win and Cameron (1998) examine the validity of the 1996 CPE using data from higher education organisations and confirm the relevance of the CPE for higher education organisations.

##### *Service type*

As discussed in Chapter 2, classifying services by service type may be useful when exploring how the organisational profile influences the journey. Silvestro et al. (1992) propose there are three services types: professional, service shop and mass service. Professional services,

such as business services, health and community services, are characterised as organisations with relatively few transactions, high customisation of services and the value being added at the front office. Mass services, such as communication services and transport services, are characterised as organisations with many transactions and involving limited customisation. The service offering is predominately product-orientated, with the value being added away from the front line. The service shop classification is applied to hybrid services, which have characteristics of both professional and mass services, such as insurance, education, government administration and defence.

Harvey (1998) focuses on the effect of different service types on QM implementation and argues that routine services (such as mass services) may be designed and delivered along the lines of manufacturing and some QM practices from manufacturing are appropriate; whereas QM in high contact services (such as professional services) requires a “radically different mindset” with attention “focused on the critical moments of truth that take place during service encounters” (p.596).

#### *Organisation size*

Another aspect of the organisational description is the size of the organisation. For this study, the researcher defined large organisations as employing over 100 full time equivalent people (Cameron & Massey, 1992). Corbett and Angell (2004) examine the relationship between organisational size and organisational performance with New Zealand BE award winners. They use the number of employees as a measure of organisational size and do not find a significant correlation between size and rate of increase in total CPE score (points per year). Singhal and Hendricks (1999) in their comprehensive study of TQM in nearly 600 quality award winners (publicly traded firms) analyse the influence of organisational size on financial results. Their findings indicate that smaller organisations (defined as those with less than a total asset value of US\$500 million) generally achieve better results than larger organisations.

#### *Organisation structure*

Bauer (2003) explore the relationship between the organisation’s contexts (defined as strategy, structure, technology) and BE implementation. These researchers conclude that organisations with simple and informal structures are more likely to succeed when implementing BE than organisations with complex and formal structures.

Within the QM literature, Abraham et al. (1997) use statistical analysis to examine the influence of structure on TQM implementation. Their results indicate that organisations with headquarters within the country are more likely to succeed at implementing TQM than organisations where the headquarters are offshore or disconnected from the implementing company.

Organisational change researchers, Kanter (1983) and Pettigrew (1985) explore the influence of structure in organisational change. They both propose that integrative structures are necessary to create change and that fragmented structures constrain organisational change.

#### *Organisational maturity*

Robbins and Barnwell (2002) describe the organisation life cycle as progressing through a natural growth cycle of formation, growth, maturity and decline. Sullivan-Taylor and Wilson (1996) examine how the stage of organisational maturity influences how an organisation approaches the improvement journey. They observed that the approach to introducing TQM varies depending on the maturity of the organisation. Organisations that introduced TQM as the organisation was “forming” made better progress than those who implemented TQM later as a change management initiative.

#### **Organisational challenges**

Researchers have examined the challenges or the drivers that influence the decision to start an improvement journey and the decision to adopt the CPE.

#### *Drivers to start an improvement journey*

Organisational change researchers, Burke and Litwin (1999) argue that leaders typically introduce organisational change in response to external pressures such as changes in government regulations, the competitive environment, or technological breakthroughs. Similarly, QM research with seven Australian service and manufacturing organisations (Bardoel & Sohal, 1999) identified that these organisations started improvement initiatives to achieve competitive advantage. All seven Australian organisations in the Bardoel and Sohal study introduced TQM to survive in a competitive environment. Bardoel and Sohal observed that the decision to initiate TQM was not customer driven as was expected.

Conversely, other QM researchers suggest that quality initiatives are primarily started in response to internal drivers and not external drivers. A study carried out by Evans and Dean (2003) identifies that most organisations embark on a quality journey as they perceive it as

an opportunity to grow and improve and not as a reaction to competition or customer pressure. A similar finding is reported by Lawler et al. (1998). These researchers identify that successful QM initiatives are typically driven by a “desire to improve performance” by the CEO and not by “threats to the organisations survival” (p.89).

Other research indicates that external and internal drivers are likely to influence the decision to start an improvement journey. A BE study by Angell (2001) examines the influence of external and internal pressures for environmental and quality initiatives. Her research identifies that quality managers experience external pressures related to customers and internal pressures related to perceived improvement opportunities. Likewise, a comprehensive QM study of the Fortune 1000 companies (Lawler et al. 1999) identifies a strong relationship between external drivers (such as global markets, customer focus) and TQM adoption and internal drivers (such as ensuring high quality, increasing speed of products to market, and being a technology leader) and TQM adoption. Research by Lascelles and Dale (1993) also identified that starting a QM improvement process was influenced by a balance of external and internal drives. In order of influence, these drivers were identified: as demanding customers, the need to improve profitability and reduce costs, followed by the CEO, competition and a fresh start situation. Likewise, Sullivan-Taylor and Wilson (1996) examine the rationale for starting for New Zealand service organisations and identified the key drivers as external (e.g. competitive advantage) and internal (e.g. to improve industrial relations).

Organisational receptivity for change provides another perspective for starting an improvement initiative. Kotter (1996) discusses the importance of creating a need for change or making the organisation receptive to change. He argues that creating receptivity is more difficult when the leader has the vision for the future (internal driver) but there is no obvious crisis (typically an external driver). Based on their QM research with Fortune 1000 companies Lawler et al. (1998) suggest that TQM initiatives require both a clear vision of the type of change needed and dissatisfaction with an existing state, which may or may not be a crisis. When examining quality and environmental initiatives in award winners Angell (2001) observes that there is no apparent relationship between “a sense of urgency and successful or unsuccessful quality initiatives” (p.310).

### *Drivers to adopt the CPE*

Researchers have identified a range of reasons for organisations to adopt the CPE such as that it is a measure of performance and a guide for improvement. Based on their research with service and manufacturing organisations van der Wiele et al. (2000) suggest organisations adopt the CPE as it defines excellence and provides an objective score. HEFCE (2004) observe that initially organisations adopt the EFQM framework to do a one off measure of performance or to provide a one off “health check” (p.16). Measurement against the CPE has been used to facilitate benchmarking (Bartley & Mann, 2002) and to assess organisational performance for awards (NZBEF, 2004; Sullivan-Taylor & Wilson, 1996). Based on her work with award winners in the United States, Blodgett (1999) suggests private companies typically apply for an award as winning provides “an independent assessment of performance and public recognition for being a high performance organisation” (p.4).

Organisations have been observed to adopt a BEF and the associated self-assessment process to guide continuous improvement (Blodgett, 1999; HEFCE, 2003). Guiding improvement may be as simple as providing information on how to improve (McCaul, 1997), as a framework to provide focus and to incorporate other improvement initiatives (Adebanjo, 2001; HEFCE, 2003), as a catalyst for change and improvement (Barnes, 1996; van der Wiele, 1996), or as a framework to identify strengths and opportunities in order to focus improvement initiatives (Blodgett, 1999; van der Wiele, 2000). HEFCE (2004) observe that mature higher education organisations adopt the EFQM as a planning tool to integrate business planning and self-assessment.

### **Preparing and planning to start the BE journey**

BE researchers discuss the need to prepare and plan the approach taken for the start the improvement journey (Hides, Davis & Jackson, 2004). Findings are reviewed for how organisations ensure the alignment between the organisation profile and BE, and the scope of BE implementation.

BE researchers, Meers and Samson (2003) examine how the external environment influences the BE journey. Their findings highlight the importance of achieving and maintaining the alignment of the organisation’s current and emerging business strategies with the BE initiative. For one company, an industry downturn resulted in a change in strategy from growth to survival – BE was discontinued as it was not seen as relevant in a declining

market. In another case, the CEO was the key sponsor and driver for the BE initiative. He was not able to engage his executive in the initiative, so when he left the remaining executive discontinued the initiative. Meers and Samson conclude their paper with a recommendation for organisations considering embarking on a BE journey to undertake a contextual analysis of their business strategy, operating environment and culture in order to establish if BE is the appropriate initiative to meet the strategic needs of the organisation.

Two studies investigate alignment between the organisational profile and QM implementation. In the first study, Yusof and Aspinwall (2000) examine the application of BEFs and conclude that the majority of the existing frameworks do not address readiness to start the journey as they are focused for large (over 250 people) mature organisations and hence assume that organisational systems such as information systems and support process are already in place prior to starting the journey. In the second study, Bardoel and Sohal (1999) highlight the importance of considering organisational culture prior to embarking on a QM journey. On the basis of their findings they propose a five step cultural audit process as a prerequisite for the successful introduction of TQM.

Other researchers have investigated the scope of implementation and provide varying recommendations for whole organisation or part organisation implementation. HEFCE (2003) reports on the pilot of introducing the EFQM Model into higher education and further education institutions in the United Kingdom. This report states that the Model works well at any level within organisations but works at its optimum when introduced at the strategic level and within units across the whole organisation. They cite evidence where the Model had been introduced at the unit level without executive management understanding and commitment, resulting in limited improvements and disillusioned staff.

Abraham et al. (1997) use statistical analysis to examine the influence of scope of TQM implementation on the success of implementation. The results indicate that those organisations with a whole organisation approach to implementation and support from the top have the best chance of success. Likewise, Lawler et al. (1998) examines how high performing companies introduce TQM. The most preferred approaches are (a) led by top management, (b) based on a three year or more plan, and (c) integrated organisation-wide. The least preferred approaches are (a) made up of a series of unrelated initiatives and (b) based on bottom-up implementation strategy.

On the other hand Beer's (2003) research indicates that the unit-by-unit approach to starting TQM is the most effective. He observes that it is easier to implement TQM within a unit where TQM is seen to fit the culture and the manager is supportive of the initiative. These units then become "living models" for the rest of the organisation (p.633). He acknowledges that the unit-by-unit approach to change is slower but suggests it leads to sustainable success. Van der Wiele et al. (1996) report that managers support a unit-by-unit approach to self-assessment as this approach enables them to develop their understanding for the process.

Results of two studies suggest that organisations may be able to influence the duration of transition. A study focusing on QM in 118 service organisations (Brah, Wong & Rao, 2000) identifies that there is no relationship between the duration of the journey and change in organisational performance, suggesting the duration of transition may be influenced more by the effectiveness of implementation than by the duration of the journey. Similar results are found by Powell (1995) in his comprehensive study of QM in service and manufacturing organisations.

From this body of research, it seems that the organisational profile is perceived to influence improvement throughout the BE journey. Aspects of the organisation description such as the external environment and the organisational structure appear to have a stronger influence on the journey than the size of the organisation. The review indicates that both external and internal challenges influence the decision to start the journey and to adopt a BEF. In addition the review highlights the potential value of effective preparation and planning prior to the start the BE journey.

#### **2.4.2 Improvement processes that influence the BE journey**

In reviewing the literature for how improvement processes influence the BE journey, the researcher focused on three distinct but interrelated temporal dimensions (1) the sequence of the BE journey, (2) the cycles of improvement, and (3) the processes associated with BE practices. Each of these perspectives is now reviewed as they relate to the BE journey.

##### **Sequence of BE journey**

Within the literature there appear to be three topics related to the sequence of the BE journey: a journey of continuous improvement, stages of maturity and the sequence of practices. Findings for each of these topics are now presented.

### *A journey of continuous improvement*

In reporting findings for organisational development and change, Dawson (1994) challenges the notion that organisations eventually achieve a stable state as promoted by traditional organisational development theorists (Lewin, 1951). He argues that organisational development and change isn't "simply a case of unfreezing an organisation, changing and then refreezing new behaviours". He describes the improvement journey as "an ongoing process which requires continual management effort" (p.177). Recognising this ongoing nature of the improvement journey, he proposes his processual framework and represents the change journey as three general time frames to assist analysis; conception of a need, organisational transition and operation of new work practices, procedures and ongoing change. Dawson and Palmer (1995) later applied this framework to the analysis TQM implementation and demonstrated its value as a conceptual framework for guiding research.

Although not empirically based, in his conceptual paper Dervitsiotis (2003) argues that conventional BE and existing BEFs have proven to be useful when the external environment is relatively stable; and that in the future, sustainable BE and BEFs will need to emphasise "resilience" and the ability to adapt to a changing business environment (p.266). Dervitsiotis proposes that a sustainable BE journey could be represented as ongoing growth curves that suggest periods of formation (or renewal) growth and maturity.

### *Stages of maturity*

Dale and Lascelles (1997) identified six different levels of TQM adoption" (1) uncommitted, (2) drifters, (3) tool-pushers, (4) improvers, (5) award winners, and (6) world class. These levels, derived from empirical research are described fully in Section 2.3.2, what is of interest here is how Dale and Lascelles suggest these levels influence the improvement journey. They suggest the levels describe characteristics of TQM organisations and that organisations may not display each level as they progress, and that organisations need not progress through each level sequentially. This suggests that given the right circumstances, organisations may be able to progress to higher performing levels without needing to experience lower performance.

The HEFCE (2003) report describes how organisations start the journey by using the EFQM model and associated self-assessment process as a "health check" or an isolated measure of performance, and how they then progress to using the EFQM as a planning tool (integrating self-assessment and planning) and to finally a strategic tool (fully integrated & aligned

business system). They stress that there is little benefit associated with using the EFQM as an isolated “health check” and report that sustainable improvements are achieved when organisations either apply the EFQM as a planning tool along side the strategic and business planning process or fully integrate the self-assessment process into the business planning cycle. While they observed that organisations progress sequentially through each stage of maturity, some organisations progressed at a faster rate than others.

Likewise the CPE (NZBEF, 2005) scoring guidelines recognise progressive levels of maturity in BE implementation. As described in Section 1.1.5, organisations achieve increasingly higher scores as they progress from evidence of an approach to the deployment of that approach, to learning and improvement, and finally alignment and integration. As with the HEFCE study, the CPE scoring guidelines imply sequential levels of maturity. BE studies also provide empirical evidence for varying rates of improvement. These are reported in the results section (Section 2.4.6)

#### *The sequence of practices*

Although some researchers suggest there is no best way to implement BE (Hides, Davies & Jackson, 2004) others have attempted to identify patterns in the sequence of practices implemented. Barnes (1996) sought to describe the sequence of the BE journey. Based on empirical research with one organisation’s journey he mapped items from the 1995 Criteria to provide a road map for the journey. Barnes reflected on his study that the complexities of real organisations would limit the application of his findings and recommended the value of his work was as a single case study.

Win and Cameron (1998) apply statistical analysis to establish the relationships between CPE categories and the most effective sequence to implement each category. Based on empirical research within the tertiary sector they describe the sequence as: (1) establishment of effective and committed leadership – Category 1, (2) gather and use information – Category 3 and 4, (3) apply the information to the strategic planning process – Category 2, (4) design and develop human resource systems – Category 5; and organisational processes – Category 6.

Researchers have also examined the historical influence of practices. Dawson and Palmer (1995) suggest past strategies and events may influence the present situation. For example, they observe that previous experience with QM (both positive and negative) influences employee attitudes to any new quality initiatives. This proposition is supported by Bardoel

and Sohal (1999) where they observe negative attitudes arising from previous “false starts” of improvement initiatives.

### **Cycles of improvement**

Leonard and McAdam (2002, 2002a) have extended the traditional continuous improvement cycle (Deming, 1986) and based on empirical evidence have applied it to the implementation of BE as an organisational initiative. They represent BE implementation as involving ongoing cycles of improvement at three hierarchical levels within an organisation; strategic (concerned with the integration of organisational strategy and BE strategy), tactical (concerned with translating strategy to action) and operational (implementation of improvement initiatives). Although not tested, these researchers suggest that BE implementation is likely to be most effective when improvement action is undertaken at all three levels.

### **Processes associated with BE practices**

The BE literature addresses the processes associated with a number of BE practices, such as the self-assessment process, the award application process and the benchmarking process. This review focuses on the self-assessment process as organisations starting the BE journey are more likely to carry out a self-assessment process than to participate in the award process or benchmarking (Dale, 2003).

Hutton (2000) observes that there are a number of different approaches to self-assessment and that organisations tend to apply progressively more advanced approaches as they mature as a BE organisation. He describes four progressively more complex types of assessment: (1) the mini-assessment, which is described as being relevant early in the improvement journey. It involves a workshop format and is based on existing knowledge about organisation practice and performance, (2) the facilitated assessment, which is described as involving a team of internal evaluators, supported by an external advisor, preparing a report based on evidence, (3) the joint assessment, which is similar to the facilitated assessment but is completed by an external advisor in partnership with the internal team, and (4) the external assessment, which is described as an objective, independent assessment, conducted either by an independent evaluator or a team of evaluators (in the case of an award application).

The processes associated with self-assessment typically align with the PDCA cycle (Deming, 1986). To illustrate this, the researcher has outlined four examples of reported processes associated with self-assessment. These are listed in Table 2.7.

**Table 2.7: Examples of processes associated with self-assessment**

PDCA, Deming, 1986	HEFCE, 2003	McFarlane, 2002	Dale, 2003	Van der Wiele et al. 1996
<b>Plan</b>	Note vision, mission, & values Identification of stakeholders	Integrated approach to strategic & action planning	Raise the awareness; Identify the level of maturity & desired level of maturity	Self-assessment is linked to the business planning process
<b>Do</b>	Self-assessment Integrated planning process Implement actions	Evidence based self-assessment within each business unit Corporate strategic planning workshop & conference Strategic plan, action planning, appointment of project champions & deployment	Introduce the UMIST framework & customise if required Self-assessment against the UMIST framework Prioritise actions as relevant to organisational strategy Develop action plans	Develop action plans
<b>Check</b>	Review improvement projects	Ongoing communication to staff	Communicate action plans to staff	Senior managers monitor improvement targets
<b>Act</b>	Improve the process & repeat the cycle	Improve the process & repeat the cycle Seek external validation for the process & results	Identify barriers to implementation	Written findings are presented to senior managers

After examining the practices perceived to influence the success of the self-assessment process, van der Wiele et al. (1996) stress the importance of integrating the self-assessment process with organisational planning (see Table 2.7). This approach is also promoted by HEFCE (2003) and McFarlane (2002). HEFCE recommend a process that starts with the organisations strategic direction and integrates the self-assessment process with the organisation’s planning process as outlined in Table 2.7. Also outlined in Table 2.7 is the self-assessment process described by McFarlane. He describes how one organisation started their journey with a self-assessment of the whole organisation using the EFQM model and then integrated the findings of this process into the strategic planning and deployment process. Dale (2003) recommends a different approach and suggests an organisation reviews its level of quality maturity and then adjusts its self-assessment process accordingly.

Although self-assessment is agreed to be effective, there is a debate as to when an organisation should begin to assess itself against a BE framework. Dale (2003) suggests an organisation should not progress to self-assessment with an excellence model until it is experienced in TQM. He suggests this would be 18 months to 3 years from ISO registration. Evidence from Dale's (2003) research suggests that earlier self-assessment is counterproductive, as low scores may create disillusionment or inexperience may result in overscoring. Once initiated, Dale advocates that mature organisations repeat the self-assessment cycle at least annually to stimulate a systematic approach to continuous improvement.

The body of research that focuses on the processes involved in the BE journey highlights key themes and areas for further study. Researchers appear to agree the improvement journey is continuous and that organisations progress through levels of maturity, but are yet to provide a clear view for the sequence of practices implemented at the start of the journey. In contrast to the above topics, researchers appear to provide consistent evidence for the effectiveness of an integrated approach to self-assessment.

### **2.4.3 Practices that influence the BE journey**

In reviewing the literature for the practices that influence the BE journey, the researcher used the system categories within the CPE (NZBEF, 2005) to organise the section. The categories are: leadership (category 1), strategic planning (category 2), customer and market focus (category 3), measurement, analysis and knowledge management (category 4), human resource focus (category 5), and process management (category 6).

The review of practices undertaken includes both BE and QM in services empirical research due to the limited number of studies that focus solely on BE in services. The term BE is used here when a study focuses on BE in services or addresses the application of a BE framework and the term QM is used when the literature focuses on QM in services but does not address BE or BEFs.

Throughout the BE and QM literature practices perceived to influence BE or QM implementation are given a number of labels such as factors, features or variables. To enable consistency for this study, the researcher has adopted Dean and Bowen's (1994) terminology and uses the term practices (see Table 2.1).

## **Leadership**

Leadership as a category within the CPE is concerned with how the organisation's senior leaders guide and sustain their organisation. Studies that focus on leadership can be grouped into dimensions such as: leadership and organisational performance, vision and values, top management commitment and active involvement, and communication. These studies are listed in Table 2.8 and discussed below.

### *Leadership and organisational performance*

Two BE studies (Corbett & Angell, 2004; Win & Cameron, 1998) examine the influence of leadership on organisational performance. Corbett and Angell study both service and manufacturing award winners and use statistical analysis to demonstrate that an improved CPE leadership score is associated with improved CPE scores for customer focus, human resource focus and with an improvement in the overall CPE score. In contrast, Win and Cameron also use the CPE scores to examine the influence of leadership in higher education organisations and demonstrate that the main effect of leadership is on the other system categories, not on the results category.

### *Vision and values*

Visioning is identified as important for QM and BE implementation. Case study research with a health organisation implementing BE (Jackson, 1999) identifies that a shared mental model of quality and shared quality-based values enhances the implementation of BE.TQM programmes in Fortune 1000 companies (Lawler et al. 1998) are shown to produce the best results when change strategies have a clear sense of direction. In these organisations a clear sense of direction is created by (1) clarity of mission and value statements, (2) clearly stated business strategy, and (3) clearly stated beliefs about what makes an organisation effective.

Organisational change researchers, Abraham et al. (1999) suggest visioning is important in high performing organisations, where visioning requires the leadership of the organisation to develop purpose and meaning for people in the organisation. Other writers on change (Nadler & Tushman, 1980; Kotter, 1996) promote the need for clear direction. Collins and Porras (1995) in their study of visionary organisations, find that these organisations are guided by core values and a sense of purpose beyond just making a profit.

### *Top management commitment and active involvement*

From a BE implementation view, HEFCE (2003) identifies top management drive as well as demonstrated commitment through sponsorship of BE as important factors. A number of studies of QM in services identify top management commitment and active involvement as a key practice (Banerji, Gundersen & Behara, 2005; Boaden & Dale, 1993; Brah, Wong & Rao, 1996; Behara & Gundersen, 2000; Powell, 1995).

A US study focusing on how managers' attitudes influence QM implementation (Choi & Behling, 1997) observes that managers with a developmental attitude are the most effective in implementing QM, while those with a tactical or defensive attitude are the least effective. A developmental attitude is described as being focused on future growth and excellence; a tactical attitude is described as being focused on using QM to improve service for immediate customers; and the defensive attitude is characterised as reluctant adopters. Favorite (1994) interviews executives from award winning companies to examine how leaders are influenced to engage in TQM. The research identifies four influential events (1) visiting role models, (2) developing an understanding for TQM and change management, (3) challenging projects, and (4) receiving feedback from others on their performance.

Top management commitment and active involvement is often highlighted as a key success factor in organisational change. Abraham, Crawford, Carter and Mazotta (2000) describe commitment as "leadership and management action that deliberately and systematically model behaviour in accordance with the vision" (p.185). Commitment is also seen as being actively responsible for success and achieving consistency between "the talk and the walk" (Porter & Parker, 1993, p.20).

### *Communication*

The QM and BE research focuses on the influence of 2-way communication. The majority of researchers describe 2-way communication as being between senior management and staff (Boaden & Dale, 1993; HEFCE, 2003; Kaye & Anderson, 1999). In addition, Beer (2003) stresses the need for senior managers to have effective and open communication between themselves, particularly when reviewing the effectiveness of the improvement journey.

The consistent message from the organisational change literature is that effective communication is necessary throughout a change process (Nadler, 1997). Abraham et al. (1999) suggest communication involves ensuring all people in the organisation understand the new direction. They stress the need for managers to 'walk the talk' – to ensure their

actions are congruent with the vision. Vaill (1993) stresses the need for a continuous stream of wide ranging communications and conscious action by leaders to support the vision. Sathe (1985) discusses the need for explicit communications (announcements, memos, slogans) as well as implicit communications (ceremonies, stories, logos, heroes).

**Table 2.8: QM or BE in services studies that identify key practices that enable the QM or BE journey**

<b>Dimensions &amp; items</b>	<b>QM or BE in services studies</b>
LEADERSHIP	Corbett & Angell, 2004; Kanji & Wallace, 2000; * Barnes, 1996; Win & Cameron, 1998
Vision and values	Agus, 2004; * Boaden & Dale, 1993; Black & Porter, 1995; Brah, Wong & Rao, 1996; * Duncan, Mouly, Nilakant, 1998; * Jackson, 1999; Kaye & Anderson, 1999; Lawler, Mohrman & Ledford, 1998; * Sureshchanda, Rajendran & Anantharaman, 2001
Top management commitment & active involvement	* Banerji, Gundersen & Behara, 2005; Boaden & Dale, 1993; Brah et al. 1996; Behara & Gundersen, 2000; * HEFCE, 2003; Kaye & Anderson, 1999; Powell, 1995; Sureshchanda et al. 2001
Communication	Boaden & Dale, 1993; HEFCE, 2003; Kaye & Anderson, 1999
STRATEGIC PLANNING	Corbett & Angell, 2004; Barnes, 1996; Black & Porter, 1996; Win & Cameron, 1998
Align & integrate strategic planning & QM/BE planning	Boaden & Dale, 1993; Black & Porter, 1995; Brah et al. 1996; HEFCE, 2003; Kaye & Anderson, 1999; Leonard & McAdam, 2001, 2002; * McFarlane, 2001; Kanji & Wallace, 2000; Sureshchanda et al. 2001
BE/QM & organisational change	Jackson, 1999; Lawler, Mohrman & Ledford, 1998
Action / resource action plans	Boaden & Dale, 1993; * Jackson, 1999
CUSTOMER & MARKET FOCUS	Black & Porter, 1995; Corbett & Angell, 2004; HEFCE, 2003; Kanji & Wallace, 2000; Win & Cameron, 1998
Align & integrate customer knowledge	Agus, 2004; Boaden & Dale, 1993; Brah, Wong & Rao, 1996; Kaye & Anderson, 1999; Sureshchanda et al. 2001
Build relationships with external & internal customers; partnerships	HEFCE, 2003; Jackson, 1999; Kaye & Anderson, 1999; Lawler et al. 1998; Sureshchanda et al. 2001
MEASUREMENT, ANALYSIS & KNOWLEDGE MANAGEMENT	Black & Porter, 1995; Corbett & Angell, 2004; Kanji & Wallace, 2000; Win & Cameron, 1998
Alignment & integration	Banerji, Gundersen & Behara, 2005; Behara & Gundersen, 2000; Boaden & Dale, 1993; HEFCE, 2003
Self-assessment	Banerji, Gundersen & Behara, 2005; Barnes, 1996; Black & Porter, 1995; Jackson, 1999; Kaye & Anderson, 1999; McFarlane, 2001; van der Wiele et al. 1996

Benchmarking	Agus, 2004; Banerji et al. 2005; Behara & Gundersen, 2000; Boaden & Dale, 1993; HEFCE, 2003; Kaye & Anderson, 1999; Sureshchanda et al. 2001
QM / BE awards	Dale, 2003; NZBEF, 2004
Ensure access to quality data & information	McCaul, 1997; Scharitzer & Kohunka, 2000; Sureshchanda et al. 2001
HUMAN RESOURCE FOCUS	Black & Porter, 1995; Corbett & Angell, 2004; Kanji & Wallace, 2000; Sureshchanda et al. 2001; Win & Cameron, 1998
<b>Dimensions &amp; items</b>	<b>QM or BE in services studies</b>
HR systems i.e. reward, recruitment	Banerji et al. 2005; Brah et al. 1996; Behara & Gundersen, 2000; Boaden & Dale, 1993; Kaye & Anderson, 1999;
HR systems eg teamwork, cross functional teams, project work	Black & Porter, 1995; Brah et al. 1996; Behara & Gundersen, 2000; Boaden & Dale, 1993; HEFCE, 2003; Kaye & Anderson, 1999; Lawler et al. 1998
Management of training	Brah et al. 1996; Behara & Gundersen, 2000; Boaden & Dale, 1993; Kaye & Anderson, 1999
T&D for teamwork, project work	Banerji et al. 2005; Kaye & Anderson, 1999
T&D for QM / BE	Agus, 2004; Banerji et al. 2005; Behara & Gundersen, 2000; Boaden & Dale, 1993; Kaye & Anderson, 1999
Employee involvement, empowerment	Agus, 2004; Banerji et al. 2005; Brah et al. 1996; Behara & Gundersen, 2000; Duncan et al. 2001; Jackson, 1999; Kanji & Wallace, 2000; Kaye & Anderson, 1999; Powell, 1995; Scharitzer & Kohunka, 2000
Union involvement	Sureshchanda, Rajendran & Anantharaman, 2001
PROCESS MANAGEMENT	Kanji & Wallace, 2000; Win & Cameron, 1998
Service & product design; design of service facility / environment	Banerji et al. 2005; Black & Porter, 1995; HEFCE, 2003; Kaye & Anderson, 1999; Sureshchanda et al. 2001
Monitoring core processes & support processes	Behara & Gundersen, 2000; Boaden & Dale, 1993; Sureshchanda et al. 2001
*Identifies those studies that examine practices demonstrated to influence the start of the BE or QM journey in services	

### Strategic planning

The strategic planning category within the CPE is concerned with how the organisation develops strategic plans and how these plans are deployed. Studies that focus on strategic planning can be grouped into dimensions such as: strategic planning and organisational

performance, alignment and integration, QM/BE and organisational change. These studies are listed in Table 2.8 and discussed below.

#### *Strategic planning and organisational performance*

In their study of BE award winners in New Zealand, Corbett and Angell (2004) find a significant correlation between improvement in strategic planning and improvement in overall CPE score. Corbett and Angell, Win and Cameron (1998) identify significant correlations between the strategic planning category, and process management and human resource focus.

#### *Alignment and integration*

QM and BE researchers stress the importance of alignment and integration between strategic planning and QM / BE planning to ensure sustained improvement (Boaden & Dale, 1993; Brah et al. 1996; Kanji & Wallace, 2000; Leonard & McAdam, 2001; Sureshchanda et al. 2001; van der Wiele et al, 1996). Researchers have also identified as key practices developing a customer focused strategic plan (HEFCE, 2003; Kaye & Anderson, 1999) and resourcing the improvement plans (Boaden & Dale, 1993; Jackson, 1999).

#### *BE / QM and organisational change*

Another aspect of planning considered in the research literature is the relationship between BE/QM and organisational change. Two studies have examined the process of organisational change and the key practices known to influence QM implementation. A study carried out by Abraham, Fisher and Crawford (1997) with Australian Quality Award winners demonstrates that successful implementation of TQM requires the management of complex change. The researchers identify five management practices perceived to influence effective TQM implementation and change. These practices are: visioning the future, active management support, communicating for change, systems support for the change, motivation and rewards. Active management support is established as the critical factor in their study. The researchers observe that all the key practices change at once and in a “complementary way to support the new mindset” (p.118). They conclude that managing transition processes requires planning for multiple and consistent leverage points.

In the second study Lawler, Mohrman and Ledford (1998) identify a relationship between effective change management practice and TQM success, defined as improvement in productivity, service, improvement in profitability and competitiveness, and improvement in employee satisfaction. They report similarities between core QM practices and change

management strategies such as; clearly defining strategy and values to influence improvement, and TQM being perceived as most effective when implemented throughout the organisation and when led by top management.

Organisational change researchers identify the importance of having a clear plan for the change initiative (Kotter, 1995). Nadler (1989) discusses the concept of investment and returns for organisational change, which emphasises the need to invest people time and energy as well as organisation resources to order to achieve improvement. He recognises that the most scare resource, senior manager's active involvement is critical to the change process.

### **Customer and market focus**

The customer and market focus category within the CPE is concerned with how an organisation develops its knowledge about its customers and markets and how it builds relationships with its customers. Studies that focus on customer and market focus can be grouped into dimensions such as: customer focus and organisational performance, alignment and integration of customer knowledge, building relationships. These studies are listed in Table 2.8 and discussed below.

#### *Customer focus and organisational performance*

Corbett and Angell (2004) find a significant correlation between improvement in the customer and market focus category and improvement in overall CPE score. These researchers also find a significant correlation between customer and market focus and human resource focus. Win and Cameron (1998) identify significant correlations between customer focus and planning, and customer focus and process management.

#### *Alignment and integration of customer knowledge*

HEFCE (2003) observe that a key practice for BE implementation is associated with developing and deploying a customer focused strategic plan. Collecting information about customers is relatively well understood. The challenge is seen to be collecting the right information (Dawson & Palmer, 1995) and integrating this information into business systems such planning and human resources systems (Agus, 2004; Boaden & Dale, 1993; Brah et al, 1996; Kaye & Anderson, 1999).

## Measurement, analysis and knowledge management

The measurement, analysis and knowledge management category within the CPE is concerned with how an organisation develops, collects and uses data and information. The contextual approach to analysing organisational change, as described by Pettigrew (1999), recommends that researchers find a way to capture the variability of outcomes or results throughout organisational change, and throughout multiple levels within the organisation.

QM and BE researchers monitor organisational performance with measures of business results, BE journey results and progress results. These approaches are listed in Table 2.9 and discussed next. The list of measures in Table 2.9 indicates that QM and BE researchers apply a range of business results measures including: product and service performance (Banerji, Gundersen & Behara, 2005), employee development and satisfaction (Brah et al. 1996; Kaye & Andersen, 1996), productivity (Behara & Gundersen, 2000), customer retention and loyalty (Brah et al, 1996; Geralis & Terziovski, 2003), market performance (Madhu et al. 1996; Powell, 1995) and financial performance (Banerji et al. 2005; Hausner, 1999; Sirca, 2003; Przasnyski & Tai, 2002; Singhal & Hendricks, 1999).

Although the attention to measuring the business results appears extensive, what is less evident is the approach to monitoring the BE journey. Organisations appear to typically measure the BE journey results by examining the duration of the BE journey (Dale & Lascelles, 1997; Jackson, 1999; Singhal & Henricks, 1999) and by reporting the change in CPE score over time (Corbett & Angell, 2004; Jackson, 1999; NZBEF, 2004; Mann & Grigg, 2004).

Three studies develop measures to monitor perceived change in organisational performance over time. The first study by Barnes (1996) adapts an early version of the Organisational Diagnostic Survey or ODS (Mackenzie, 2000) to monitor changes in adaptability throughout a case organisation. Abraham et al. (1997) measure organisational change capability in quality award winners. Recognising the role of unit managers in implementing strategic initiatives Beer (2003) measures how widely and effectively unit managers integrate TQM into practice.

BE and QM progress measures typically focus on the implementation of improvement initiatives (Bardoel and Sohal, 1999), and the effectiveness of individual projects (van der Wiele, Dale & Williams, 2000). A progress measure promoted in the QM literature (Dale,

2003) but not evident in the empirical research is the cost of quality (Bardoel & Sohal, 1999).

**Table 2.9: Summary of organisational measures applied in QM or BE in services studies**

<b>Organisational measures</b>	<b>QM or BE in services studies</b>
<b>BUSINESS RESULTS</b>	
Product & service performance	Agus, 2004; Banerji, Gundersen & Behara, 2005; Behara & Gundersen, 2000; Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Madhu, Kuei & Jacob, 1996
Employee satisfaction / performance / development	Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Madhu, Kuei & Jacob, 1996
Customer / stakeholder satisfaction / complaints	Agus, 2004; Behara & Gundersen, 2000; Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Madhu, Kuei & Jacob, 1996
Productivity	Banerji, Gundersen & Behara, 2005; Behara & Gundersen, 2000; Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Madhu, Kuei & Jacob, 1996; Powell, 1995
Customer retention / loyalty	Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003
Market performance i.e. growth, competitiveness, market share	Madhu, Kuei & Jacob, 1996; Powell, 1995
Financial performance	Banerji, Gundersen & Behara, 2005; Brah, Wong & Rao, 1996; Madhu, Kuei & Jacob, 1996; Powell, 1995; Sirca, 2003; Singal & Hendricks, 1999; Pryanyski & Tai, 2002; Hausner, 1999
<b>BE JOURNEY RESULTS</b>	
Duration of transition	Dale & Lascelles, 1997; Jackson, 1999; Singhal & Hendricks, 1999
Change in CPE score over time; rate of improvement	Corbett & Angell, 2004; Jackson, 1999; NZBEF, 2004; Mann & Grigg, 2004
Perceived change in organisational performance	Abraham et al. (1997); Bames, (1996); Beer (2003)
<b>PROGRESS RESULTS</b>	
Progress of improvement initiatives	Bardoel & Sohal, 1999; van der Wiele, Dale & Williams, 2000
Cost of quality	Bardoel & Sohal, 1999

### *Measurement practices specific to BE*

Self-assessment has been defined by EFQM (1997, p.3) as a “comprehensive review of an organisation’s activities and results against a systematic model of business excellence.” A recent study by van der Wiele, Brown, Millen and Whelan (2000) found that organisations using BE self-assessment, report greater improvement in organisational performance than those which did not practice self-assessment. A survey of the effectiveness of self-assessment in Europe (van der Wiele et al. 1996) finds that the key reason for completing a self-assessment is to identify opportunities for improvement. Important activities associated with the self-assessment process included: the CEO and executive are actively involved, senior managers monitor improvement targets, assessors are well trained, written assessments are more powerful than verbal, self- assessment priorities and business priorities align, the results are shared openly with key stakeholders, and priorities for improvement are actioned. The least effective events were found to be using software in the assessment process and the management team receiving a bonus relative to the score achieved.

Benchmarking has been defined by Camp (2003) as “finding and implementing best practices” (p.12). Organisations may undertake benchmarking as mature quality organisations (a) to stimulate and challenge the improvement process (b) to achieve performance improvement, and (c) to achieve ‘breakthrough’ improvements in order to gain competitive advantage (Camp, 2003). Saunders and Mann (2002) describe benchmarking as involving establishing the best practice benchmark (known as strategic benchmarking) and understanding how the benchmark is achieved (known as process benchmarking). Stace and Dunphy (2001) suggest organisations estimate 10% performance improvement is achieved through strategic benchmarking, and 90% improvement is achieved through process benchmarking.

The CPE provides the means of evaluating applicants for quality awards. An organisation submits a written application based on the CPE and is then assessed against the CPE by a team of trained evaluators. Awards are promoted not only for proving external recognition for the winners but for the value of a feedback report that identifies key opportunities for improvement (NZBEF, 2005). Dale (2000) considers the down-side of the award application process is that winning awards can become habitual, obsessive and expensive. He notes that considerable time goes into preparing application documents and preparing “camouflage measures” during site visits.

## **Human resource focus**

The human resource focus category within the CPE focuses on how an organisation develops and deploys work systems, training and development, and a work environment to enable people to achieve their potential and to contribute to the organisation's purpose. Studies that focus on human resources can be grouped into dimensions such as: human resources and organisational performance, HR systems, training and development, employee involvement. These studies are listed in Table 2.8 and discussed below.

### *Human resources and organisational performance*

Corbett and Angell (2004) find a significant correlation between improvement in this category and improvement in overall CPE score. Win and Cameron (1998) identify significant correlations between the strategic planning and the human resources category.

### *Human resources systems*

QM and BE research on human resources systems has focused on systems that facilitate collaboration between groups of people, such as teamwork and cross functional project teams. In addition there is some attention given to reward and recognition.

Teamwork is identified as a key practice by QM in services researchers (Brah et al. 1996; Behara & Gundersen, 2000; Boaden & Dale, 1993; HEFCE, 2003; Lawler et al. 1998; Kaye & Anderson, 1999). Cross-functional teams (e.g. steering groups and organisation-wide improvement projects) are known to be effective in achieving improved communication across units, encouraging involvement and providing job enrichment (Kaye & Anderson, 1999). Following their three year research into BE in higher education, HEFCE reports that homogeneous teams are better suited to well defined tasks where the emphasis is on efficiency; and heterogeneous teams are better where creativity and innovation are required.

Reward and recognition for desirable behaviour are known to be effective in creating high performance work places (Hackman & Wageman, 1995) and in facilitating performance improvement (Banerji et al. 2005; Boaden & Dale, 1993). Lawler (1986) identifies rewards as having a powerful effect on encouraging people to get involved. He observes that reward may be in the form either of external rewards or an opportunity to be involved. He observes that pay and promotion reinforce involvement when they are linked to performance outcomes associated with participation in decision-making.

### *Training and development*

QM and BE researchers promote training as a key practice for QM and BE implementation. Training may be focused for creating an awareness of QM or BE (Agus, 2004; Banerji et al.; 2000; Boaden & Dale, 1993; Kaye & Anderson, 1999), developing team work and project work capability (Banerji et al. 2005; Kay & Anderson, 1999) or the specific use of quality tools (Olian & Rynes, 1991). Dawson and Palmer (1995, p.189) observe that customised “just in time” training is more effective than generic training packages. Research indicates that quality awareness training for executives is more critical than tools training (van der Wiele et al., 1996) and that training focused for behavioural change rather than technical skill development is more effective for supporting organisational change (Osterman, 1995).

Other studies have focused on the management of training. A number of researchers identify the management of training as a key practice comparable in effect to training itself (Brah et al. 1996; Behara & Gundersen, 2000; Boaden & Dale, 1993). Bertsch and Williams (1994) describe a training programme which they perceived to be well managed and effective, which involved 20 leading companies who designed quality training as a cascade system in which senior managers were trained first and then trained and supported other managers. HEFCE (2003) describes a similar approach for developing the internal capability for facilitating the self-assessment process.

### *Employee involvement*

Employee involvement is the term used by organisational development practitioners to cover a number of related terms such as empowerment, participative management and quality of work life. The focus of the practice is on achieving meaningful involvement in relevant organisational and workplace decision-making. There is extensive QM and BE research that identifies employee involvement as a key practice for QM or BE implementation (see Table 2.8) and research that examines the linkage between employee involvement and performance outcomes.

An organisational change researcher, Denison (2001) provides conclusive evidence that participation works. He examines 34 large American organisations over five years (involving 43,747 respondents in 6,671 work groups, across 25 different industries) to test the relationship between corporate culture and performance over time. Survey data is used as an indicator of cultural managerial style and Standard and Poors’ financial ratios are used as the indicator of performance. The results indicate that organisations with a strong

participative culture experience return on investment nearly twice as high as those firms with low participative cultures.

The relationship between employee involvement and service quality outcomes is examined by Gernalis and Terziovski (2003) using data from three large banks in Australia. The findings of the study indicate that when a range of employee involvement practices are integrated and combined they contribute to improved employee well-being, productivity, performance and service quality. Examples of involvement practices include: discretion over tasks, decision making authority, having one's opinion listened to, access to key information, participation in self-managing work groups, effective 2-way communication.

Two researchers have explored why and how employee involvement contributes to improved performance. The first study by Lawler et al. (1999) identifies four interdependent elements that influence the success of employee involvement. These researchers identify the elements as power, information, knowledge and skills, and rewards. The concept of power is associated with giving people appropriate authority to make decisions. For example the level of power varies from asking for input into decisions that managers ultimately make, to managers and employees making decisions together, to employees making decisions themselves.

The second study is by Denison (2001) and explores why participation works. Based on his research he suggests four processes are associated with high participation and involvement. They are (1) involvement develops a sense of ownership and concern for actions, (2) work is better organised as collective interests and co-ordination becomes a priority rather than an afterthought, (3) people develop a wider view of the organisation, and (4) over time the individual engages with organisational goals.

Another perspective on employee involvement is the relationship between employee involvement and resistance to change. In his 1981 paper Nadler recommends people can be motivated and resistance minimised by (1) providing staff with the time and opportunity to disengage from the present state, (2) identifying and understanding dissatisfaction, (3) involving staff in the change, and (4) rewarding the behaviours that are required during and after transition.

### **Process management**

The process management category within the CPE addresses how the organisation designs, delivers and improves core processes and support processes. Studies that focus on process

management can be grouped into dimensions such as: process management and organisational performance, service and product design, monitoring core processes and support processes. These studies are listed in Table 2.8 and discussed below.

#### *Process management and organisational performance*

Although Corbett and Angell (2004) find a relationship between the strategic planning and process management category, they do not identify a correlation between process management and improvement in overall CPE score. Win and Cameron (1998) identified significant correlations between the customer and the process category and also find that the process management category is the only category to have a significant relationship with all outcome categories.

#### *Service and product design*

Researchers have identified the design of services (Banerji et al. 2005; HEFCE, 2003) and the design of service facilities (Kaye & Anderson, 1999) as key practices for QM and BE implementation in services.

#### *Monitoring core processes and support processes*

Two practices promoted in the QM management literature as key practices for starting the QM journey but not identified in the empirical BE literature; are quality management systems and quality costing. A quality management system is defined by Knuckey et al (2002) as one that “focuses on defining all the processes and activities that will produce quality products and services consistently, rather than detecting defective products or ineffective services after they have been produced” (p.80). The most well known quality management system is ISO 9000 which is promoted by many as a starting point for the improvement journey (Boys, Karapetrovic & Wilcock, 2004; Dale, 2003; Thiagarajan & Zairi, 1997). ISO is seen as a key practice by QM practitioners as it introduces organisations to a systematic approach to process management and supplier management (van der Wiele et al. 2000). Findings from the comprehensive Firm Foundations (Knuckey et al, 2002) study with New Zealand service and manufacturing organisations indicate that leaders are more likely to be ISO certified than laggards. In contrast to these findings, Abraham et al. (2000) examine the implementation of ISO 9000 in both service and manufacturing organisations and find that ISO certification itself provides little guarantee of performance outcomes.

The second practice, quality costing was originally promoted by Crosby (1979) as a useful first step when starting the improvement journey. There is evidence that organisations apply

quality costing as a tool to justify TQM to executive and to show staff the tangible benefits of TQM (Thiagarajan & Zairi, 1997b). Quality costing addresses the cost of prevention, cost of evaluation, and failure costs; some organisations add the cost of exceeding requirements and the cost of lost opportunities (Dale, 2003). Early savings are typically found in rework, inventory control and staff turnover.

### **Practices that constrain the BE journey**

A further perspective on key practices is to identify those practices that typically constrain the journey. Beer (2003) suggests it is more effective to identify and address the constraints than focus on the enablers when implementing a strategic initiative such as TQM. A review of the literature suggests constraints are typically the absence of the key practices identified above (see Table 2.10).

There is limited attention to constraints in the QM and BE empirical research. Angell (2001) examined QM implementation in services and identified the key constraint for implementation is a lack of resources. Tamini and Sebastianelli (1998) provide the most comprehensive examination of constraints for implementation. These researchers report that managers ranked the top three constraints as: (1) lack of alignment with compensation; (2) lack of training in group work, improvement skills, and problem solving skills; and (3) lack of resources to implement TQM.

From the studies reviewed in this section it seems clear that there are a number of practices that have the potential to influence the start of the BE journey. One of Dawson and Palmer's (1995, p.189) key lessons for starting the journey was "don't do everything at once" which requires managers to identify and select a few high impact practices to influence improvement. There are a limited number of studies that provide evidence that would assist managers select key practices; and none of these address to what extent practices are likely to influence the start of the BE journey.

Two studies provide evidence for the extent to which identified practices are likely to influence the BE journey. A study by Brah et al. (2000) with 176 Singapore based service organisations observes that although traditional QM practices, such as customer focus contributed to success, the key to implementation is top management support (p.1309). Similarly, the study by Powell (1995) reports that tacit practices such as; executive commitment, employee involvement and an open culture are the primary contributors to TQM success.

**Table 2.10: Summary of QM or BE in services studies that identify key practices that constrain the QM or BE journey**

<b>Dimensions &amp; items</b>	<b>QM or BE in services studies</b>
LEADERSHIP	Beer, 2003
Lack of integration of QM into vision, values	Bardoel & Sohal, 1999; Tamini & Sebastianelli, 1998
Lack of executive commitment & cohesion	Tamini & Sebastianelli, 1998
Lack of 2-way communication	Bardoel & Sohal, 1999; Beer, 2003
<b>STRATEGIC PLANNING</b>	
Strategic plan is not customer driven	Tamini & Sebastianelli, 1998
Lack of integration for planning & QM/BE	Beer, 2003
Lack of organisational change strategy; capability	Tamini & Sebastianelli, 1998
Action plans are not actioned	Bardoel & Sohal, 1999; Beer, 2003; Tamini & Sebastianelli, 1998
Lack of resources	AC Nielsen, 2001; Angell, 2001; Tamini & Sebastianelli, 1998
<b>CUSTOMER &amp; MARKET FOCUS</b>	
Customer knowledge is not integrated into the business systems	Tamini & Sebastianelli, 1998
<b>MEASUREMENT, ANALYSIS &amp; KNOWLEDGE MANAGEMENT</b>	
Key measures for BE / QM are not established & aligned	Tamini & Sebastianelli, 1998
Lack of measurement & learning	Bardoel & Sohal, 1999
Lack of benchmarking	Tamini & Sebastianelli, 1998
<b>HUMAN RESOURCE FOCUS</b>	
Lack of alignment of QM & compensation, performance mgt, reward & recognition	Bardoel & Sohal, 1999; Tamini & Sebastianelli, 1998
Lack of capability for group work; problem solving, QM; cross functional teamwork	Tamini & Sebastianelli, 1998
Lack of employee involvement	Bardoel & Sohal, 1999; Tamini & Sebastianelli, 1998

In their Model of Organisational Performance and Change (described in Section 2.3) Burke and Litwin (1992) propose that transformational factors (such as leadership, mission and strategy) were more influential than transactional factors (such as management practices and systems) in achieving organisational outcomes. Other organisational change researchers (Abraham et al. 1999; Beer, 2003; Pettigrew, 1999) support the need for “visible and active leadership” while Nadler (1989) promotes the principle “leadership is not enough” ( p.198). Nadler advocates that organisational change cannot be sustained by leadership alone, that the organisation needs a network or broader base of followers who are developed into leaders. He challenges the focus on top management and examines the role of people and groups of people throughout the organisation. In the following section, the researcher reviews the research literature that focuses on the influence of people for the QM or BE journey.

#### **2.4.4 People who influence the BE journey**

The contextualist model proposed by Pettigrew (1999) and described in Section 2.3, guides the organisational change researcher to consider the influence of people who are external and internal to the organisation. QM and BE researchers have also focused on the influence of key individuals and groups as reviewed below.

##### **Chief executive officer and top management**

The QM literature recognises the CEO as the primary sponsor of QM (Lascelles & Dale, 1993) and also acknowledges that the CEO needs to be supported by top management who are actively involved and committed (Abraham et al. 1999; Kaye & Anderson, 1998). Katz and Kahn (1978) describe change sponsors as those who want to implement the change and influence power to sell the change. Research into the effectiveness of implementation tactics by Nutt (1986) demonstrates that there are real differences in the effectiveness of approach. In his study the intervention tactic (involves selling the rationale) achieves 100% success rate; the participation approach (involves delegation to those who will be effected) achieves 84% success rate; persuasion by internal or external experts achieves 73%; and the edict approach (top management decide) achieves the lowest success rate of 43%. Dunphy and Stace (1990) challenge the OD approach of consistently aiming for high levels of employee involvement and present findings that suggest that “participative approaches” are effective

when key people are motivated to support the change; and that more “coercive approaches” tend to be more effective if there is significant resistance from key people (p.45).

### **Middle managers**

Beer (2003) transfers his understanding of strategic deployment to the implementation of TQM. He suggests that failure to implement QM could be attributed to a gap between top management’s rhetoric about intentions for QM and the reality of actual practice within units of the organisation. He advocates implementing QM as a “unit by unit process” as managers of units then have the opportunity to take responsibility and be actively involved in implementation. In addition he observes that the slow and steady implementation approach can be more than compensated for if managers are open to learning from each other and are prepared to keep the executive informed about enablers and barriers to implementation. Managers are also likely to be co-opted onto cross-functional teams associated with QM implementation.

### **Employee unions**

Writers indicate that it is important to keep unions informed and involved in QM implementation (Glover, 1993). In their work with QM implementation in Australia and New Zealand, Dawson and Palmer (1995) identify union involvement as influential in avoiding undue resistance from staff.

### **Steering group**

Based on case study research, Oakland and Porter (1994) recommend a three tiered structure to start the TQM initiative. The structure is made up of a quality council (lead by the CEO and concerned with the strategic direction of TQM), organisation-wide process committees, and cross-functional project improvement teams. In their review of case studies, Thiagarajan and Zairi (1997a) note that as QM is embedded within the organisation the need for dedicated structures diminishes.

### **Change agent or BE champion**

Katz and Kahn (1978) describe change agents as those who implement the change. The change agent is recognised as a key internal role by Stace and Dunphy (2001), one which needs to work with people throughout the organisation. The work of Salovey, Mayer and Curuso (2002) identifies twelve skills required of an effective change agent; self-leadership, communication, opportunity-making, direction-setting, influencing and networking,

delegating, mentoring or coaching, performance monitoring, team building, resourcing, problem solving, being up to date with technology and organisation knowledge.

In the case of BE, the change agent is often identified as the BE champion. The champion (or a network of champions) is perceived to facilitate the implementation of the improvement journey (Dale, 2003). Thiagarajan and Zairi (1997c) summarise the characteristics of a TQM champion as: able to organise, motivate, facilitate, coach improvement teams, be sufficiently senior to be heard, and to report directly to the executive. HEFCE (2003) reports that an effective champion is one who understands the organisation context and BE, and who can interpret the language and methods to suit the organisation and its people. They observed that as BE became established in organisations the role of the champion shifted from a 'hands on' implementation role to a manager-coach role.

#### **BE consultant or advisor**

Cole (1999) examines the contribution of external consultants or advisors to the QM improvement journey. He identifies consultants' added value, particularly at the beginning of the journey as they act as a catalyst and support key people as they lead the QM journey. Another study by Deloitte Touche Tohmatsu (2000) studies how Australian organisations approach business improvement. They surveyed 500 of Australia's top organisations. This sample was made up of large (over 500 employees), medium (50 to 499 employees) and small (1 to 49 employees) organisations. Respondents identified the BE consultant as the key external enabler for the QM journey.

#### **2.4.5 How practices and people influence the BE journey**

Much of the QM and BE research to date has addressed how the profile of an organisation influences the journey, the processes involved, and the practices and people perceived to influence the journey. What is relatively unexplored in the QM and BE literature is how practices and people influence the BE journey.

The Model of Organisational Performance and Change developed by Burke and Litwin (1992) provides one view for how practices and people may influence organisational performance. These authors propose that transformational practices (such as leadership, mission and strategy) influence organisational culture, and that transactional practices (such as structural relationships, management practices and systems) influence organisational climate, and that both the culture and climate influence individual motivation. Their model

identifies factors such as individual abilities and psychological well-being as contributing to motivation.

Burke and Litwin (1992) describe organisational culture as being concerned with the shared beliefs and values among organisational or group members, whereas organisational climate is typically concerned with the shared perceptions about organisational conditions or the work environment. Motivation is described by Burke and Litwin as the confidence and energy that enables people to be involved in organisational change. Lloyd and Bell (2005) describe this same phenomena as engagement and define it as “a state of emotional and intellectual involvement that an employee has in his or her organisation” (p.24).

Being guided by the Model of Organisational Performance and Change, the researcher reviewed literature that examined how practices and people influence organisational culture and climate, motivation and engagement. Each of these topics is reviewed next.

### **Organisational culture and climate**

Burke and Litwin (1992) describe organisational culture as being concerned with the shared beliefs and values among organisational or group members. Empirical research describing an effective BE culture appears fragmented and relatively unexplored. For example there is no agreed understanding for what constitutes a BE culture; for some researchers BE is culture is customer and service focused (Abraham, et al. 1997; Sureshchanda et al. 2001), for others a BE culture is concerned with mutually beneficial working relationships (HEFCE, 2003), or an openness to change and improvement (Cobb, 2003; HEFCE, 2003; Jackson, 1999). Although BE researchers describe culture they are yet to examine the relationship between practices, culture and organisational performance.

A review of the QM research provides insights for the relationship between practices, organisational culture and organisational performance. Two QM studies have examined QM culture in depth. The first study, by Detert et al. (2000) develops a framework for defining and measuring organisational culture and applies this framework to a QM programme within a school. The eight QM culture dimensions identified by Detert et al are as follows: (1) the basis of truth e.g. management by fact, (2) the nature of time e.g. focus on the future, (3) motivation eg valuing employees, (4) stability versus change eg continuous improvement and learning, (5) orientation to work and co-workers eg results focused, (6) isolation versus collaboration eg valuing partners, (7) control & co-ordination eg visionary leadership guides direction, (8) Internal / external focus eg customer driven excellence.

The second study by Gallear and Ghobdian (2004) focuses on the link between the TQM approach and organisational culture. These researchers examine the 'channels' perceived to facilitate a quality culture. They define channels as "conditions that influence, mould and help sustain a desirable cultural orientation" (p.1043). Based on their empirical research Gallear and Ghobdian rated channels in order of importance as: vision and leadership, teamwork, active and visible participation of top management, promotion of TQM by the CEO, all employees dedicated to continuous improvement, work environment characterised by trust and collaboration, investment in training, customer focus, internal customer / supplier ethos, partnership with suppliers, effective policy deployment, quality of the work environment and shared responsibility.

Popular management books show how successful organisations are known for their effective organisational culture (Collins & Porras, 1995; Collins, 2001; Hubbard, Samuel, Heap & Cocks, 2002; Peters & Waterman, 1982). Kotter and Heskett (1992) examine the relationship between organisational culture and performance and identify that there is no significant performance difference between organisations with widely shared values and those with little agreement for their values; but there is a significant difference when the organisation emphasises the right values – those that are critical to the success of the organisation and aligned with what the organisation wants to achieve. They also observe that cultures that emphasise anticipating and adapting to environmental change contribute to sustained organisation performance.

There is a developing interest in the role that organisational climate plays in organisational improvement and performance (Kangis & Williams, 2000). Burke and Litwin (1992) describe organisational climate as "the collective current impressions, expectations, and feelings the members of local work units have that, in turn, affect their relations with their boss, with one another, and with other units" (p.532).

There is extensive literature on organisational climate, much of it concerned with identifying and measuring key features which make up climate. Litwin and Stringer (1968) developed a scale for measuring climate with dimensions such as: structure, responsibility, reward, risk, warmth and support, standards, conflict and identity. In another established scale, (Likert, 1967) the dimensions are leadership, motivation, communication, interaction and influence, decision making, goals setting and control. The Perceived Work Environment (PWE) scale developed by Newman (1977) is based on the assumption that the behaviour of the individual is a function of both the person and the environment. It focuses on six dimensions:

supervisory style, co-workers, work motivation, employee competence, decision making and performance rewards.

More recently researchers have examined the link between organisational climate and organisational performance. Results from an empirical study in manufacturing organisations by Kangis and Williams (2000) show there is a relationship between climate dimensions (as measured by the PWE, Newman, 1977) and organisational performance (measured as profit, return on capital, sales growth). Based on these results Kangis and Williams propose that organisational climate may be viewed as a lead indicator for organisational performance. The implication is that managers could improve organisational performance by attending to practices known to improve organisational climate.

Another study by Mason (2004) investigates the relationship between practices, organisational climate and client satisfaction. This research was motivated by the assumption that some aspects of organisational climate are more strongly related to organisational performance than others, and that they could be targeted to enhance improvement interventions. Mason's findings demonstrate that climate tends to be multidimensional and has a greater impact on performance when practices known to influence climate are implemented simultaneously. Her findings indicate a strong positive relationship between the dimensions of role clarity, goal congruence, supportive leadership, professional interaction at the work group level and client satisfaction.

Although a number of QM studies conducted in manufacturing organisations address the influence of organisational climate (Sousa & Voss, 2001) the area appears relatively neglected within the BE in services literature. Powell (1995) examines TQM in both manufacturing and service organisations and concludes that in both types of organisation, climate features such as open organisation and employee empowerment; and not QM practices such as quality training, process improvement and benchmarking, drive TQM success. The feature open organisation was described by Powell as "empowered work team, open horizontal communications, and a relaxation of traditional hierarchy" (p.19).

### **Motivation and engagement**

The focus of this section of the review is the relationship between practices, individual motivation or engagement and organisational performance. As mentioned earlier, Burke and Litwin (1992) propose a causal relationship between organisational culture organisational climate, and individual motivation or engagement. Motivation is described by Burke and

Litwin as the confidence and energy that enables people to be involved in organisational change. More recently Lloyd and Bell (2005) have examined the role engagement in improving organisational performance. They define engagement as “a state of emotional and intellectual involvement that an employee has in his or her organisation” (p.24). QM and BE researchers are yet to examine the relationship between QM and BE practices, engagement and organisational performance.

A recent study by Lloyd and Bell (2005) examines how business results are achieved through employee engagement and suggest that engaged employees are people who are motivated to and actually do “take action to improve the business results for their organisation” (p.24). Their extensive research with more than 1,700 companies throughout the world has identified three indicators for engagement: (1) employees stay with the organisation; (2) they are advocates for their workplace; and (3) they go beyond what is minimally required to produce extraordinary service and results for customers and colleagues. Lloyd and Bell quote proprietary research findings to demonstrate the link between engagement and business results. These results indicate that companies with a high engagement score achieve higher than average shareholder returns.

Lloyd and Bell propose an organisation can develop an engaged workforce by implementing key practices known to influence engagement. They identify key practices as: company practices, work systems, total rewards, opportunities, quality of work life, and key people. Although not yet explored fully by BE researchers, the findings of existing research focused for culture and climate, motivation and engagement may be transferable to BE organisations. While the research indicates how practices and people may collectively influence organisational performance it also emphasises the importance of being able to identify the key practices and people known to influence culture and climate, motivation and engagement in order to focus improvement initiatives. What is less evident from the review above is which key practices and people are likely to influence culture and climate, motivation and engagement as organisations start the BE journey.

#### **2.4.6 Organisational results**

This section focuses on the empirical research that examines organisational results reported by QM and BE organisations. Although the majority of the recent QM and BE studies present evidence for QM and BE contributing to positive organisational results this has not always been the case. Over the years there have been significant debates regarding the

success of QM between those who support it and those who consider it a fad and a failure (Eskidson, 1995; Fisher, 1992).

The researcher has grouped the review as for the organisational results measures identified in Table 2.9, such as business results, BE journey results and progress results. The researcher has differentiated QM and BE in services studies (see Table 2.11) to enable the review to focus on evidence for the impact of BE versus QM within services. The term BE is used when a study focuses on BE or involves the application of a BE framework and the term QM is used when the literature focuses on QM and does not consider BEFs in the design of the study.

### **Business results**

Although there are a number of studies that report on business results for QM in service studies (see Table 2.11) the BE in service research appears to be limited to reporting change in financial performance (Pryanyski & Tai, 2002; Singhal & Hendricks, 1999; Sirca, 2003). Singhal and Hendricks (1999) analyse the financial performance of nearly 600 quality award winners over 10 years. Financial performance is measured using variables such as stock returns, operation income and sales. Based on rigorous assessment, Singhal and Hendricks conclude that when TQM is implemented effectively, as in award winners, there is a dramatic improvement in financial performance. In addition, they analyse the results for low capital intensive winners (assets per employee less than US\$25,000) and high capital intensive winners. The low capital intensive winners (typically service organisations) are shown to outperform the high capital intensive winners on all financial dimensions.

Other researchers (NIST, 2004; Pryanyski & Tai, 2002; Sirca, 2003) examine the performance of BE award winners on the stock market compared with benchmark organisations. Since 1994 the National Institute of Standards and Technology (the manager of the Baldrige programme) has “invested” a hypothetical \$ 1000 in each Baldrige winner and an equivalent amount is invested in the S&P 500. This Baldrige Index has consistently outperformed the S&P Index up until 2002 by as much as 6.5 to 1 at times (NIST, 2003). NIST has decided to discontinue the Baldrige Stock Study from 2004 as it reports on private organisations, and many of the recent Baldrige winners have been from the public or not-for-profit sectors. They intend to introduce a comparable measure that better reflects the performance of all types of organisation (NIST, 2006).

**Table 2.11: Summary of QM or BE studies that present evidence for a relationship between QM or BE and a change in organisational performance**

<b>Key measures</b>	<b>BE in services studies</b>	<b>QM in services studies</b>
<b>BUSINESS RESULTS</b>		
		Madhu, Kuei & Jacob, 1996
Change in product & service performance		Agus, 2004; Banerji, Gundersen & Behara, 2005; Behara & Gundersen, 2001; Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Lawler, Mohrman & Ledford, 1998; Madhu, Kuei & Jacob, 1996
Change in employee satisfaction / performance / development		Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Lawler et al. 1998; Madhu, Kuei & Jacob, 1996
Change in customer satisfaction / complaints		Agus, 2004; Boaden & Dale, 1993; Behara & Gundersen, 2001; Geralis & Terziovski, 2003; Lawler et al. 1998; Madhu, Kuei & Jacob, 1996; Scharitzer & Korunka, 2000
Change in productivity		Banerji, Gundersen & Behara, 2005; Behara & Gundersen, 2001; Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003; Lawler et al. 1998
Change in customer retention / loyalty		Brah, Wong & Rao, 1996; Geralis & Terziovski, 2003
Change in market performance i.e. growth, competitiveness, market share		Lawler et al. 1998
Change in financial performance	Pryanyski & Tai, 2002; Singal & Hendricks, 1999; Sirca, 2003	Banerji, Gundersen & Behara, 2005; Brah, Wong & Rao, 1996; Lawler et al. 1998
<b>BE JOURNEY RESULTS</b>		
Duration of transition	Jackson, 1999; Singhal & Hendricks, 1999	Dale & Lascelles, 1997
Change in CPE score over time; rate of improvement	Corbett & Angell, 2004; Jackson, 1999; Mann & Grigg, 2005; NZBEF, 2004	
Perceived change in organisational performance	Angell, 2001; Bames, (1996); HEFCE, 2004	Abraham, Fisher & Crawford, 1996; Abraham, Crawford & Fisher, 1998

In response to commentators challenging the methodology of the Baldrige Index, Pryanyski and Tai (2002) carried out a similar analysis but with a more conservative and rigorous methodology. Although their findings are not as strong as the NIST results, they report that Baldrige winners outperform organisations with similar risks over the long term. A similar

analysis to the NIST study was completed by SIRCA (2003) on all ASX listed Australian award winners. SIRCA reports that award winners significantly outperformed the market benchmark by 3.5 to 1.

One of the few studies that reports on actual results versus perceived results is the Hausner (2000) study which demonstrates a strong positive correlation between improved performance, as measured by the Australian Quality Awards and improved performance in the same organisations' most important performance indicators. Although the study was carried out with manufacturing organisations, Hausner is confident the same results would apply across all industry sectors.

### **BE journey results**

Within the literature there appears to be three approaches to reporting the results for the BE journey; the duration of the journey, the change in CPE score over time and the perceived change in organisational performance over time. Findings for each result area are now discussed.

#### *Duration of the BE journey*

The first approach to reporting the results for the BE journey focuses on the duration of the BE journey. For this research interest is focused on the duration of organisational transition or the start the BE journey; that is the time taken from the decision to start the BE journey to sustaining it. Although there is general agreement that the BE journey is an ongoing journey of continual improvement, reported research provides a number of different views for the duration of transition.

Jackson (1999) reports on the BE journey for a large healthcare service organisation and is one of the few studies that report CPE scores from year 1 of the journey. This organisation had undertaken four self-assessments against the CPE over four years. Their score had increased from 219 points in 1993, to 339 points in 1995, to 349 point in 1996, and to 455 points in 1996 (an average of 78 points per year). Based on the definition for starting the BE journey provided in Section 1.3, this organisation is yet to complete organisational transition (i.e. the start of the BE journey).

Dale and Lascelles (1997) suggest QM organisations will typically have been engaged in a process of continuous improvement for between three to eight years prior to achieving Level 4 (Improvers ; recognised by the researcher as completion of organisational transition / start

of the BE journey) and that organisations may achieve Level 5 (Award winners) within five to 10 years. This view is consistent with the often cited study by Singhal and Hendricks (1999). These researchers examine the influence of duration on financial results for nearly 600 award winners. They report no difference between the award winners and the benchmark organisations over the implementation phase of the journey (defined by Singhal and Hendricks as 6 years prior to winning an award) but find that award winners significantly outperform benchmark organisations 4 years after they won their first award. For these organisations the transition phase (starting the BE journey) is at least 6 years and that financial benefits are achieved at least 10 years after the start of the journey.

#### *Change in CPE score over time*

Another approach to reporting the results for the BE journey focuses on the change in CPE score over time. Once again there are only a few studies that report on the change in CPE score over time. Before examining these studies, the researcher needs to emphasise that as organisations use different approaches to assess against the BEFs, the findings between organisations cannot be compared; nor can the scores be viewed as exact measures of performance as measurement against the CPE tends to be seen more as an art than a science.

Jackson (1999) provides the CPE scores achieved from the start of the journey for her case organisation. As mentioned above, using a facilitated self-assessment process this organisation achieved a score of 219 in year 1 and had achieved a score of 455 in year 4; suggesting overall a change of 78 points each year. Of interest is the scores show a pattern of rapid initial improvement over the first two years followed by a plateau in scores and then further improvement from year three.

A study by Mann and Grigg (2004) reports on the change in CPE score achieved by established member organisations of a benchmarking club as measured by a CPE-based questionnaire. These organisations had undertaken a self-assessments each year for three years. The median score had increased from 260 points in 2000, to 287 points in 2001, and to 362 points in 2002 (an average of 51 points per year).

Studies carried out by NZBEF (2004) and Corbett and Angell (2004) report on CPE scores achieved by repeat award applicants in New Zealand between 1999 and 2003. Note as award applicants, the award score is unlikely to be year 1 of their BE journey. Both studies include both service and manufacturing organisations in their study sample and neither differentiate the results for service and manufacturing organisations. Keeping in mind there is likely to be

an overlap between the sample groups; NZBEF report all organisations show improvements over time and that improvement in scores ranges from 30 to 80 points per year. Corbett and Angell report some applicants achieve a steady increase of more than 75 points per year although most organisations improve 50 to 70 points a year.

### *Perceived change in organisational performance*

The final approach to reporting the results for the BE journey focuses on the perceived change in organisational performance. Researchers report changes in aspects of organisational performance such as change in organisational culture and climate. For example: HEFCE (2004) reported the start of the BE journey was associated with improvement in the clarity of purpose, improved stakeholder relationships, an increase in the focus on people as well as systems, improved decision making and manager capability; Jackson (1999) reported the development of an improvement culture and Angell (2001) observed TQM implementation was perceived to result in reduced resistance to change.

Barnes (1996) examines the change in CPE score and adaptability from the second year to the fourth year of the improvement journey within a large service company in the United States. The results for the case study are disappointing in that there is no change in the CPE score nor is there any change in the adaptability (as measured by the ODS, Mackenzie, 2000). What is interesting is that Barnes measures the extent of adaptability throughout the organisation with the ODS measurement tool. He reports that different areas in the organisation adapt at different rates and observes that in areas where there is an improvement in adaptability there is also an improvement in CPE score.

A study conducted with Australian award winners in the years 1989 and 1993 inclusive demonstrates these organisations are also effective at managing complex organisational change (Abraham, Fisher & Crawford, 1996). In a later paper associated with the same study (Abraham, Crawford & Fisher, 1998) these researchers identify that successful QM management and organisational change are associated with a change in cultural dimensions such as “values regarding customers, competition in the marketplace, and products” (p.123).

## **2.5 CONCLUSION**

The purpose of Chapter 2 was to review the existing knowledge base relevant to BE and the BE journey in services. The review was designed to identify themes in the empirical research

and gaps in existing knowledge in order to enable the researcher to build on the work of other researchers. In addition the researcher integrated three bodies of knowledge in order to gain new insights for how service organisations start the BE journey. The review of organisational studies placed BE and the present study in context and highlighted the trend for business improvement studies to adopt an integrated development approach. The review of QM and BE in services identified themes and highlighted the limited attention given to BE in services. Following the review of the organisational development and change models the researcher added a fifth broad theme or element (intermediate outcomes) resulting in the literature relevant for the BE journey being organised into five elements: (1) organisational profile, (2) improvement processes, (3) practices and people, (4) how practices and people influence the journey, and (5) organisational results.

Aside from the overall lack of attention given to how service organisations start the BE journey the researcher identified specific gaps in the existing the knowledge base, such as: (1) to what extent does the organisational profile influence the start of the BE journey, (2) how are improvement processes perceived to influence the start of the BE journey, (3) to what extent are key practices and people perceived to influence the start of the BE journey, (4) how are key practices and people perceive to influence the start of the journey, and (5) how is organisational performance perceived to have changed from the start of the BE journey.

A consistent theme in the review is the need to develop an integrated framework to represent how organisations start of the BE journey. The researcher integrated BE knowledge and selected models of organisational development and change to identify potential elements and associated dimensions that represent how service organisations start of the BE journey. The findings of the review are applied to develop an initial framework for the study and to develop investigative questions. The framework and questions are described in the next chapter, Research Design.

## Chapter 3

### THE RESEARCH DESIGN

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This chapter describes the research design for the study. The first section describes the aim of the study and the associated questions. This section is followed by a discussion on philosophical and political perspectives considered by the researcher when selecting the research methodology. The research methodology section describes the mixed methods methodology and the rationale for selecting this approach for the study. This methodology involves combining more than one method within a study, for example the researcher combined the case study method and the survey method in sequence for this study. The chapter provides detail for how the data was collected and analysed for both methods, and how ethical considerations were addressed for both methods.

#### 3.1 AIM OF THE STUDY AND QUESTIONS

The aim of the study and consequent design was influenced by the background of the study (Chapter 1) and the literature reviewed (Chapter 2). The key background influences were the importance of services to the New Zealand economy, the need to develop the knowledge base for BE in services, the need to understand how service organisations start the BE journey, and the need to develop a framework that represents how service organisations start the BE journey. For this study, the researcher defined a BE journey as a improvement journey being guided by a BEF such as the CPE (NZBEF, 2005).

As discussed fully in Chapter 1 (Section 1.3) the researcher defined the research question as “How do New Zealand service organisations start the BE journey?” and the aim of the study as “To develop a conceptual framework that represents how New Zealand service organisations start the BE journey.” The intention is that the study will contribute to the BE in services knowledge base by informing theory development and guiding practice. For this study a conceptual framework was seen as “the current version of the researcher’s map of the territory being investigated” (Miles & Huberman, 1994, p.20). Starting the BE journey was

defined by the researcher as the transition period between the decision to start the BE journey and sustaining the BE journey (adapted from Dawson & Palmer, 1995). Both the notion of a conceptual framework and the phenomena of starting the BE journey are discussed fully in Chapter 1 (Section 1.3).

In New Zealand service organisations include all organisations that are not primary (e.g. agriculture, forestry, fishing and mining) or goods producing organisations (e.g. manufacturing, electricity, gas or water). For this study service organisations are classified by industry type and by business type, using the ANZSIC codes (Statistics New Zealand, 2005). Services exclude goods-producing organisations, such as agriculture, forestry, and fishing (A), mining (B), manufacturing (C), electricity, gas and water supply (D) and construction (E). For this study, large service organisations are defined as employing over 100 full time equivalent people (Cameron & Massey, 1992).

The researcher also applied the service type classification proposed by Silvestro et al. (1992). They suggest there are three services types: professional, service shop and mass service. Professional services, such as business services, health and community services, are characterised as organisations with relatively few transactions, high customisation of services and the value being added at the front office. Mass services, such as communication services and transport services, are characterised as organisations with many transactions and involving limited customisation. These services are predominately product-orientated, with the value being added away from the frontline. The service shop classification is applied to hybrid services, which have characteristics of both professional and mass services, such as insurance, education, government administration and defence.

In line with the aim of the study, the research question and the literature review, the researcher identified key topics for further study and developed a series of investigative questions and sub-questions focused on these topics. The investigative questions are listed next and relate to New Zealand service organisations.

Q1. How does the organisational profile influence the start of the BE journey?

- What are the attributes of the service organisations that start the BE journey?
- What are the key drivers for starting the BE journey?
- To what extent does the organisational profile influence the start of the BE journey?

Q2. How are improvement processes perceived to influence the start of the BE journey?

- How does sequence influence the start of the BE journey?
- How do cycles of improvement influence the start of the BE journey?
- How do processes associated with BE practices influence the start of the BE journey?

Q3. What are the key practices and who are the key people perceived to influence the start of the BE journey?

- What are the key practices that enable or constrain the start of the BE journey?
- Who are the key people that enable or constrain the start of the BE journey?
- To what extent do these key practices and people influence the start of the BE journey?

Q4. How are key practices and people perceived to influence the start of the BE journey?

Q5. How is organisational performance perceived to change from the start of the BE journey?

- What is the most significant change in organisational performance?
- To what extent has organisational performance changed?
- To what extent has BE influenced the change?

### **3.2 SELECTING THE RESEARCH METHODOLOGY**

The researcher considered the research context prior to selecting the methodology. In particular, the researcher was guided by the work of Easterby-Smith, Thorpe and Lowe (1997). These authors suggest the researcher consider philosophical and political issues when selecting the research methodology for a study. The next section discusses philosophical perspectives and political considerations relevant to the present study. This is followed by a description of the methodology, and then the methods and techniques applied in the study.

### 3.2.1 Philosophical perspectives

Commentators on the research process advocate that a researcher should understand the interrelationship between philosophical assumptions, theoretical approaches and methodology prior to finalising the research methodology (Creswell, 2003; Crotty, 1998; Hart, 2000; Hudson & Ozanne, 1988; Pettigrew, 1999). Philosophical assumptions are defined by Hudson and Ozanne (1998) as “statements accepted without direct empirical support and are based on different views of reality, social beings, and knowledge” (p.508). There are two predominant views of reality or worldviews in the social sciences; the positivist and the interpretive views (Crotty, 1998; Hudson & Ozanne, 1998). There are different philosophical assumptions underlying each approach which in turn influence the research methodology adopted for a research project.

Having reviewed the major philosophical assumptions underlying the positivist and interpretive approaches as presented by Hudson and Ozanne (1998) the researcher recognises her dominant world view is interpretive. This view is associated with philosophical assumptions such as: (1) the nature of reality is socially constructed, multiple and holistic (vs. objective, single, segmented), (2) the overriding aim of research is to develop an understanding for a phenomena (vs. explanation), (3) knowledge is best generated as context-dependent within time (vs. context-independent), and (4) the view of causality is multiple and dynamic (vs. establishing predictable cause and effect linkages).

The above list of characteristics is used to illustrate how the interpretive approach influenced the present study. For example the phenomena of interest, starting the BE journey, was seen by the researcher as being a socially constructed phenomena that is multiple and holistic. The study was designed to rely as much as possible on the perceptions of the participants versus “expert” opinion from BE professionals. The design also enabled the researcher to facilitate focus groups within case organisations and to develop understanding through group discussion. As discussed in Section 1.3 the overriding aim of the research is to develop understanding for how service organisations start the BE journey, not establish causal relationships. Another influence from the interpretive view is the belief that knowledge about the BE journey was best generated within the context of the organisation. Overall, the researcher developed her understanding for how service organisations start the BE journey inductively in that she made sense or interpreted the patterns identified in the data throughout the study.

The contextualist model of organisational change (Pettigrew, 1999) as introduced in the previous chapter aligns with the interpretive world view. Pettigrew traces the epistemological base of contextualism to the thinking of Pepper (1942) who proposes contextualism is concerned with events in their settings, over time. Pettigrew recommends the contextualist approach as being relevant to guide organisational development and change research as it “lends itself to a detailed understanding of the complex and dynamic process of change” and it addresses the “continuous interplay of ideas about the context of change, the process of change and the content of change” (p.246).

The contextualist approach as described by Pettigrew (1999) and Dawson (1994) provides the guiding theoretical perspective for the study. The researcher was attracted to the contextualist approach as it provides an alternative theoretical base to the more traditional systems perspective (associated with QM and BE) and the organisational development perspective (associated with organisational change) for developing understanding of the BE journey. As described by Pettigrew (1999), the contextualist approach requires the researcher to examine the relationship between the context variability (e.g. the organisational profile, external / internal, practices / people), the process variability (e.g. organisational transition) and outcome variability (e.g. organisational results) over time. Other features of the contextualist approach relevant to the present study include its concern with “a knowledge of the whole in order to understand the process”, promotion of “multi-level analysis”, and its focus on “longitudinal qualitative data” (Dawson, 1994, p.23-25).

The contextualist mode of analysis (Pettigrew, 1999) and the processual framework (Dawson & Palmer, 1995) provide the theoretical perspective for the initial conceptual framework developed by the researcher to guide the study and presented in Section 3.3.2. For example this initial framework represents the scope of the study, the key concepts and relationships understood prior to data collection and analysis. The initial framework also guided the development of the investigative questions and hence the focus of the study. The influence of the contextualist approach is also evident in the final conceptual framework, in that both the principles proposed to underlie the final conceptual framework and the proposed elements of the framework reflect aspects of Pettigrew’s, and Dawson and Palmer’s models of change.

### **3.2.2 Political considerations**

Easterby-Smith et al. (1997) argue that the politics of management research is likely to be influenced by “a process of negotiation between three elements - researcher, stakeholder and

subject” (p.49). The desire of the researcher to do research that contributed to theory and practice was balanced with the needs of two key stakeholder groups, the academic community (e.g. supervisors and academic peers) and people interested in applying the findings to enhance business improvement (e.g. managers, BE practitioners).

The first stakeholder group, the academic community requires doctoral work to “make an original contribution to the knowledge of the subject with which it deals” (Massey University, Doctoral Research Committee, 2002, p.5). Based on the review of existing literature (see Chapter 2) the researcher identified the potential contribution to the BE knowledge base as developing an understanding for how New Zealand service organisations start the BE journey and developing a conceptual framework to represent the start of the BE journey based on the integration of three streams of literature (organisational studies, QM and BE, and organisational development and change) and empirical evidence (from case study and survey research).

The researcher recognised doctoral research is expected to produce theoretical outcomes (Taylor & Bogdan, 1998). This led the researcher to the research literature to develop her understanding for the scope of theoretical outcomes. Miles and Huberman (1994) approach the concept by suggesting theoretical outcomes may be viewed as a continuum, where there are no clear boundaries between descriptive, explanatory or causal outcomes. A different perspective is taken by Neuman (1997). He advises that explanation is essential, where explanation is a logical argument that at least tells how something occurred. Another perspective is provided by Yin (1994). He argues that theoretical outcomes must include identification of relationships among concepts, propositions about these relationships, and provide a causal mechanism that explains how concepts influence each other. In discussion with her supervisors, the researcher decided it was unrealistic to develop a full causal model for the BE journey as proposed by Yin (1994) hence the scope of the present study was focused to develop an understanding for the BE journey and to offer explanations for apparent relationships where possible.

The second stakeholder group, were the managers and BE practitioners interested in the implications for practice. The researcher conducted a number of conversations with managers and practitioners (personal communication, June, 2000) to develop an understanding for the research need within the New Zealand business community. These personal communications consistently recommended to the researcher, the need for guidance to start the BE journey and to minimise the time taken to realise the performance benefits.

### **3.3 RESEARCH METHODOLOGY**

Methodology is the strategy of overall design used to achieve the research aim and answer the research question (Hudson & Ozanne, 1998; Jankowicz, 1995). The methodology provides the link between the research aim, the data collected and the inferences or conclusions made. In Section 3.3, the researcher describes the mixed methods methodology and discusses the rationale for selection. The remainder of the chapter describes the methods and techniques the researcher applied in the study.

#### **3.3.1 Mixed methods methodology**

In their recent handbook, Tashakkori and Teddlie (2003) argue that “mixed methods research is a distinct third methodological movement in the social and behavioural sciences” (p.672). They describe mixed methods as a methodology that intentionally combines more than one method within the same research project. The underlying premise of a mixed methods methodology is “that each method offers a meaningful and legitimate way of knowing and understanding” (Greene & Caracelli, 1997, p.4).

The principles underlying mixed methods are described by Tashakkori and Teddlie (2003) as (1) methods should be mixed to benefit from complementary strengths, (2) mixing may occur in any stage of a study, (3) research design determines data collection procedures in mixed methods but is also independent of those principles, (4) data collection procedures are independent of data analysis techniques, (5) data must represent the theoretical phenomena under study, and (6) data quality is a necessary condition for inference quality but is not a sufficient condition for it.

While the discussion about mixed methods is now some years old, the mixed methods language continues to develop. This research has applied the recommendation made by Tashakkori and Teddlie (2003) that researchers use terms unique to quantitative and qualitative traditions when discussing these methods, and use new mixed methods terms that are unique to mixed methods thinking such as the term “strand” used to describe the different phases within the study (Tashakkori & Teddlie, 2003, p.709).

In planning the mixed methods design the researcher applied three key steps as recommended by Greene, Benjamin and Goodyear (2001). These are to consider (1) the

organising framework, (2) the purpose for using mixed methods, and (3) the design strategy. Each of these steps are discussed next as they relate to the present study.

### **Organising framework**

The researcher applied the “dialectical organising framework” for the study (Greene, Benjamin & Goodyear, 2001, p.28). This framework supports the idea of mixed methods and promotes the practice of ensuring the different methods are selected purposely and are kept distinct within the study. For the present study, the researcher purposely applied the case study method for detailed data collection and the survey method to extend the breadth of data collection.

### **Purpose for using mixed methods**

The overall purpose of mixed methods is “to attain a better understanding of the social phenomena being studied” (Greene, Benjamin, & Goodyear, 2001, p.40). Tashakkori and Teddlie (2003) suggest that mixed methods achieve this purpose in some instances better than single approach designs. The concept of mixing methods was promoted by Simon, Sohal and Brown (1996) for QM research and by Tashakkori and Teddlie (2003) for management and organisational change research.

### **Design strategy**

Planning the mixed method design is the third step outlined by Greene, Benjamin and Goodyear (2001). They suggest the researcher needs to consider two key aspects of design; the primary focus of the study and the type of mixed methods design. These recommendations for design strategy are consistent with the “decision choices” suggested by Creswell (2003, p.210) in that Creswell describes choices for “priority” (addressed as the primary focus), “implementation and integration” (addressed as the type of mixed methods design).

When discussing the primary focus of a mixed methods study, Morse (2003) suggests all projects have either an inductive or deductive theoretical drive; that they cannot be neutral or be equally informed by inductive and deductive drives. He defines the theoretical drive of a study as the “primary way of thinking about the research” (p.194). The primary research question for the present study was “how do New Zealand service organisations start the BE journey?” which required a primary focus on exploration and developing an understanding for the phenomena; hence an inductive theoretical drive. Although the second strand of the

research design used quantitative methods to confirm emerging thinking, the primary way of thinking was inductive; hence the researcher believes the primary focus of the study is inductive and the greater priority is given to Strand 1 of the study, the qualitative method.

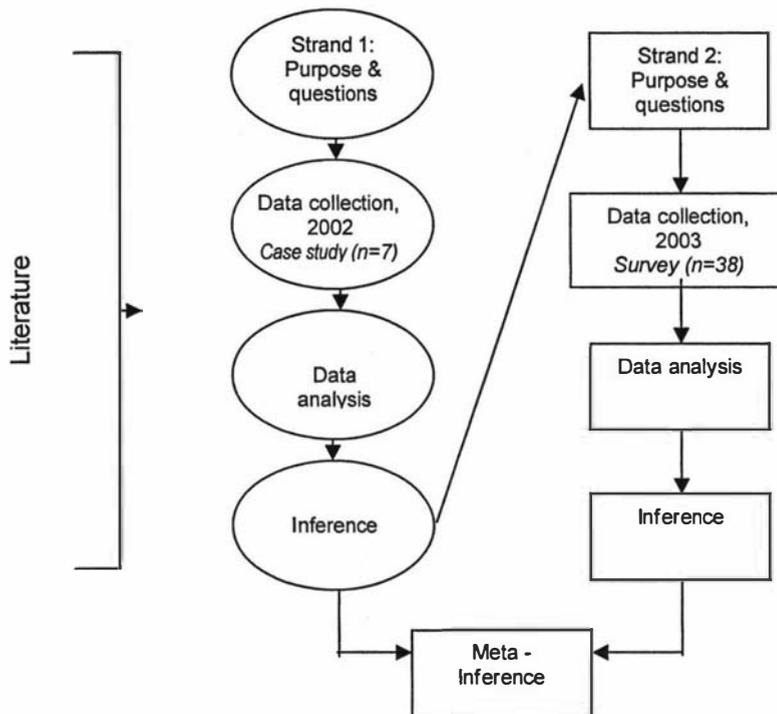
Greene, Benjamin and Goodyear (2001) also make the distinction between triangulation designs and developmental or sequential designs. Both designs use different methods to study the same phenomenon in order to enhance the validity and credibility of the findings. The distinction is made in that triangulation designs involve using different methods concurrently with the objective of achieving convergence, compared with sequential designs which use different methods in sequence.

The type of mixed methods design selected for the present study is the “sequential mixed model design” as described by Tashakkori and Teddlie (2003, p. 687). The characteristic of this design is the sequential use of different methods to study the same phenomena; and that the second strand is influenced by the findings from the first strand. Tashakkori and Teddlie suggest “this design incorporates Creswell’s explanatory mixed methods design and exploratory mixed methods design” (p.688).

The sequential mixed model design selected for this study is presented as Figure 3.1 and is consistent with the “sequential exploratory strategy” described by Creswell (2003, p.15). The first strand (case study method) primarily involved qualitative data collection and analysis, which was then followed by the second strand (survey method) which primarily involved quantitative data collection and analysis. The findings or inferences of both strands are then integrated as a meta-inference. This design was selected for the present study as it applies a sequential use of different methods to study the same phenomena, which is this study is the BE journey.

The sequential mixed model design or sequential exploratory strategy provided four key advantages for the present study. Firstly, the researcher was able to explore how service organisations start the BE journey (a relatively neglected area of research), generate new knowledge (Strand 1; case study) and confirm (or disconfirm) this new knowledge with a large group of BE organisations (Strand 2; survey). Based on the case analysis and the cross case analysis, the researcher was able to identify themes for how organisations start the BE journey and generate lists of items perceived to influence the start of the BE journey. The themes provided the structure for the survey, and the lists provided the investigative questions for the survey.

**Figure 3.1: Representation of the sequential mixed model design (Source: Adapted from Tashakkori & Teddlie, 2003)**



The second advantage of the sequential mixed model design was the opportunity to gain new knowledge and a breadth of understanding of how organisations start the BE journey, within the same study. New knowledge was gained following the within case analysis for each of the seven case organisations and this was then extended following the cross-case analysis. The case study inference contributed new knowledge for each of the elements within the conceptual framework, but particularly knowledge for improvement processes, intermediate outcomes and BE journey results. Breadth of understanding was gained following the analysis of the survey, which involved distributing a questionnaire to a larger group of BE service organisations. As with the case study, the survey contributed new knowledge for each of the elements within the conceptual framework, but particularly knowledge for the extent to which the profile, practices and people are perceived to influence the BE journey, as well as the extent to which change is perceived to have occurred since the start of the journey.

The third key advantage of applying the sequential mixed model design for the present research was the opportunity for gaining different views. Stand 1 of the study provided the

researcher with the opportunity to hear the views of a number of different people with different roles or positions within the seven case organisations. In Strand 2, the researcher received 38 completed questionnaires, which provided data from a broader range of service organisations than those studied in Strand 1.

The final advantage was how the sequential nature of the design enabled the researcher to develop the conceptual framework throughout the study. The researcher developed an initial conceptual framework based on the literature. This framework was reviewed and updated following each strand of the study.

### **3.3.2 Strand 1 - Case study method**

A method is a systematic approach to data collection and analysis (Jankowicz, 1995). The case study method section describes the approach to case study design, to the approach undertaken to ensure quality within this design, and the techniques used for data collection and analysis.

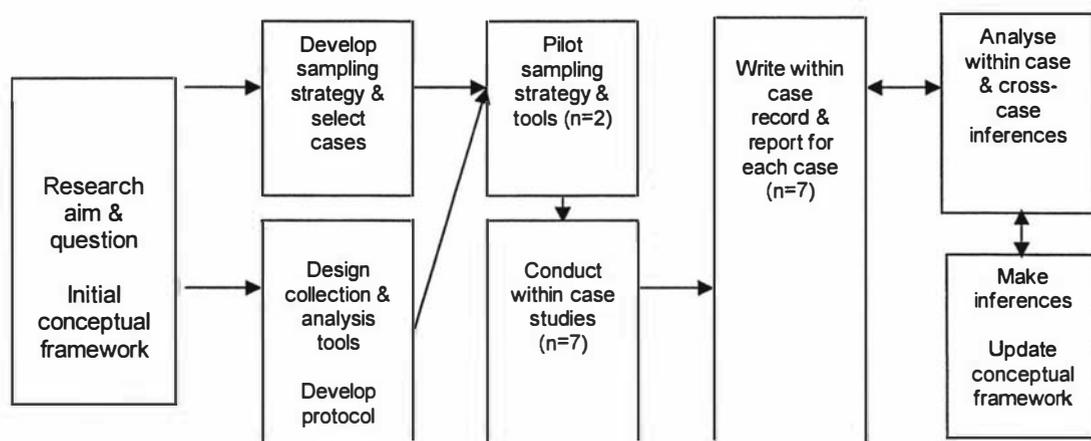
The case study method is described as involving “an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 1998 p.52). For the present study, ‘empirical investigation’ is understood to mean the collection of evidence about how organisations starts the BE journey; the ‘contemporary phenomenon within its real life context’ is the start of the BE journey (as defined in Section 1.3) within New Zealand service organisation. ‘Multiple sources of evidence’ include document review and interview, and are discussed fully under data collection.

The case study method is promoted by a number of writers, (Miles & Huberman, 1994; Pettigrew, 1987; Yin, 1994) as the preferred method when the phenomenon being studied is not distinct from its context, when the investigator has little control over events and when “how and why questions are being posed” (Yin,1994, p.1). The case method was selected for this study to enable the exploration of how service organisations in New Zealand start their BE journey. The researcher has no influence over how organisations started the BE journey and was reliant on collecting data from people associated with each case organisation.

Multiple case study (Yin, 1994) is the case study method applied to a number of cases in order to develop understanding for a phenomenon. Although promoting the value of retaining the thick description associated with single case studies, Stake (1995) suggests “showing how a phenomenon occurs within several cases can provide valuable and trustworthy knowledge” (p.444). Yin explains that because the case study method does not

represent a sample of a population, statistical generalisation is not feasible; only theoretical generalisation is realistic. Yin promotes the use of multiple case study and the concept of replication to develop understanding and themes that can be generalised to a larger population. His model of replication has been adapted by the researcher for the present study and represented in Figure 3.2.

**Figure 3.2: Representation of the multiple case study method (Source: Adapted from Yin, 1994)**



### Design

The approach to case study design was influenced by the work of Miles and Huberman (1984), Robson (1998) and Voss, Tsikriktsis and Frohlich (2002). These researchers suggest designing a case study requires attention to:

- An initial conceptual framework
- Research question(s)
- A sampling strategy
- Instrumentation and protocol

#### *An initial conceptual framework*

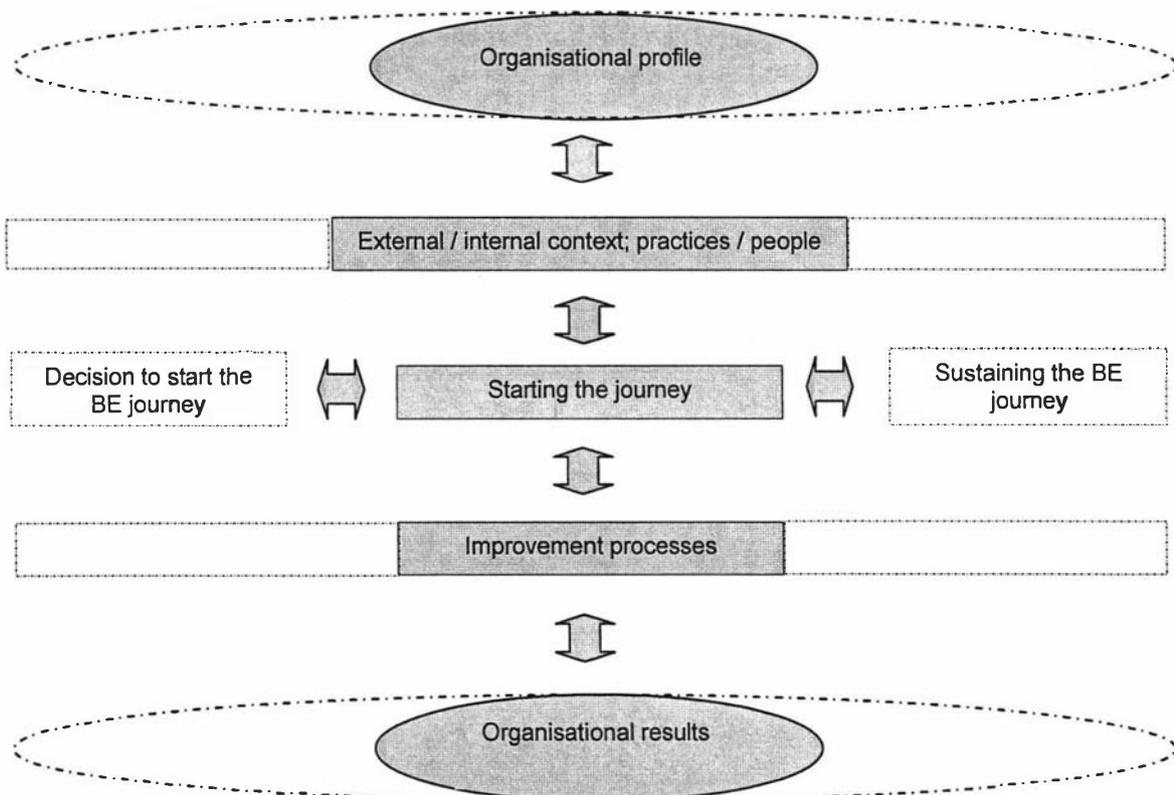
An initial conceptual framework represents the scope for a study and assists in the manageability of data collection – particularly for when using qualitative methods such as

the case study method applied in the present study (Miles & Huberman, 1994). Wolcott (1994) suggests that an initial framework guides the researcher to approach the study looking for questions as well as answers.

In this study, the aim, research question and literature influenced the development of an initial conceptual framework to represent the BE journey (see Figure 3.3). The framework provides a visual representation of the key concepts and relationships understood at the time to influence the start of the BE journey.

The development of the initial conceptual framework was influenced by the literature reviewed in Chapter 2, such as organisational studies, QM and BE, and organisational development and change literature. For example the researcher identified a trend in organisational studies research towards an integrated approach to researching business improvement initiatives. Hence representing the BE journey as an integrated organisational development and change process.

**Figure 3.3: The BE journey represented as a conceptual framework (version 1)**



The focus on starting the journey is influenced by the need expressed by New Zealand BE community and the timeframes described in the Processual Framework (Dawson & Palmer, 1995). The representation of the three elements; context, process and outcomes, is influenced by contextualism as described by Pettigrew (1999). The inclusion of the elements, organisational profile and organisational results are influenced by the BE empirical research. What is not included in this initial framework, but was added following the case study research was the element intermediate outcomes, which represents how the practices and people influence the journey.

More specifically, the element organisational profile represents the attributes of the organisation and this influences the start of the BE journey. The external context represents the environment in which the organisation operates along with external strategies, practices and people that may influence the journey. The internal context represents practices and people that may influence the BE journey from within the organisation. The improvement processes represent organisational development and changes perspective as described by Van de Ven and Poole (1995). The researcher categorised organisational results to align with the levels of BE implementation proposed by Leonard and McAdams (2002). The dimensions are: business results, BE journey results and progress results. The arrows in the framework are bi-directional to represent the holistic nature of the BE journey vs. implying a causal relationship between the elements.

#### *Investigative questions*

As discussed and listed in Section 3.1, the researcher developed a series of investigative questions based on the aim of the study and the initial conceptual framework. These investigative questions guided the development of the questions asked within the case study (see Appendix A) and were updated following the case study phase of the research prior to being applied to the survey (see Appendix D).

#### *Sampling strategy*

Sampling involved the selection of case organisations and research participants from within the case organisations. Purposeful – criterion sampling, as described by Patton (1990) was used to select case organisations. Patton describes the focus of purposeful sampling is to select information-rich cases “which one can learn a great deal about issues of central importance to the purpose of the research” (p.169) and criterion sampling as selecting critical

cases that are likely “to yield the most information and have the greatest impact on the development of knowledge” (p.174). Critical case selection relies on identifying key indicators.

For this study, information-rich cases are those service organisations who have been actively engaged in BE for at least three years and are able to provide a range of evidence for practices and people perceived to influence the start of the BE journey. Active engagement in BE may be in the form of membership of custodian organisations (e.g. NZBEF, NZOQ), participation in BE related activities such as self-assessment and awards application. The key indicator used to identify critical cases was evidence for a rate of improvement of at least 20 points (as measured by the CPE). In addition, organisations (as represented by the CEO or delegated other) and participants were only selected if they had consented to participate. The number of case organisations selected was influenced by when data saturation was expected to be achieved as recommended by Taylor and Bogdan (1998).

Potential case organisations were identified by the researcher via recognised BE networks and the public media. These organisations were invited to participate in the study by the researcher phoning a key person (e.g. Chief Executive, BE champion). If the key person was interested, an introductory pack was sent out providing information about the research, a consent form and a brief selection questionnaire to be completed and returned to the researcher (see Appendix B: Introductory Pack for Organisations).

The researcher received 12 expressions of interest from potential organisations; of this 12, ten meet all the selection criteria as described above. In discussion with her supervisors, the researcher selected two organisations for the pilot study and seven organisations for the study based on ease of access; the 8<sup>th</sup> organisation was invited to participate if any of the selected organisations withdraw from the study. The two organisations not selected did not meet the criteria of being actively engaged in BE for at least three years.

The attributes of the pilot and case organisations are provided in Table 3.1. The organisations are classified by business type and industry type as defined by the New Zealand Standard Classification (Statistics New Zealand, 1996), service type as defined by Silvestro et al.(1992) and by the duration of their BE journey. The majority of the organisations are large organisations, the exception being Organisation D which is a Small Medium Enterprise. For this study the researcher defined large organisations as over 100 full time equivalent people as used by Cameron and Massey (1992).

**Table 3.1: Key characteristics of the pilot and the case organisations**

<b>Organisation</b>	<b>Business type</b>	<b>Industry type</b>	<b>Service type</b>	<b>Duration of BE journey</b>
<b>Pilot</b>	Local Government	Government Administration	Service shop	3 years
<b>Pilot</b>	Registered Limited Liability Company	Business Services	Professional	3 years
<b>A</b>	Local Government	Government Administration	Service shop	5 years
<b>B</b>	Registered Limited Liability Company	Business Services	Professional	8 years
<b>C</b>	Government Owned Trading Entity	Crown Research Institute	Professional	4 years
<b>D</b>	Registered Limited Liability Company	Business Services	Professional	4 years
<b>E</b>	Local Government	Government Administration	Service shop	10 years
<b>F</b>	Central Government	Defence	Service shop	4 years
<b>G</b>	Local Government	Government Administration	Service shop	5 years

Research participants were selected on the basis of them being well informed about their organisation's BE journey, ideally with a recent knowledge of the start of the BE journey. Participants were selected from throughout the organisation. Based on the above criteria, the internal liaison person identified and engage relevant individuals and groups. Although the researcher suggested they consider including key people external to the organisation (e.g. consultants, union people, BE specialists) none of the organisations included an external person or group in the study. The selection typically included people from the following groups:

- Chief Executive Officer or General Manager
- Executive, senior or middle managers
- BE driver (often known as champion, change manager)
- Improvement project leaders and members
- Frontline staff

### *Instrumentation and protocol*

Creating some instrumentation prior to fieldwork required balancing the need for focus and openness. Focus was required to limit the amount of data collected and ensure manageability. A degree of openness was essential to enable new insights. Again, the researcher was guided by the pragmatic approach recommended by Miles and Huberman (1994) and decided some instrumentation was necessary.

Instrumentation was developed in the form of a case study protocol as described by Yin (1994) and adapted by the researcher for the present study. The protocol (see Appendix A: Research Protocol) was developed to guide case and cross-case data collection and analysis. It addressed: research aim, the initial conceptual framework, research questions and source of evidence, procedures, tools, recording and analysis templates. This had the dual benefit of not only focusing data collection but also recording any changes in the process and so enhancing replication across the multiple case studies. The protocol was pilot tested prior to field use. Two pilot cases were selected for their ability to test the full protocol. The nature of the pilot tended to be broader than the final research procedure as a range of data collection and analyses, methods and techniques were tested, discussed and refined. The protocol was updated following the pilot studies (see Appendix A: Research Protocol)

### **Ensuring quality**

Although the benefits of case study research are many, so too are the recognised difficulties. The most often discussed limitation is the impact on quality due to a lack of rigour (Eisenhardt, 1989; Miles & Huberman, 1994; Robson, 1998; Yin, 1994). Despite these concerns, a number of researchers make suggestions for how to enhance rigour. Both Yin and Easterby-Smith et al. (1997) promote the discipline of reviewing the quality of design from the perspective of the four tests typically used in positivist research: external validity, construct validity, internal validity and reliability. In contrast, Morgan (1983, p.498) rejects the notion that “positivist criteria should exercise monopoly over the judgement of knowledge claims” and promotes the general principle that “different kinds of research strategy favour different criteria for judging the nature of their contribution”.

In line with Morgan’s thinking (1983) an alternative approach to ensuring quality or “trustworthiness” is suggested by Lincoln and Guba (1985, p.145). The four tests for trustworthiness as explained by Lincoln and Guba (1985) were applied to the present study

to ensure quality. The tests are dependability, credibility, confirmability and transferability. Each of these four tests is now described in more detail as they relate to the present research.

*Dependability* is concerned with the ability to replicate the findings. This requires the ability to repeat the research with the same participants in the same context and achieve similar inferences (Lincoln & Guba, 1985). This is a similar concept to the traditional positivist view of reliability but recognises that qualitative research is conducted in a real world that is always changing. The researcher introduced a range of techniques to address dependability within the design, data collection and analysis phases. The researcher was aware of the need to minimise recall bias and applied a number of strategies to do this. For example the participants were selected for their knowledge of the BE journey, for each organisation the researcher worked with the liaison person to develop a case record of all verified key strategies and events perceived to have influenced the BE journey. This record was made available to all participants prior to interview and was referred to as needed during data collection and analysis. Any discrepancies were examined with the liaison person. Another strategy to minimise recall bias was the use of group interview which not only assisted recall but also enabled the group members to verify data. Table 3.2 outlines the rationale, the technique used and phase of the research process the technique was applied to.

**Table 3.2: The dependability test of quality as applied to the study**

Rationale	Technique	Phase of research
1. May need to verify selection	Case selection criteria	Design
2. Need to repeat procedure for multiple case studies	Protocol – records procedure; kept protocol up to date to reflect changes	Design
4. May need to account for changing conditions & consequent changes in design	Protocol – record procedure Journal (maintained in NVivo) - records design changes & rationale	Collection & analysis
4. May need to verify collection process	Case log (CRM software) - records communications with participants	Collection
5. May need to verify inferences	Case record – organises all data for each case organisation in a retrievable form (maintained in NVivo)	Collection

*Credibility* is concerned with the credibility of the final inferences (Lincoln & Guba, 1985) and that for each case organisation; the researcher measures what they mean to measure.

This is a similar concept to the traditional positivist view of internal validity. The researcher introduced a range of techniques to enhance credibility within the design, data collection and analysis phases of the research design. Table 3.3 outlines the rationale, the technique used and phase of the research where the technique was applied.

The researcher gained evidence from multiple data sources, such as interview with a range of people and analysis of key documents such as organisational plans and reports. Another key aspect to enhancing credibility is memoing. Throughout data collection and analysis the researcher maintained a record of her reflections about the collection process and emerging themes. Also, a step in the analysis process involved comparing the emerging themes with the evidence and literature; looking for similarities and differences and possible explanations.

**Table 3.3: The credibility test of quality as applied to the study**

Rationale	Technique	Phase of research
1.Ensure measure what mean to measure	Prior to fieldwork: Develop a conceptual framework Formulate research questions Define the case & sampling Develop & pilot a protocol	Design
2. May need to account for changing conditions & consequent changes in design	Protocol – record procedure Journal (maintained in NVivo) - records design changes & rationale	Design Collection
4. Getting a 'fix' on a phenomena by using multiple sources of evidence	Complementary mixed methods	Design Collection
4. Verify how emergent themes were identified	Journal (maintained in NVivo - memos record reflection on emergent themes Themes are 'reviewed' with evidence & literature	Collection Analysis

*Confirmability* is concerned with establishing assurance that the inferences are reflective of the phenomena and the research itself rather than a creation of the researcher's bias or prejudices (Lincoln & Guba, 1985). This is a similar concept to the traditional positivist view of objectivity. In the study, the researcher relied on the liaison person within the case organisation to confirm inferences; also supervisors and peers reviewed the link between

data, analysis and inferences. Table 3.4 outlines how ‘confirmability’ was achieved throughout the case study research.

**Table 3.4: The confirmability test of quality as applied to the study**

Rationale	Technique	Phase of research
Inferences are reflective of the phenomena and the research itself rather than a creation of the researcher’s bias or prejudices	Where possible data is collected from documents, and the participants own work	Design
		Collection
		Analysis
	Liaison person within the case organisation confirms inferences in the case record and final report	Analysis Writing
Supervisors and peers reviewed the link between data, analysis and inference.		Analysis
		Writing
Researcher consciously reflects on the impact of her philosophical stance and bias’s		Collection
		Analysis

*Transferability* considers the need to answer “how transferable and applicable are these inferences to another setting or group of people?”(Lincoln & Guba, 1985, p.141). The researcher enhanced transferability with a deliberate focus on a theoretical perspective throughout the design, collection and analysis phases (Table 3.5). For example the selection of cases was based on theoretical grounds (vs. statistical or representative); the multiple case study design looked to replicate the theoretical phenomenon under different conditions; and the case and cross-case analysis focused on theoretical outcomes. The sequential approach to mixed methods aimed to enhance transferability by using quantitative methods to confirm emerging themes.

In addition, the researcher considered the use of computer software to enhance quality. Miles and Huberman (1994) suggest “the researcher who does not use software beyond the word processor will be hampered” (p.44). The software, NVivo, aided data storage and analysis. NVivo enabled the researcher to consolidate the data as it was collected, and keep it in one organised database while retaining the context. The software enabled flexible coding and recoding, accurate search and retrieval of relevant segments of text. NVivo was particularly efficient for testing and confirming inferences as it could easily search and retrieve empirical data for a theme and also search for negative or absent evidence. NVivo was also used to

record the research process in an electronic research journal and store reflections, ideas and theorizing as the researcher generated memos.

**Table 3.5: The transferability test of quality as applied to the study**

Rationale	Technique	Phase of research
Inferences are transferable and applicable to similar contexts; they can be used to prepare guidelines for practice with confidence	Case selection was on theoretical grounds	Design
	Multiple case design replicated the same phenomenon in different organisations	Design Collection
	Quantitative methods used to verify theoretical concepts or themes that had emerged from the qualitative inferences	Design Collection Analysis
	Cross-case analysis explored similarities and differences with the literature.	Analysis

### Data collection techniques

Techniques are distinct from methods as they are the particular step by step procedures applied to systematically collect and analyse data (Jankowics, 1995). This section describes how data were collected and analysed for the case study strand of the study. Although data collection and analysis are presented separately, they occurred concurrently. The following qualitative data collection techniques were used: negotiating access to case organisations, document review, semi-structured interview with individuals and groups.

#### *Negotiating access to case organisations*

Access was established by creating a relationship with a liaison person within the case organisation, who then negotiated on behalf of the researcher with the sponsor and participants (Easterby-Smith et al. 1997). All organisations invited to participate accepted the invitation. The researcher understood this response was attributable to the perceived benefit of BE in New Zealand and attention given to ensuring there was minimal disruption to the work environment. The researcher spent considerable time with the liaison person and within each organisation prior to meeting with participants.

### *Document review*

Document review is an indirect or unobtrusive data collection technique (Robson, 1998). In the study, documents were seen as a supplementary source of data. The researcher used the document content to provide a historical view of the BE journey, to supplement people's memory of past events, to confirm descriptions of key events and to stimulate new directions for enquiry. Key documents were sourced throughout the study as practices of interest emerged. Documents typically included executive minutes, speech notes from the chief executive officer when introducing the start of the BE journey, presentation notes describing the journey to date, assessment and award documents that recorded improvement over time. The inferences from the document review were integrated into the case records.

### *Semi-structured interview*

Miles and Huberman (1994, p.80) describe the semi-structured interview as a "conversation with a purpose". It involves asking questions whose content and sequence are not fully specified in advance. The semi-structured interview was considered relevant for the study as it enabled the researcher to hear the participants' perspective on the BE journey and gain clarification if needed. Interview and focus groups were also seen as efficient way to get large amounts of qualitative data quickly from many people.

Semi-structured interviews were carried out with key people (i.e. the Chief Executive Officer), a key informant (i.e. the BE champion or equivalent) and with groups of people. The groups were typically composed of 7 to 10 people who shared role characteristics. Group interviews were typically carried out with groups of executive managers, middle managers, improvement project team members, and frontline staff. Group interviews typically lasted one to two hours, with a time allowed to establish rapport with the group participants and conclude the session.

The researcher was aware of the limitations of the semi-structured interview technique and prepared to work within these limitations. The researcher worked with the liaison person to develop the interview schedule and associated communication materials. The Information Pack (see Appendix C) was distributed to identify participants by the liaison person. The Information Pack was used to give participants the opportunity for independent thought prior to the interview, and also to maximise discussion time at the interview.

In line with the emic approach to data collection and analysis the researcher facilitated participants to share their perceptions and discuss how their organisation had started the BE

journey. The researcher recorded all interviews, as fully as possible with hand written notes and memos. In some interviews the participants had prepared notes which they made available to the researcher. For the group interviews, the researcher used group discussion techniques, such as brainstorming and weighted voting (Brassard & Ritter, 1994) to have the participants note their responses to questions on large sheets of paper. An adapted form of the most significant change technique (Dart & Davies, 2003) was used to capture participants' stories for how key practices influenced the start of the BE journey and their perceptions for what had changed within their organisation since the start of the BE journey. All interview responses were transferred to the case record for each organisation within NVivo.

### **Data analysis techniques**

The data analysis phase required the researcher to integrate the data collected from the document reviews and interviews to gain new understanding of how New Zealand service organisations started their BE journey. The preferred approach was to balance the need for openness while being practical. For this strand of the study, the researcher opted for the three-phased approach to case analysis described by Miles and Huberman (1994), in conjunction with suggestions from Taylor and Bogdan (1998). The resultant approach involved three concurrent phases (a) data reduction, (c) data display and coding, (4) data discounting and conclusion.

#### *Data reduction*

Data reduction involved a review of the raw data to ensure completeness and where possible to bring all key data into a single case record in NVivo to ensure easy access and retrieval. The data was then reduced to key practices and influences (as identified by participants) while retaining information that described the context e.g. when they occurred, who was involved. Data reduction was completed as soon as possible after each case visit to maximise recall and to enable prompt follow-up contact if further information was required.

#### *Data display and coding*

The purpose of data display and coding is to identify themes and dimensions. Themes are "abstract ideas generalised from the data" (Taylor & Bogdan, 1998, p.144) and dimensions are categories within these themes. For example, a theme may be organisational profile and a dimension within this is organisational description. Later in the analysis, these dimensions

were further categorised into items, for example the dimension organisational description contained a number of organisation attributes such as business type, industry type.

Although the researcher developed a number of data displays (Miles & Huberman, 1994) to look for patterns and themes within the data, she found tables to be the most effective approach to display large amounts of qualitative data. Tables were used to display key practices and key people organised by year of journey and level of context (such as external, organisation-wide, BE). A typology of key practices and how they were perceived to influence the BE journey was also developed.

Coding is an efficient data labelling and retrieval technique as well as a technique to develop insights and generate theoretical understandings. The conceptual framework and investigative questions guided the development of an initial code scheme (Miles & Huberman, 1994) and was updated during analysis to reflect any new themes, dimensions and items. As coding proceeded, the code scheme was refined to eventually create a master list of codes. Data typically had at least three labels (a) the attribute specific to the case organisations e.g. the type of industry and the type of business, (b) a theme e.g. BE practices, and (c) the item e.g. self-assessment.

#### *Data discounting and conclusion*

Discounting the data involved an informal review of “data in the context in which they were collected” (Taylor & Bogdan, 1998, p.156). NVivo was used to check that identified themes and categories linked with empirical data. Particular attention was paid to possible researcher bias.

Conclusion drawing involved re-visiting the literature and linking the empirical data with more general models from the literature, tracking backwards and forwards between data and literature. Inferences to date were discussed and confirmed with peers and supervisors. Within case reports were written and verified with the relevant liaison people.

#### *Cross-case analysis*

Cross-case analysis involved the systematic searching for cross-case patterns, either similarities or differences across the seven cases. All case records had been coded in NVivo for (a) the attribute specific to the case organisations e.g. the type of industry and the type of business, (b) a theme e.g. BE practices, and (c) the item e.g. self-assessment. Analysis involved developing a description for each theme, dimension and item and listing the evidence while retaining the context (e.g. case organisation attribute).

## **Inference**

Inference is a term recommended by Tashakkori and Teddlie (2003) to address the outcome of a study. It incorporates the concepts of interpretation and conclusions; in essence inference is concerned with the researcher making sense of the data as it relates to the phenomena being studied.

For the present study, the researcher developed inferences for Strand 1 based on the findings from the case reports and cross-case analysis. Inferences were focused for emerging themes and discussed in relation to the investigative questions. These inferences were integrated into the initial conceptual framework and then used to inform the design of the survey instrument for Strand 2.

### **3.3.3 Strand 2 - Survey method**

The survey method was used for Strand 2 of the study. This section describes the approach used for the survey and the design of the questionnaire, how quality was addressed within the design process, how the questionnaire was distributed and how the responses were analysed.

The survey had the dual purpose of (a) developing broader insights for how service organisations in New Zealand start the BE journey, and (b) strengthening or confirming the emerging conceptual framework that represents how service organisations in New Zealand start the BE journey. The mixed questionnaire, as described by Thomas (2003), was selected as the preferred survey instrument primarily due its ability to enable the researcher to collect exploratory and confirmatory data from a targeted group of respondents.

#### **Design of questionnaire**

The design of the questionnaire was influenced by guidelines presented by Cooper and Schindler (1998) and Thomas (2003). Attention was given to the conceptual framework, investigative and measurement questions, sampling strategy and the instrument itself.

##### *Conceptual framework and questions*

The emerging conceptual framework based on the inferences developed following Strand 1 guided the structure of the questionnaire and the questions. The questionnaire structure reflected the themes identified in Strand 1, such as organisational profile (Background - Section 1; Decision to start – Section 2), practices and people (Starting the BE journey – Section 3), Organisational results (Sections 4 & 5).

The items, such as *won a national BE award*, identified in Strand 1 were transferred to the Strand 2 as measurement questions within the questionnaire. The researcher wanted to maintain the openness for new knowledge so intentionally included all items that had been identified by at least two organisations. Only those items identified as influencing the start of the BE journey (as defined in Section 3.1) were included. The questionnaire was designed to identify the extent to which items are perceived to influence the rate of improvement for the BE journey. The format allowed participants to select from a present / absent scale and from an anchored 5 point Likert scale (highly constraining to highly enabling). Appendix D (Questionnaire pack) includes a copy of the questionnaire

### *Sampling strategy*

The target population for the study included service organisations believed to be actively engaged in BE and using the CPE. Within this target population one questionnaire was sent to each organisation and addressed to the individual most knowledgeable about how the organisation started the BE journey. Earlier, similar research (Abraham et al. 2000) established that the role of the respondent did not have a statistically significant impact on survey results and so the role of the respondent was not considered within the sampling design.

The researcher approached all professional organisations involved with BE (such as the New Zealand Business Excellence Foundation, the Centre for Organisational Excellence Research, New Zealand Benchmarking Club, New Zealand Organisation for Quality, Performance Excellence Study Awards), consultants and advisors in order to gain their support for the distribution of the questionnaire. These professional organisations were identified through the researcher's BE networks, public media and an internet search for BE consultants and advisors. These professional organisations agreed to circulate the questionnaire to their membership. The consultants who responded to the request sought consent from their clients to provide the researcher with their contact details. The researcher then distributed the questionnaire directly to these organisations.

The total target population was included in the survey (a census) due to the limited number of organisations available to participate in New Zealand. The questionnaire was distributed to 85 organisations; 14 of these declined to participate as they did not meet the criteria (most were not service organisations or were not actively using a BE framework). Of the potential respondents (71), 38 returns were received (53.5% response rate).

### *Questionnaire development*

The self-report questionnaire was designed to ensure the collection of good quality data and to achieve an optimal response rate. It was felt that the high commitment of respondents to BE would facilitate support for the questionnaire and enable a more involved questionnaire than would normally be considered for QM or organisational change research.

The questionnaire development involved a number of stages: Firstly, the structure of the emerging conceptual framework guided the development of the structure of the questionnaire and the themes embedded within framework guided the development of the measurement questions. Secondly, the measurement questions were evaluated through the “desk evaluation process” and the “observational user studies” process (Statistics New Zealand, 1995). Desk evaluation involved peers reviewing the questions and providing feedback, and the observational user studies involved the researcher working with two managers (from each case study pilot organisation) as they completed the questionnaire and noting areas they asked for clarification on.

Next, the feedback from the evaluations was integrated and the full questionnaire pack was developed and evaluated by the same group and supervisors. The full questionnaire pack included a covering letter, request form, and question booklet (see Appendix D for the Questionnaire Pack). Feedback was once again received and integrated. The final package was completed and printed professionally.

### **Ensuring quality**

Ensuring quality can be addressed from a technical point of view, using the traditional quantitative concepts of reliability and validity and from a non-technical view addressing response rates and respondent cooperation (Statistics New Zealand, 1995)

### *Reliability*

The traditional notion of reliability addresses the consistency of response and involves being able to minimise external sources of variation. The BE journey has been established as an organisational change process influenced by the external and internal context (see Chapter 4). Due to this variability in the context, the researcher acknowledged that responses needed to be viewed as the respondent’s perception of the situation at a particular point in time.

The format and the questions were developed to maximise consistent responses. The questionnaire was addressed to the person who was most knowledgeable about how the

organisation started the BE journey, with the expectation that they would be able to provide a comprehensive and balanced view.

### *Validity*

The traditional notion of validity is concerned with ensuring the questionnaire measures what the researcher wishes it to measure and that the data represent what the researcher thinks they represent. As the questionnaire had an exploratory and confirmatory purpose the researcher did not want to define the content too narrowly.

Content validity was addressed in two ways. The questionnaire was informed by the research hierarchy (Cooper & Schlinder, 1998), the conceptual framework and the inferences from the cross-case analysis. In addition, the pilot case organisations were asked to consider how well the questions represented the BE journey. This had the effect of adding items that had not been identified in the literature or the case work.

Construct validity concerns how well the questionnaire measures the underlying construct. The researcher recognised that the limited sample size meant statistical approaches were not an option. Enhancing construct validity was reliant on the strength of the emerging conceptual framework based on empirical evidence from the literature and inferences from Strand 1.

### *Response rate and respondent co-operation.*

Approaches to optimising the response rate were considered when the survey was being designed. Attention was given to strategies for raising recipients awareness of the pending survey, the channels used for distribution, the questionnaire package itself and incentive. The BE community was made aware of the pending survey via a conference presentation, an article a BE newsletter and a pre-notification email. The questionnaire package was distributed in September in order to avoid traditionally busy periods in the New Zealand business year. The package was distributed by the NZBEF to enhance national credibility and included a reply paid envelope.

The questionnaire itself was designed to enhance respondent cooperation. It was professionally printed and acknowledged sponsors to encourage confidence in the research. The covering letter emphasised the questionnaire was based on recent New Zealand case study research. Recipients were offered the incentive of contributing to the New Zealand knowledge base, as well being offered a copy of the final research paper. Procedures for return were clearly explained throughout the package.

### **Data collection techniques**

Data collection involved the dispatch of the questionnaire pack and two follow-up actions. The covering letter and package were personalised to known individuals within the target population. Recipients were given 12 working days to complete and return the questionnaire to the researcher who then stored the responses securely.

The covering letter advised recipients that there would be follow-up with non-respondents. All non-respondents were contacted by email one week after the initial return date and advised of a new return date and offered another questionnaire pack if required. This follow-up resulted in further returns and requests for extension of time. The researcher personally followed up those recipients who had requested the extension of time by phone. The complete process took seven weeks from the initial mail out to final return date.

### **Data analysis techniques**

Analysis of the questionnaire responses involved data reduction, followed by data display and statistical analysis. The focus of analysis was on establishing frequency and relationships not causality. The following section provides an overview of the analytical approach and Appendix E: Questionnaire Analysis provides the detail of the analysis schedule and resultant data tables.

#### *Data reduction*

The questionnaires were reviewed for completeness and accuracy. If required and if the respondent had given authority for follow-up they were contacted to clarify a response. The researcher prepared a spreadsheet using the statistical software, SPSS, and inputted the data from the questionnaires. Within SPSS, the responses to the open questions were coded using the case study code schedule. New codes were developed where responses did not fit existing codes

#### *Data display and statistical analysis*

For each section of the questionnaire, the most appropriate non-parametric statistical approach established in order to display and analyse the data. The approach was selected as relevant to the objective; the measurement question and the level of data (see Appendix E for further detail).

Univariate descriptive analysis was applied to single variables to provide measures of distribution (frequency tables), central tendency (median) and dispersion (range) where

relevant. The mean was used as the measure of central tendency in preference to the median (although the median is recommended for small numbers) as all the means were the same and as the means varied they provided greater distinction.

Bi-variate descriptive analysis techniques were applied to investigate the existence of and the extent to which there was an association between two variables. The confidence level (level of probability) was set at 95%; also referred to as the 0.05 significance level. SPSS was used to create cross tabulation tables. This enabled the researcher to review the tables for patterns in the data. Where appropriate, statistical tests of association were applied to test for levels of association. Typically the uni-variate chi-square test was applied. It was not appropriate for some sections due to the large number of empty cells in the table. Blaikie (2003) recommends the chi-square test needs at least five cases in each cell to construct reliable responses. The Cramer's V test was selected where the chi-square test was not appropriate (the tables were more than 2x2, and at least one variable was nominal). Where both variables were ordinal, the Gamma test was applied.

### **Inference**

The researcher developed inferences for Strand 2 based on the findings from the survey analysis. Inferences were focused for confirming themes, exploring new themes and discussed in relation to the investigative questions. These inferences were integrated into the emerging conceptual framework that was developed following Strand 1 and then used to inform the meta-inference.

### **Meta-Inference**

Meta-inference is a mixed methods term proposed by Tashakkori and Teddlie (2003) to describe the final outcome of the research. A meta-inference is developed through the integration of the inferences obtained from the distinct strands of a mixed methods study. For the present study the meta-inference phase of the research integrated inferences from Strand 1 (case study) and Strand 2 (survey). Consideration was given to findings that were consistent with the literature and between Strand 1 and 2. Attention was also given to findings that varied from the literature, and where findings from Strand 1 and 2 varied. The discussion explored explanations for these variations. The findings from the meta-inference are discussed in Chapter 7, and then based on this discussion final conclusions for the study are presented in Chapter 8.

## **3.4 ETHICAL CONSIDERATIONS**

Both the case study and survey methods required the researcher to consider ethical issues as the research design required the participation of organisations and people within the organisation. Approval for the case study design was sought and received from the Massey University Human Ethics Committee (MUHEC, 2002). A review of MUHEC guidelines indicated that the survey method proposed did not require a formal application to MUHEC. The following methods were used for the case study method and survey method to ensure adequate attention was given to ethical practice.

### **3.4.1 Multiple case study method**

The researcher ensured the design of the multiple case study method and supporting documentation addressed informed and voluntary consent, respect for privacy and confidentiality, minimisation of harm (including storage of data) and avoidance of conflict of interest. The Introductory Pack for Organisations is appended (Appendix B), as is the Information Pack for Participants (Appendix C).

The case study work did not proceed within each case organisation until full written consent had been received from the Chief Executive Officer or delegated other. Likewise data collection with groups and individuals did not proceed until the researcher had received full written consent for participants. Both the CEO and research participants were provided with written information prior to them providing their consent. The researcher was available to discuss any queries with the participants. In particular, the Information Sheet and the Consent Form addressed (a) confidentiality between focus group participants, (b) the role of the researcher, and (c) intellectual property ownership.

### **3.4.2 Survey method**

As with the case study method, the researcher ensured the design of the survey method addressed informed and voluntary consent, respect for privacy and confidentiality, minimisation of harm and avoidance of conflict of interest. The Questionnaire Pack (see Appendix D) contained a covering letter, request form and the questionnaire booklet. The covering letter assured respondents that their responses would be treated in confidence and that no individual or organisation would be identified in any publications of the research. Respondents were advised that returning the completed questionnaire was accepted as consent to participate.

In particular, it was explained to the respondents that the researcher had identified their questionnaire booklet with a code number to note those people who did not require follow-up. The request form invited respondents to provide contact details if they were prepared to participate in follow-up interviews or wished to receive a copy of the final research paper. They were invited to return this form separately if they wished to maintain anonymity.

As the researcher relied on BE professional organisations and consultants for identifying potential case organisations, implications associated with the New Zealand Privacy Act were considered. It is against the privacy laws of New Zealand to obtain personal information for one purpose and then use this information for any other purpose. The BE professional organisations distributed the Questionnaire Pack to their membership on behalf of the researcher; the BE consultants sought consent from their clients prior to providing the researcher with their contact details.

### **3.5 CONCLUSION**

The background for the study and the literature review influenced the aim of the study, the research question and the development of an initial conceptual framework. This framework was developed to represent the key concepts and the key relationships understood at the time to represent how organisations start the BE journey. This framework provided the focus for the study and guided the development of the investigative questions.

In this chapter the researcher also explains the mixed methods methodology, the application of case study and survey methods and the ethical considerations associated with each method. The mixed methods methodology enabled the researcher to gain understanding for how service organisations in New Zealand start the BE journey. In particular this methodology enabled the researcher to generate and confirm new knowledge within the same study. The research design was implemented as planned. Unfortunately the size of the target population was smaller than originally expected. This impacted on the scope of the statistical analysis the researcher was able to carry out.

The findings for each strand of the study are now presented and analysed in Chapters 4 to 6. In Chapter 4 the researcher presents the case reports. The findings from the cross-case analysis are presented in Chapter 5 and the survey results are presented in Chapter 6. The researcher provides a conclusion and updates the emergent framework at the completion of the case study research (Chapter 5) and the survey research (Chapter 6).

## Chapter 4

### DESCRIBING THE BUSINESS EXCELLENCE JOURNEY: WITHIN SEVEN SERVICE ORGANISATIONS

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Chapter 4 presents the findings for the 7 case organisations. The focus is on describing how each of the 7 case organisations started their BE journey. All organisations are service organisations, based in New Zealand. There are four public organisations (either central government organisations or local government organisations) and three private organisations (registered limited liability companies). As discussed in Chapter 3, “information rich” case organisations were identified and selected (Patton, 1990). Each organisation had been actively engaged in BE for at least three years and was able to provide a range of evidence for practices and people perceived to have influenced the BE journey. In addition, “critical cases” were selected based on evidence for a rate of improvement of at least 20 points as measured by the CPE (NZBEF, 2005).

The purpose of the case studies was to develop a detailed understanding of how selected New Zealand service organisations start the BE journey. Being guided by the initial conceptual framework the researcher focused on (1) the profile of each organisation, (2) the start of the journey, and (3) the organisational results achieved by each organisation. The description of the BE journey is based on data collected from key documents and interviews with selected people. A review of key documents provided the researcher with historical view of the BE journey as well as a source of information to supplement people’s memory of past events. The identification of the key practices, people and processes and how these influenced the BE journey are based on participants’ perceptions during interviews. Participants’ verbatim comments are presented within quotation marks.

The description for each case study is structured into three sections (1) organisational profile, (2) starting the BE journey, and (3) organisational results. The section organisational profile describes the attributes of the organisation, the drivers for starting the journey, and how they prepared and planned for the start of the journey. The section starting the BE journey

describes the practices, people and processes perceived to influence the journey and presents participants' perceptions as to how these influenced the journey. The section organisational results reports on the duration of the BE journey, change in CPE score over time and perceptions for significant change since the start of the BE journey.

Within the case report for each organisation the researcher provides a description for how the organisation started the BE journey and a table summarising the perceived key practices and people as identified by the participants. For each practice the researcher records the year of the journey the practice was perceived to have had the greatest influence on the journey, an outline of the practice and the people involved, whether the practice was perceived to enable or constrain the journey and how the practice was perceived to have influenced the journey. A review is provided at the end of each case report which summarises the themes observed. For this study, external practices and people refer to practices and people outside the organisation; and internal practices and people refer to practices and people within the organisation. Organisational practices and people refer to those that may be present in any improvement journey; and BE practices and people refer to those specific to BE.

#### **4.1 ORGANISATION A: City Council**

The BE journey started for Organisation A when a group within the organisation adopted the Baldrige Criteria for Performance Excellence (CPE) to guide service development and improvement. The organisation is now in its fifth year of the BE journey and have recently introduced BE to the whole organisation.

The case study was conducted over four months, in the latter part of 2002. The researcher initially established a record of their BE journey by interviewing the key BE person and by reviewing a number of key documents (i.e. Business Plan, 2002-2003; BE Implementation Plan, 2003; BE self-assessment survey, 2001; BE Team six monthly reports, 2002; Monthly Management Reports, 2002; Performance Excellence Study Awards applications). This introduction provided the basis for an interview with the General Manager (customer services group), and group interviews with an executive management group, a middle management group and a frontline staff group.

#### **4.1.1 Organisational profile**

Organisation A is a local government organisation that offers a range of community orientated services to customers within its area. In New Zealand, local government organisations are typically governed by an elected Council and managed by an executive management team. By New Zealand standards, Organisation A is a large organisation with over 100 staff (full time equivalent). As with most service organisations, Organisation A relies on its staff and a range of key suppliers and partners to deliver services.

The decision to start the improvement journey was in response to a crisis. Although a well established organisation it was experiencing a loss of public confidence due to unsatisfactory service and poor financial performance. A new Chief Executive was appointed who focused on core services, customer relationships and financial management. The rhetoric at the time was “one city – one organisation”.

One of the initiatives to improve services to the public was to develop a Customer Service Group to provide “a one stop shop” frontline customer service. This Group recruited a new General Manager who had previous, positive experience with BE. His motivation to adopt Baldrige was driven by “a desire to create a great organisation and to eventually be seen as being world class.” Other drivers were that it was internationally proven to work, and that it offered an external measure of performance that would have credibility with customers and Councillors. At this time BE was introduced to the Customer Services Group only.

#### **4.1.2 Starting the BE journey**

The BE journey started for Organisation A when the new Customer Services Group adopted the Baldrige Criteria for Performance Excellence (CPE) to guide service development and improvement (see Table 4.1). The General Manager introduced BE to the staff via Group communications such as staff meetings. At the time the staff understood the adoption of Baldrige “was non- negotiable”.

In year 2 of the journey, the manager submitted an application for the New Zealand Business Development Quality Awards (BDQA was a regional award programme based on the CPE). When interviewed by the researcher the manager described how he wrote the application “one weekend” by himself; he reflected how this approach constrained the journey as he lost the opportunity to involve and engage his staff. The organisation received a “shocking” feedback report that provided the “will to improve”.

**Table 4.1: Practices & people perceived to influence the BE journey (Organisation A)**

Year of Journey	Practices & people perceived to influence the BE journey	E/C	Participants' perception for how the practices & people influence the BE journey
Pre BE	Develop effective organisation-wide support processes eg finance, IT	E	Built capacity; created a firm foundation
	Developed customer service focus & plan	E	Developed customer relationships
Year 1	Organisation-wide restructure	E	Clarity of direction; bringing all customer staff together enhanced the customer focus
	GM, Customer Service Group introduced BE; aligned with purpose & culture of the Group	E	Clarity of direction; BE was non-negotiable
Year 2	GM submitted an application; wrote the application "one weekend" by himself	C	Engagement; no involvement from team members
Year 3	Second BDQA application	E	Engagement; the team develop their BE knowledge and understanding
	BDQA feedback report identified key opportunities for improvement	E	Momentum; the report was a catalyst for action
	Staff see improvement ideas & initiatives actioned; plans are actioned	E	Engagement; staff develop confidence and trust in BE & the organisation
	Key people experience world class organisations while on the USA study tour	E	Clarity of direction; recognised BE is about long term business improvement not just an Award
	Invest in new technology for the frontline eg customer service software	E	Engagement; staff see BE is relevant to them
	Expectations re achieving BE were unrealistic	C	Clarity of direction; treated BE as a short term project
Year 4	New CEO sponsors BE	E	Engagement; staff like stability; they need to see BE is not a fad
	Winning the BDQA	E	Stakeholder relationships; the group & staff achieve credibility
	Key people experience world class organisations while on the USA study tour	E	Clarity of direction; CEO has the vision to introduce BE organisation-wide
	BE is adopted as the organisation-wide, long term business improvement strategy	E	Clarity of direction; focused approach for business improvement across the organisation
	The BE (cross-functional) team is established	E	Capacity; the network of torch bearers is extended; engagement
	Organisation planning & BE are integrated	E	Clarity of direction; identifies BE as important Capacity; key projects are prioritised & resourced
	Managers are actively involved	E	Engagement; managers & staff develop confidence in BE
	BE is not understood at all levels; staff were not able to communicate concerns	C	Engagement; people do not get involved in something new if they do not understand & do not see the relevance to them
Year 5	Winning a series of awards	C	Momentum; we relax as we perceive we are good enough
Ongoing	Conflicting priorities between urgent work and improvement work	C	Capacity; limited capacity to think improvement or be involved in improvement projects
	The BE steering group & BE champion have influence with executive	E	Clarity of direction; BE is seen as a strategic initiative
	Appointment of a BE champion	E	Momentum; the champion keeps us focused, moving; up-to-date

E = enabling influence; C = constraining influence

The second application process (year 3) and report was perceived as the “real catalyst for action”. The approach taken for this second application was “more mature” in that the application process was treated as a full project; being fully resourced and involving key people from within the Group. The opportunities for improvement identified in the feedback report were addressed within the annual planning cycle. In addition, as the runner-up winner, the manager and one other person joined a group study visit to national Baldrige winners in the USA. For the two participants, this was a “turning point” - the “lights went on” as they recognised Baldrige was about business improvement not just winning an award.

The next significant phase in the BE journey occurred in year 4; the executive adopted BE as the organisation-wide improvement strategy. Executive and other sections within the organisation had noticed the success of the Customer Services Group. Also, in year 4, the Group won the BDQA and hence provided another opportunity for more key people to visit the Baldrige winners in the USA. These people returned with the vision to “bring the whole organisation on board”. The first key step was establishing an executive team responsible for “carrying the torch” and implementing BE throughout the organisation.

Although the senior managers were convinced BE had the potential to achieve business improvement, they saw “conflicting priorities between work as usual plus improvement work” as a major constraint for improvement. Also, they perceived they were constrained by their lack of understanding for how to start the BE journey. Frontline staff were not that interested in BE as an improvement strategy. They were more interested in the effect it had on improving their ability to do their work. For example, the installation of an integrated customer and service management system enabled frontline people to provide a better service to the rate payers (or customers).

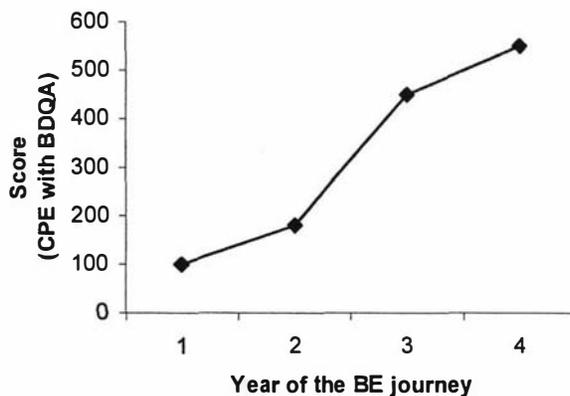
By year 5, the executive perceived the ongoing series of award wins had enhanced key stakeholder relationships. The public and Councillors developed confidence in the organisation to deliver services. The organisation experienced increasing requests for employment opportunities and staff volunteering to be involved in improvement initiatives. The key constraint at year 5 was perceived as being “too little BE understanding through the organisation” and a limited number of “champions” throughout the organisation who were able to lead improvement initiatives.

### 4.1.3 Organisational results

The BE journey started for Organisation A when a group within the organisation adopted the Baldrige Criteria for Performance Excellence (CPE) to guide service development and improvement. The organisation had achieved significant business improvement over the BE journey as evidenced by a consistent improvement in overall CPE score (450 points over 4 years) and presented in Figure 4.1. In year 4, the organisation achieved a score of 500+ points (as measured by the CPE and the BDQA process) indicating the completion of organisational transition for Organisation A (as defined in Section 1.3 of the thesis).

When asked to describe what had changed since the start of the journey, participants identified a range of improvements. In particular they perceived there had been a significant improvement in business results, clarity of direction (e.g. clear organisation strategy and clear focus for improvement), stakeholder and customer relationships (e.g. developing a positive public image) and staff engagement in improvement. In addition, staff had experienced a positive change in leadership and management maturity and the effectiveness of cross-functional groups. The senior groups perceived BE had contributed “a great deal” to the improvements in business results, stakeholder relationships and the interest in improvement.

Figure 4.1: CPE score over time (Organisation A)



#### 4.1.4 Review of the case study (Organisation A)

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### ORGANISATIONAL PROFILE

###### Theme

###### Dimension is present (✓) or absent (x)

The decision to start the improvement journey was influenced by:

- ✓ External drivers eg Customers / key stakeholders raised service expectations
- ✓ Internal driver eg Organisation in crisis, GM motivated

The decision to adopt the CPE was influenced by:

- ✓ A key person eg Senior Manager
- ✓ External drivers eg internationally proven to work, external measure of performance
- ✓ Internal drivers eg desire to create a great organisation, to be world class, co-ordinate activities, restructure / new organisation

##### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:

- ✓ External practices & people
- ✓ Internal practices & people
- ✓ Organisational practices & people
- ✓ BE practices & people

Improvement processes were:

- ✓ Integrated within the first three years of the journey
- ✓ Involved repeated cycles of improvement throughout the organisation
- ✓ Introduced self-assessment or an award process within the first 2 years

The key practices and people were perceived to influence the journey in multiple ways:

- ✓ Clarity of direction eg organisation & improvement strategy
- ✓ Stakeholder and customer relationships eg with the Council, external and internal customers
- ✓ Organisation capacity eg infrastructure, capacity to be involved in improvement initiatives
- ✓ Expertise eg business and BE expertise
- ✓ Engagement eg confidence and trust in the organisation and BE
- ✓ Momentum

##### ORGANISATIONAL RESULTS

Duration of transition

Completed transition by year 4 as indicated by a CPE score of 500+ points in year 4 (BDQA process)

CPE score over time	450 points over 4 years; steady improvement
Significant change was perceived to have occurred in:	<ul style="list-style-type: none"> <li>✓ business results, CPE score over time</li> <li>✓ Organisation culture eg clarity of direction, voluntary involvement in improvement</li> <li>✓ Organisation climate eg stakeholder &amp; customer relationships, expertise,</li> <li>✓ Engagement eg confidence and trust in the organisation and BE, capacity, energy &amp; interest</li> </ul>

## **4.2 ORGANISATION B: Information technology services company**

The BE journey started for Organisation B with an application to the Business Development Quality Awards (BDQA, a regional award programme based on the CPE). The company is now in its eighth year of the BE journey and has improved each year, as well as achieving regional and national quality awards over the duration of transition.

The case study was conducted over 4 months, in the latter part of 2002. The researcher established a record of the BE journey by interviewing the key BE person and reviewing key documents (Annual Report, 2001; Staff Annual Review, 2002; NZBEF Application). This initial interview and the document review provided the basis for an interview with the Chief Executive Officer (CEO), and a group interview with senior managers. Project leaders and frontline staff were not available for interview due to work commitments.

### **4.2.1 Organisational profile**

Organisation B is a registered limited liability company that specialises in intelligent information technology solutions. Information technology services are delivered to clients through consulting, project engagements and by providing ongoing support. Although based in New Zealand, the organisation has clients throughout the world. Organisation B is a group of interrelated companies with leadership and performance management achieved by a Board and Management Team. By New Zealand standards, Organisation B is a large organisation with over 100 staff (full time equivalent). As with most service organisations, Organisation B relies on its staff and a range of key suppliers and partners to deliver services.

The decision to start an improvement journey was in response to the owner's desire to develop a "proven quality company". The interest in business improvement is now driven by the need to be increasingly more competitive in a demanding industry. The rationale for adopting the CPE to guide improvement was primarily driven by the need for "an external yard stick" and by the need for "recognition" from the business community. The CPE was also seen as a "coat hanger" as something to "hang things off while developing the company".

#### **4.2.2 Starting the BE journey**

The BE journey was influenced by a range of practices and people (see Table 4.2). The feedback report received from the submission for the BDQA was perceived to be the first key event. The management team thought "the BDQA was just another quality process". The feedback report was enabling as it was a "major wake up call – the message was our technical capability was strong but our business capability was exceedingly poor". This resulted in the owners turning their attention to becoming "better at business" as well as being great at technical work.

The second significant phase of improvement occurred in year 3 and 4 of the journey, and was focused on business capability. The company made the roles of governance and management distinct. An external director with strength in commercial and financial management was appointed. The specialisation of roles enabled the CEO to focus on "running day to day business". Within the same year the company recruited a person with expertise in growing a software company. This appointment had the influence of shifting the company's core service offering from project management to information technology services. The following year the company won a major Government contract to develop and deliver software services; this had the effect of providing "a launch pad" for growing services and enabled senior people to develop longer term improvement strategies.

The company continued to submit an annual application to the BDQA, using this as its measure of progress. The company won the BDQA award in year 4 of their journey, which provided the opportunity for three key people to participate in a study tour of Baldrige winners in the USA. This study tour was a "turning point" for the individuals concerned – "three evangelists returned from the USA". In the following year (year 5) the company shifted from applying for the BDQA to the national award offered by the New Zealand Quality Foundation (NZQF). This national award was also based on the CPE and offered

four levels of award: gold, silver, bronze and progress. Although Organisation B won a Progress Award, the feedback report “was depressing”. This encouraged the company to “lift the bar” and respond to the report’s recommendations.

The phase of focusing on awards was followed by two key events that further developed the company’s capability to grow. First, the company introduced a peer review recruitment process that required the new recruit to meet technical requirements and “fit” the team as assessed by peers. This had the effect of “raising the bar for capability and teamwork”. There was a noticeable improvement in productivity and workplace satisfaction. Second, the company developed a “more flexible” banking relationship with a new bank. This had the effect of “removing financial restrictions”. The company used this situation to develop new products and services.

In year 6 the BE journey was constrained. The company merged with a management consultancy company with the intention of developing the capability in management consultancy. The merger process was “messy” and “stopped the journey in its tracks for some months”.

After the merger the company moved into a rebuilding phase. Each of the following key events in year 7 contributed to staff developing their confidence in the company. First, core processes around project work were streamlined to improve project reliability and responsiveness, also improve the invoicing turnaround time. Second, an accountant was appointed who further “tightened up” financial management and improved cash flow. Third, the executive reviewed management reporting to strengthen monitoring and improve the timeliness of management information.

The above rebuilding phase was followed by a focus on improving company leadership, strategic planning and human resource strategy. Three key enabling strategies and events were identified for year 8. Firstly, the “top end” of the company was “revamped” to develop distinct roles for the leaders and managers. This enabled “leaders to lead” and “managers to manage”. The second influential event was the revision of the strategic planning process; historically the process involved the “select few” from the Board and the Management Team - the revised process involved a wider “network” of key managers. Staff involvement in the process “developed their understanding of the industry ... their maturity as management” and their “engagement in the company”.

**Table 4.2: Practices & people perceived to influence the BE journey (Organisation B)**

Year of Journey	Practices & people perceived to influence the BE journey	E/C	Participants' perception for how the practices & people influence the BE journey
Year 1	Regional quality awards (BDQA) feedback report identifies key opportunities	E	Momentum; the report was a catalyst for action
	Staff not involved in application	C	Engagement; expertise
Year 3	Governance and executive roles distinct	E	Clarity of direction; strengthened governance
	New market opportunities facilitated growth	E	Business results; growth in market share
Year 4	New market opportunities facilitated growth; obtained large / long term contract	E	Capacity; provided a launch pad (cash cow) to invest in new initiatives
Year 5	Key people experience world class organisations eg study tour	E	Clarity of direction; decided to introduce Baldrige
	National quality awards (NZQF) feedback report identifies key opportunities	E	Momentum; the report was a catalyst for action – lifted the bar
	Develop effective organisation-wide recruitment processes	E	Capacity; developed people and team capability; also
		E	Engagement; confidence in management; involvement
	Flexible access to financial resources	E	Capacity; provided the confidence to invest in new initiatives
Year 6	Organisation-wide restructure; merger	C	Business results; stopped progress; reduced productivity
Year 7	Develop effective organisation-wide project support process	E	Capacity; improved project reliability, responsiveness, & quality of invoicing
	Employed an accountant;	E	Expertise; key person – raised the game
	Developed an effective invoicing system		Capacity; improved management of cash flow
	Developed an effective reporting	E	Clarity of direction; timely decision making based on fact
Year 8	Restructure governance & exec roles	E	Capacity; enabled leaders to lead & managers to manage
	Staff are not involved in the new performance management / remuneration strategy	C	Engagement; staff lost confidence in management & the opportunity to be involved; created a them & us ethos
	Developed strategic planning process & extent of involvement from senior managers	E	Expertise; increased depth of understanding for the industry & company
	CEO established a KPI for BE progress; world class by 2005 & achieve 75 points/yr	C	Engagement; unit managers saw this as an isolated goal & KPI; not connected to the strategy or their work
	The strategic plan & HR plan align	E	Clarity of direction; developed "one organisation view"
Ongoing	CEO is supported by a BE implementer	E	Momentum; the annual award application is co-ordinated
	Senior managers are not actively involved in BE; need to find a way to 'sell' BE	C	Engagement; BE is not applied beyond CEO; staff do not see BE as being relevant to them
	Staff do not see improvement ideas actioned	C	Engagement; staff loose confidence
	Limited investment in leaders & facilitators through the organisation	C	Engagement; limited devolvement of responsibility, communication bottlenecks, one way communication
	No dedicated BE champion; with influence	C	Expertise; no "resource" to assist us apply BE

E = enabling influence; C = constraining influence

The third influential event in year 8 was the alignment of business and human resources strategies with a clear focus on working as “one organisation to build the company”.

Although the company had made progress during year 8, participants perceived the rate of improvement had been constrained with two key events. Firstly, a project team developed a new performance management and remuneration strategy “behind closed doors”. This had the effect of staff losing confidence in the organisation and its leaders. And secondly, the CEO established an organisation-wide KPI of “improve our CPE score by 75 points a year”. Unit managers reacted negatively as they perceived “this as being an isolated measure – not integrated into our strategic plan or work”.

Aside from the practices and people associated with distinct years, participants reported ongoing constraining practices. They noted the company tended to “learn as they go and recruit from within” with limited attention to developing people’s leadership and management capability. As the company had grown participants perceived improvement was constrained by “bottle necks in decision making, limited 2-way communication and no follow through on improvement initiatives”. All participants reported a key constraint as “the resistance to BE”. Participants suggested that although the CEO was a strong sponsor of BE he lacked “support from senior managers and a dedicated champion to drive the BE journey”. They perceived the lack of engagement in BE from key people as a significant barrier for future improvement.

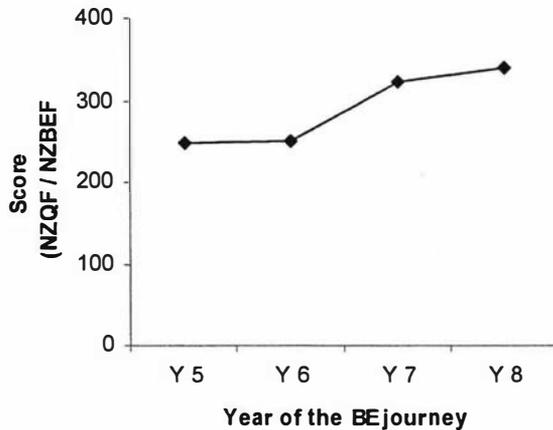
### **4.2.3 Organisational results**

The BE journey started for Organisation B with an application to the Business Development Quality Awards (BDQA, a regional award programme based on the CPE) in year 1 of the journey. Although the company is in its eighth year of the BE journey and has improved each year, it is yet to achieve a score of 500+ points (as measured by the CPE). This indicates that the company is still in the organisation transition time frame of the BE journey. The CPE score over time indicates continuous improvement since the start of the BE journey (91 points over 4 years) with early signs of a plateau effect between year 7 and year 8 (see Figure 4.2).

Participants perceived that BE had influenced improvement in business results, clarity of direction due to development of the strategic planning process, and in organisational capability as the company infrastructure and leaders matured. They described the company

as making the transition from a “small two person operation to the large company of today” and the leaders as making the transition from “technical practitioners to corporate leaders”.

**Figure 4.2: CPE score over time (Organisation B)**



#### 4.2.4 Review of the case study (Organisation B)

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### ORGANISATIONAL PROFILE

###### Theme

###### Dimension is present (✓) or absent (x)

The decision to start the improvement journey was influenced by:

- ✓ External drivers eg need to be competitive, stakeholder influence
- ✓ Internal driver eg new organisation

The decision to adopt the CPE was influenced by:

- ✓ A key person eg CEO
- ✓ External drivers eg External measure of performance, recognition & credibility
- ✓ Internal drivers eg Desire to be a quality company, framework to hang things off

##### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:

- ✓ External practices & people
- ✓ Internal practices & people
- ✓ Organisational practices & people
- ✓ BE practices & people

Improvement processes were:

- X Integrated within the first three years of the journey
- X Involved repeated cycles of improvement throughout the organisation
- ✓ Introduced self-assessment or an award process within the first 2 years

The key practices and people were perceived to influence the journey in multiple ways:

- ✓ Clarity of direction eg organisation & improvement strategy
- X Stakeholder and customer relationships
- ✓ Organisation capacity eg infrastructure, capacity to be involved in improvement initiatives (predominant)
- ✓ Expertise eg business
- ✓ Engagement eg confidence and trust in the organisation and BE (limited positive events / strategies)
- ✓ Momentum

#### **ORGANISATIONAL RESULTS**

Duration of transition

8 years to date; yet to achieve 500+ points (as measured by the CPE)

CPE score over time

91 points over 4 years; steady improvement with plateau between years 7 & 8

Significant change was perceived to have occurred in:

- ✓ Organisation results eg business results
- ✓ Organisation culture eg clarity of direction
- ✓ Organisation climate e.g. organisation capacity, expertise in management
- X Engagement

### **4.3 ORGANISATION C: Crown Research Institute**

The BE journey started for Organisation C in order to complement the existing science philosophy and strengthen the business focus. The new Chief Executive Officer (CEO) adopted the Baldrige Criteria for Performance Excellence (CPE) as the business model that offered an external measure of performance and could also guide continuous improvement. The organisation was in its 4<sup>th</sup> year of the BE journey when the case study was undertaken.

The case study was conducted over 7 months, in 2002 and 2003. Initially the researcher interviewed the BE champion and reviewed key documents (i.e. Organisation Profile, Annual Report, Organisational Drivers Report, Staff Survey Summary Report, Benchmarking and Performance Excellence Assessment Report) to develop the case record. This initial interview was followed by two group interviews, one with middle managers and another with executives. The people in these group interviews had been involved in the BE journey, at some stage since the beginning of the journey.

#### **4.3.1 Organisational profile**

Organisation C is an independent, government owned company that provides research, technology and services to support the development of commercial products, typically from primary products. The company is internationally recognised for its research, science and technology services. By New Zealand standards, Organisation C is a large organisation with well over 100 staff (full time equivalent). Organisation C has people in New Zealand and Australia. In addition, the organisation develops science and commercial partnerships, both nationally and internationally.

Organisation C was facing key strategic challenges, such as the owners (the Government) required “evidence for how good are you”, along with “increasing demands for outcomes from research to be more visible”. The new CEO focused on developing commercial capability to complement the science capability. The CPE was adopted as the business model to contribute to this commercial focus. The key motivators were the CEO’s desire to be a world-class science organisation, to provide evidence for capability with an external measure of performance, to continually improve being guided by the CPE and to gain from benchmarking opportunities.

#### **4.3.2 Starting the BE journey**

Organisation C was well established prior to adopting the CPE (see Table 4.3). Events prior to BE were perceived to influence the journey. Organisation C was created from three government research departments into a distinct company. Participants perceived this development as a key enabler as it was the start of the shift from a “public service mentality” to a “strong commercial focus”. It was also perceived to “enable scientists to think differently, extend out of science into business”. The new company appointed a new chairman who bought commercial capability in the form of “venture capital expertise and diverse business interests”.

**Table 4.3: Practices & people perceived to influence the BE journey (Organisation C)**

Year of Journey	Practices & people perceived to influence the BE journey	E/C	Participants' perception for how the practices and people influenced the BE journey
Pre start	3 research organisations amalgamated into a new, distinct company	E	Clarity of direction; started the move from a public service mentality to a commercial focus
	New chairman; offered commercial expertise	E	Expertise
	Restructure	E	Clarity of direction; structured around core capabilities
	Divisional managers did not work together	C	Momentum; some managers sabotaged the new strategic direction
	New divisional manager; offered commercial expertise	E	Momentum; provided the drive to make commercialisation happen; with capability & personality
	Strategic plan included business thinking	E	Clarity of direction; increased planning & monitoring, results focus; challenged traditional research operation
Year 1	Government increased expectations re accountability & results	E	Clarity of direction; developed measures and reporting processes Relationships; raised client focus – became aware of client needs, relationships, and diversity of client base
	New CEO; focused on strategy & leadership	E	Clarity of direction; clear message re commercial focus
	Restructure	E	Capacity; increased commercial roles
	CEO sets optimistic targets	C	Engagement; Lost goodwill, destructive
	CEO achieves significant contract	E	Engagement; rebuild confidence in CEO & organisations future
Year 3	Poor recruitment for key executive roles	C	Momentum; no action
	Building up executive and management group	E	Expertise
	Managers do not address poor performance; unwilling to address/ too hard science team leaders / unfunded scientists	C	Capacity; opportunity cost
	New team leader recruitment; balance of interest in the organisation, science, & self	E	Engagement; network of likeminded people
	Government reduces expectations re return on investment	E	Capacity; enabled investment in future of company
Year 4	Government funding favours organisations with commercial / partnerships	E	Capacity; well placed to achieve funding
	Government changes priorities; failed to support new / developing capability	C	Capacity; invested in new capability unfunded
Ongoing	Government changing priorities	C	Clarity of direction; Science capability takes a long time to build up – not easy to change quickly
	Government changing the rules re funding	C	Capacity; need to keep learning the new dance, gobbles up people resources
	Lack of critical mass in specialty science areas	C	Capacity; strategic risk
	Conflict between organisational / client ownership of intellectual capital and scientists	C	Expertise; difficult for scientists to maintain & develop their international standing

E = enabling influence; C = constraining influence

The next key event was a change in the company structure; the original departments were restructured into new science teams, each with a core capability focus. This enabled “a new strategic direction” and “a deliberate mixing of the old teams and room for new blood”.

Progress was limited until the organisation appointed a new CEO who offered a strong commercial mindset and “positive energy.” His early focus was on business planning and building commercial capability. There was further restructuring and new managers were appointed who had “proven capability as scientists and business leaders”. For some the build up of capability was “too slow”, often constrained with poor appointments to key executive roles. Confidence in the new direction and new structure oscillated with key events. “Goodwill was lost” when the CEO set “over optimistic targets”. Confidence was regained when he achieved “significant new contracts”.

The adoption of CPE as a business model was perceived as influential by a selected few. Many of the staff were not aware of the strategy. BE is “not overt ... business skills and BE skills are seen as being the same”. The comment was made “we don’t advertise BE as scientists are not into anything that looks like a fad”. Along with adopting the CPE, the organisation joined a benchmark club “as an add-on to access extra information”. In year 2 of the journey, the management team completed the Club’s self-assessment “survey”. Neither the self-assessment process nor the report was perceived as influential by the participants as they did not result in any action.

As Organisation C approached year 3 of their BE journey, improvement was given a “boost”. The owner reduced their expectations re level of dividend. This had the effect of enabling the organisation to “look to a future .. to invest in their growth and be less reliant on Government funding”. The following year (year 4 of their BE journey) the Government changed how it funded research. Research organisations were required to “bid for their research funds”, and organisations with a strong client / commercial partner focus tended to be more successful. Although this funding regime worked in Organisation C’s favour, the focus on “client-based work” brought to the surface an old unaddressed constraint, “the opportunity cost associated with unfunded scientists” and with senior people not “in touch with their client / market needs”.

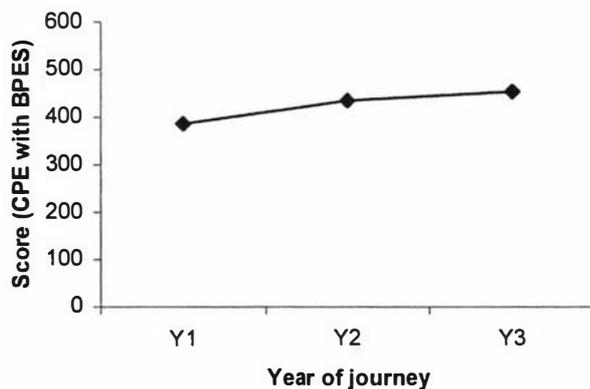
Participants described ongoing constraints to improvement specific to the science industry. The key constraint was perceived to be the challenges associated with the owner “changing

its priorities and rules”. This limited the ability to make long term investment in building science capability in a specialist area, which placed the organisation at risk “we spread ourselves thinly over a number of specialist areas ... if we lose a key scientist we lose a whole capability”. Also, as the rules changed it had the negative effect of “having to learn a new dance .. it gobbles up already stretched people resources”. The key constraint associated with the commercial model was described as the conflict between the value of intellectual capital to the company versus the need for scientists to publish their work to maintain and develop their international “academic standing”.

### 4.3.3 Organisational results

The organisation was in its 4<sup>th</sup> year of the BE journey when the case study was undertaken and had achieved a steady improvement in the CPE score over time; 68 points over 4 years (see Figure 4.3). The participants perceived the adoption of the CPE as a business model as having a “moderate influence” on their success to date; they perceived the “consistent management of change” as having a greater influence.

Figure 4.3: CPE score over time (Organisation C)



The most significant change described by participants was the clarity of direction achieved as the organisation made the shift from a public service science organisation to a company with a strong commercial focus. Participants described the culture change as changing from “not expected to survive” to “one of optimism and pride”. Some of the comments were: “the fight has gone – we now have a stable, commercially focused leadership”, “isolated individuals who focused on their own work are now working with partners to spread the benefit wider and create wealth”, “managers are now professional managers with an empathy

for science; scientists are recruited for their science capability and also their ability to contribute to the organisation”.

Improvement stories also addressed the improvement in financial returns and funding, for example participants reported how research outcomes had shifted from small research projects worth \$20 k to over \$2 million; and how commercial developments had provided a substantial return to the company and the owner (the Government). The participants also noted how the company had moved from total reliance on one funder, the Government, to multiple funding sources; such as 50% Government and 50% commercial partners / profitable commercial initiatives.

#### 4.3.4 Review of the case study (Organisation C)

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### ORGANISATIONAL PROFILE

###### Theme

###### Dimension is present (✓) or absent (x)

The decision to start the improvement journey was influenced by:

- ✓ External drivers eg Government influence, need to be competitive, stakeholder influence
- ✓ Internal driver eg Need for growth, restructure, new CEO

The decision to adopt the CPE was influenced by:

- ✓ A key person eg CEO
- ✓ External drivers eg External measure of performance, benchmark between industries, desire to be world class
- ✓ Internal drivers eg To guide improvement,

##### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:

- ✓ External practices & people
- ✓ Internal practices & people
- ✓ Organisational practices & people
- X BE practices & people

Improvement processes were:

- X Integrated within the first three years of the journey
- X Involved repeated cycles of improvement throughout the organisation
- ✓ Introduced self-assessment or an award process within the first 2 years

The key practices and people were perceived to influence the journey in multiple ways:

- ✓ Clarity of direction eg organisation & improvement strategy
- ✓ Customer relationships
- ✓ Organisation capacity eg infrastructure, capacity to be involved in improvement initiatives (predominant)
- ✓ Expertise eg business & management
- ✓ Engagement eg confidence and trust in the organisation and BE
- ✓ Momentum

#### **ORGANISATIONAL RESULTS**

Duration of transition	3 years to date; yet to achieve 500+ points (as measured by the CPE)
Rate of improvement	68 points over 4 years; steady but slow improvement; started from a high score
Significant change was perceived to have occurred in:	<ul style="list-style-type: none"><li>✓ Organisation results eg business results</li><li>✓ Organisation culture eg clarity of direction</li><li>✓ Organisation climate e.g. organisation capacity, expertise in management</li><li>X Engagement</li></ul>

### **4.4 ORGANISATION D: Group of technology companies**

The BE journey started for Organisation D when the Managing Director (MD) adopted Baldrige as a business model, 4 years after start up. He saw it as providing the developing company with “conventional business wisdom”. The organisation is in their third year of the BE journey, they continue to improve as measured by the Criteria for Performance Excellence (CPE). The participants perceive BE is yet to be embedded into “the way they work”.

The case study was completed over 2 months, in the latter part of 2002. A number of relevant documents were reviewed, such as the Business Plan, the Benchmarking and Performance Excellence Survey (BPES) Report. The researcher interviewed the Managing Director and completed a group interview with a range of senior people. The people interviewed had been with Organisation D since the start of the BE journey.

#### **4.4.1 Organisational profile**

Organisation D is a group of technology companies, specialising in the design and development, commercial realisation of technology solutions for the oil industry and the business sector. The group has two service companies and four subsidiary product

companies. The client base is global. On New Zealand standards, Organisation D is a medium sized company with between 50 and 99 people (Full time equivalent).

Organisation D was established as a new company with the intention of competing internationally. The Directors perceived they would be successful if they focused on niche markets and deliver reliable services. As the company developed the MD recognised the need for a business model to guide business practice. He adopted Baldrige as it represented “conventional wisdom” and he saw it as a resource to “cherry pick” from when he needed business knowledge.

#### **4.4.2 Starting the BE journey**

The BE journey was influenced by a range of practices and people (see Table 4.5). Prior to starting the BE journey, the company had established a sound base with a strong company culture, ongoing contracts and well developed core processes. In addition, an experience with Q- Base (a simplified ISO accreditation) introduced “quality systems as part of the picture.”

The MD recognised the company needed to develop business management capability and adopted Baldrige (year 1) as the business model to provide “conventional business wisdom”. The CPE was used to focus on priority areas for development and provide ideas for how to develop the identified business need. Also within year 1, the company joined a benchmarking club to provide access to business management knowledge. Participation in the club activities enabled key people to gain knowledge about best practice in selected areas. Full involvement was limited as they were a “lean company” with very little spare capacity.

Organisation D participated in the Club’s benchmarking programme. This involved self-assessment against the CPE (BPES survey) with the results then being compared with other members. Organisation D perceived the assessment process was influential as it developed their clarity of direction as they discussed and reflected on “where are we going”. Through the process they identified strengths and opportunities for improvement, which were “fed into strategic planning.”

**Table 4.4: Practices & people perceived to influence the BE journey (Organisation D)**

Year of Journey	Practices & people perceived to influence the BE journey	E/C	Participants' perception for how the practices and people influenced the BE journey
Pre start	Financial resources were available for development; stable ongoing contracts	E	Capacity; enabled start up & some development work
	Q-Base application	E	Momentum; recognised "quality systems needed to part of the picture" Relationships; some mileage from external recognition
	Captured core process (management and delivery of projects) with technology platform; resourced project managers	E	Business results; 30% growth in productivity, reduced risk, improve service delivery
	Strong values & company culture	E	Engagement; loyal to company, "pull together"
	Difficult to attract and retain talent staff	C	Capacity; limits growth of company
Year 1	Baldrige is adopted as a business model	E	Clarity of direction; useful to focus on priority need for organisation development; when problem solving "we cherry pick for ideas"
	Capability re running a business is limited	C	Expertise; limited business capability
	Benchmark Club membership	E/C	Expertise; learn about best practice
	Prepared a self assessment document	E	Clarity of direction; provided opportunity to "discuss & reflect on where are we going"
	Self-assessment feedback report	E	Clarity of direction; results fed into strategic planning
Year 2	MD is the primary driver & decision maker	C	Business results; company is reliant on one person; if he gets it wrong there is a big impact on the company
	Governance & management roles are made distinct	E	Clarity of direction; enabled the MD to focus on "running the business and marketing"
	Roles more formalised & specialised	E	Expertise; enables specialist development
	Established a "decision making process"; involved key people	E	Momentum; improved speed & agility; and action
	Conflicting priorities between urgent work & development / improvement work	C	Momentum; development / improvement ideas not implemented
	Plans are not deployed; too optimistic, we also get distracted	C	Momentum; "difficult to develop a base on which to build"
Year 3	Organisation growth; shift from technology focus to customer focus; strategic plan has customer focus	E	Business results; increase customers base & sales & revenue
Ongoing	Industry challenges; distance from markets	C	Relationships; difficult to build & maintain offshore client base & staff; Capacity; logistics are expensive
	Industry challenges; lack of NZ expertise re commercialising IT/ international sales	C	Expertise
	Financial resources are not available for growth	C	Capacity; limits resources available for improvement; limits cash flow
	Industry challenge; competitive, downturn	C	Business results

E = enabling influence; C = constraining influence

As the Organisation D grew and developed, the management team recognised the company relied heavily on the Founder and MD, which prompted them to review the company structure in year 2 of the BE journey. Participants perceived the new structure facilitated business improvement. A Board and Executive Team were established to focus on company direction, leaving the MD, management team and project teams to focus on “running the business”. A decision making process was also established in year 2, this process provided a systematic approach to involving staff in planning and decisions that would involve them. The participants perceived this strategy influenced the momentum of the BE journey as it enabled “speed and agility” when planning and facilitated support for the proposed actions. Counteracting this strategy was the constraint of “being thin on the ground” and the culture of “getting distracted and not sticking to plans.” The participants perceived these constraints limited momentum, as “they did not develop a base on which to build.”

The final key practice identified by the participants was the shift from a technology focus to a global customer focus in year 3 of the BE journey. The MD and a newly appointed sales manager did the “leg work” to develop this global customer base, sales and revenue. The shift into the global markets raised a number of externally focused constraints to company growth and the BE journey. for example the distance from the global markets created challenges in building and maintaining customer relationships, as well the logistics of service delivery. The MD perceived the lack of expertise in New Zealand for commercialising intellectual property as a constraint – there was limited best practice knowledge available, also there were few people with the expertise available to recruit. In addition, the international technology industry was experiencing a downturn. As well as the ever-increasing challenge of competition from new players to the market.

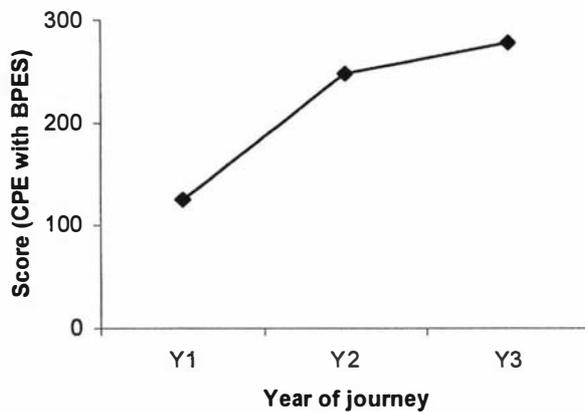
#### **4.4.3 Organisational results**

The participants reported significant business improvement over the 3 years of the BE journey, as evidenced by consistent improvement in business results and a steady improvement in the CPE score over time; 153 points over 3 years (see Figure 4.4).

The most significant changes described by the participants focused on the company purpose, business results and sales forecast. The company’s purpose had matured from a technology company with a narrow customer base to a group of companies with a global customer base. People perceived the BE contribution to this change to be limited to the self-assessment

process. The 30% growth in productivity was attributed to improved capability and predictability, reduction in risk and more professional service delivery. The final significant change was the improved sales forecast, attributed to the development of the global markets and the associated customer base.

**Figure 4.4: CPE score over time (Organisation D)**



#### 4.4.4 Review of the case study (Organisation D)

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### ORGANISATIONAL PROFILE

###### Theme

The decision to start the improvement journey was influenced by:

###### Dimension is present (✓) or absent (x)

- ✓ External drivers eg Need to be competitive, customer influence
- ✓ Internal driver eg Need for growth , new organisation

The decision to adopt the CPE was influenced by:

- ✓ A key person eg MD
- ✓ External drivers eg Internationally proven, benchmark between industries
- ✓ Internal drivers eg Guide improvement, desire to be a quality company

##### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:	<ul style="list-style-type: none"> <li>✓ External practices &amp; people</li> <li>✓ Internal practices &amp; people</li> <li>✓ Organisational practices &amp; people</li> <li>✓ BE practices &amp; people</li> </ul>
Improvement processes were:	<ul style="list-style-type: none"> <li>X Integrated within the first three years of the journey</li> <li>X Involved repeated cycles of improvement throughout the organisation</li> <li>✓ Introduced self-assessment or an award process within the first 2 years</li> </ul>
The key practices and people were perceived to influence the journey in multiple ways:	<ul style="list-style-type: none"> <li>✓ Clarity of direction eg organisation &amp; improvement strategy</li> <li>✓ Customer relationships</li> <li>✓ Organisation capacity eg infrastructure, capacity to be involved in improvement initiatives (predominant)</li> <li>✓ Expertise eg business</li> <li>✓ Engagement eg confidence and trust in the organisation and BE (limited positive events / strategies)</li> <li>✓ Momentum</li> </ul>

#### **ORGANISATIONAL RESULTS**

Duration of transition	3 years to date; yet to achieve 500+ points (as measured by the CPE)
Rate of improvement	153 points over 3 years; Initial improvement with plateau at yr 2

Significant change was perceived to have occurred in:	<ul style="list-style-type: none"> <li>✓ Organisation results eg business results</li> <li>✓ Organisation culture eg clarity of direction</li> <li>✓ Organisation climate e.g. organisation capacity, expertise in management</li> </ul> <p>Engagement (limited)</p>
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#### **4.5 ORGANISATION E: City Council**

The BE journey started for Organisation E in response to rising customer expectations. The impetus came from key people who visited the Australian BE Award winners, and returned to recommend the “strategic use of Baldrige”. The organisation is now in its 10<sup>th</sup> year of the BE journey. BE is perceived to be partially embedded within organisational planning and development strategies. The organisation has achieved improved its CPE score each year and also achieved a national quality award.

The case study was completed over 3 months, in the latter part of 2002. A number of key documents were reviewed, such as Strategic Plan, Annual Plan, Organisation Development Plan, NZBEF applications, Unit Plans, BE presentations, executive minutes, role descriptions and a conference paper. The researcher interviewed the BE champion and six key individuals. The people interviewed had been involved in the BE journey throughout.

#### **4.5.1 Organisational profile**

Organisation E is a large local government organisation that offers a range of community orientated services to a range of customer groups within their area. As a local authority, Organisation E operates in a democratic environment and holds local body elections every three years. As with most service organisations, Organisation E relies on its staff and a range of key suppliers and partners to deliver services.

Organisation E had experienced major change; the participants recall how local government reforms required “greater accountability and transparency”. After amalgamation Organisation E focused on becoming more cohesive, efficient and customer focus. One of the key early organisation-wide improvement initiatives was a series of internal customer service courses available to all staff. The courses introduced staff to the idea of “customer focus”.

Prior to the introduction of BE, Quality Improvement Teams were perceived by some to be effective in “driving improvement”. These teams operated in many parts of the organisation, “they were well led” and they were a “dedicated resource”. It wasn’t until three years after amalgamation, that key people visited Australian BE Award winners and returned recommending the “strategic use of Baldrige as the way to go”. They promoted its value as being its international reputation, ability to guide the co-ordination of improvement initiatives and the ability to apply the Criteria for Performance Excellence (CPE) to benchmark within and across industries.

#### **4.5.2 Starting the BE journey**

The start of the BE journey was influenced by BE practices and the involvement of key people (see Table 4.6). The two people who visited the Australian BE Award winners sponsored the adoption of Baldrige as the improvement strategy. Quality Support Managers were appointed as a dedicated resource and an internal advisor supported these people. The two sponsors integrated Baldrige into their service areas, “without making a big deal”.

Confidence was high as improvement initiatives, seen in Australia, were implemented successfully at Organisation E. Each service area participated in an internal self-assessment, based on the CPE, with support from internal and external advisors. Participants perceived these self-assessments as influential as “depended on honesty in identifying strengths and opportunities for improvement – not points”.

Organisation E completed a major restructuring programme and strategic planning focus during year 4 and 5 of their journey. The restructuring was perceived by some to influence improvement as it moved the organisation from “separate fiefdoms” to “one organisation”. The focus shifted from services delivered at sites around the community to centralised Directorates responsible for “end to end service delivery”. Strategic planning and service delivery moved from “activity to outcome based planning and delivery”. Both these strategies were seen to improve the clarity of direction and the effectiveness of cross-functional relationships.

Through the next couple of years, Organisation E focused on the strategic impact of BE. A strategically driven process was developed to prioritise and select high impact improvement projects. The process gave a key group of people (Business Improvement Steering Team) the mandate to “drive” large organisation-wide development projects that primarily addressed organisational effectiveness and capacity building. Towards the end of this period, the improvement group was formally established as a “Business Improvement Group (BIG)”. People developed confidence in the BIG as this “dedicated resource” achieved success with a consistent approach to improvement projects. The BIG people perceived their success was related to developing project management systems and people skilled in the design and implementation of improvement projects.

The next phase of the improvement journey focused on the integration of BE into “work as usual”. Organisation E had participated in the NZBEF national awards (year 7) and received a feedback report that identified “consistent service delivery” as an opportunity for improvement. The organisation responded by centralising selected services and focusing on alignment of planning processes and plans (year 8). This had the effect of “focusing energy”.

**Table 4.5: Practices & people perceived to influence the BE journey (Organisation E)**

<b>Year of Journey</b>	<b>Practices &amp; people perceived to have influenced the BE journey</b>	<b>E/C</b>	<b>Participants' perception for how practices &amp; people influenced the BE journey</b>
Pre start	Early improvement projects are organisation-wide e.g. Quality Improvement Teams are introduced throughout the organisation.	E	Momentum; "strong / well informed dedicated resource drove improvement"
	E.g. customer service training	E	Expertise; introduced staff to a customer focus
Year 1 & 2	Key people experience world class organisations e.g. 2 people visit Australian BE winners	E	Clarity of direction; BE is seen as the "way to go"
	BE is adopted as a long term improvement strategy	E	Clarity of direction; strategic use of Baldrige is promoted as the "way to go"
	Some executive managers are actively involved e.g. apply BE to their service areas	E	Clarity of direction; integrated CPE without making a big deal
	There is a BE champion or facilitator e.g. a dedicated Quality Manager is appointed	E	Capacity; the BE champion works with early adopter services
	Staff see improvement ideas actioned e.g. Invest in new resources for the frontline	E	Engagement; staff develop confidence and trust in BE
	Compulsory internal self-assessment within each area / some staff appointed as national evaluators	E	Momentum; "what gets measured counts"
	Staff are involved in initiatives that involve them e.g. self assessments, planning	E	Engagement; staff volunteer for improvement initiatives
	Managers have access to a coach/advisor	E	Expertise; coach worked with managers to implement BE
Year 4 & 5	Restructuring; away from "fiefdoms" and towards "one organisation"	E	Stakeholder relations; improved the effectiveness of cross-functional working relationships.
	CEO not measured on BE improvement / capability	C	Engagement; BE is not a priority for the CEO; what gets measured get discussed at the "Board" level
	Strategic plan has customer and results focus	E	Clarity of direction; focus on outcome based planning & service delivery
	Staff have a choice re involvement	E	Engagement; staff volunteer for improvement project teams
Year 6 & 7	The critical few improvement projects are resourced	E	Momentum; "drove organisation-wide development projects"
	Community focused Plan developed; focused on key service characteristics	E	Clarity of direction; cultural change in thinking about customers and services
	Develop capability in project work and project team work	E	Expertise; people developed the knowledge and skills to deliver successful projects
	Centralised support / development functions	E	Capacity; dedicated resource with mandate to drive large organisation-wide improvement projects
	NZQF Feedback Report identifies opportunities for improvement; provided an external / independent view	E C	Momentum; rejuvenated the focus on "one organisation"; although was also seen as "limiting innovation specific to regional groups"

Year 8	Strategic plans & operational plans & BE plan align; organisation plan is available early enough to influence supporting plans	E	Clarity of direction; focus energy Momentum, "what gets measured gets done"
Year 9	Refocus on alignment of service planning processes and risk management	E	Business results; service delivery Relationships; improvement in cross functional working relationships
	Won a national BE Award	E	Engagement; interest in being recognised externally
	Staff see some OD improvement ideas actioned		Momentum; no action led to loss of interest
Year 10	BE and organisation planning are integrated	E	Clarity of direction Momentum; "what gets measured gets done"
Ongoing	Industry challenges; ongoing changing political environment; key stakeholders change	C	Momentum; priorities change, people change
	Industry challenges; ever increasing number of plans required by statute	C	Clarity of direction; "huge task to ensure alignment, not to mention integration of improvement"
	Organisation has been unable to demonstrate the benefits of a formal BE approach and hence, the senior executives do not support an ongoing involvement; need key people in key roles with BE understanding	C	Clarity of direction; creates "inconsistent messages re the importance of BE"
	Key people are not retained	C	Expertise; key people with BE expertise are promoted and loose the BE focus
	Ongoing restructuring	C	Clarity of direction; ongoing tension between the Directorate structure and the service process approach Relationships; limits ability to build and maintain working relationships
	Conflicting priorities between "urgent work" and "improvement work"	C	Capacity; no time to "improve"
	BE expectations and consequences are not clear; "there is no incentive / reward to improve"	C	Engagement; executive & people throughout the organisation do not perceive BE is important

E = enabling influence; C = constraining influence

Organisation E experienced mixed effects when they participated in and won a NZBEF Award in year 9. The people involved in preparing the application perceived the process as valuable as they developed their understanding of the organisation and of BE. General staff were initially interested in the external recognition received but the "Award lost its impact as there was little evidence of follow-up or improvement actions". Senior managers saw their staff "lose confidence and interest in external Awards and BE" and "seriously questioned the value of continued involvement."

In order to focus and integrate the many planning processes and documents, the HR and Marketing Groups identified key service characteristics (year 9). They used these to develop a customer focused organisation development plan. The following year (year 10) managers

were required to integrate organisational development plans and related performance measures into their annual plans. This strategy had the effect of “identifying and aligning the internal improvement focus” and also facilitating action as “what gets measured gets done”.

Participants described a number of ongoing constraints. The “nature of local government” was identified as a key ongoing constraint. In the democratic environment elections are held every 3 years and Councillors often change. This change over of key people constrains improvement momentum as new relationships are built and their new agendas influence change in direction and priorities. Senior people described, “limited control of workload” as a constraint. Workload tends to be a “continuous series of deadlines, driven by political agendas, not strategic priorities”. They noted, “if improvement is not made a priority and resourced, people do the urgent work and cannot create gaps of time to think improvement and change behaviour”.

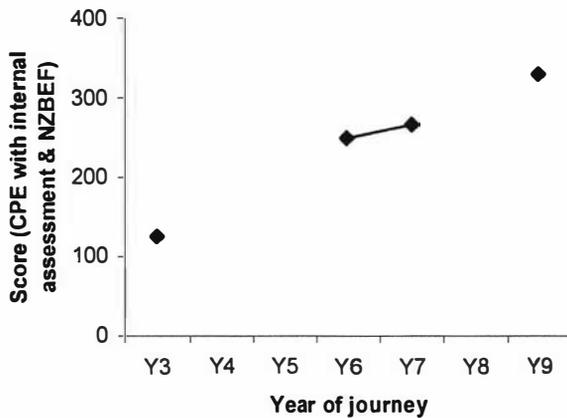
Although Organisation E described how key people throughout the organisation had enabled the journey, some participants perceived their rate of improvement was significantly constrained as the CEO and executive did not provide a “consistent, clear message about the relevance and importance of BE”. Adding to this constraint was their perception that “senior people can opt out and there is no incentive to be involved”. One participant observed that momentum is lost when “key people are promoted and then lose their BE focus”.

### **4.5.3 Organisational results**

The participants reported significant business improvement over the 10 years of the BE journey, as evidenced by consistent improvement in business results and a steady improvement in the overall CPE score over time; 204 points over 6 years (see Figure 4.5).

Participants reported significant change in organisation capacity, suggesting, “the organisation has vastly improved in the way it discharges its responsibilities” and how it “responds effectively to ongoing challenges”. Others commented on the improved customer focus, “most people know we have customers; that they are consulted and have a part to play”. Many perceived the approach to improvement had “matured significantly”, in that the organisation had moved from “dabbling at process improvement” and “doing patch up jobs” to now taking a “comprehensive and systematic approach to business improvement”.

**Figure 4.5: CPE score over time (Organisation E)**



The BE champion reflected on how the focus of BE had changed; initially the focus was on improving processes with quality improvement teams, followed by a focus on business improvement with Baldrige and BE. More recently BE is promoted “as sound business practice”, and “the BI Group work as facilitators and coaches” to enable managers to be more effective. Generally participants perceived most people throughout the organisation think improvement and question themselves “can I do better”.

#### **4.5.4 Review of the case study (Organisation E)**

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### **ORGANISATIONAL PROFILE**

###### **Theme**

The decision to start the improvement journey was influenced by:

###### **Dimension is present (✓) or absent (x)**

- ✓ External drivers e.g. Customer influence
- ✓ Internal driver e.g. Need to be more efficient and cohesive, restructure

The decision to adopt the CPE was influenced by:

- ✓ Key people e.g. x2 senior managers
- ✓ External drivers e.g. internationally proven to work, benchmark within and across industries
- ✓ Internal drivers e.g. needed a business framework to co-ordinate and guide continuous improvement

### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:

- ✓ External practices & people
- ✓ Internal practices & people
- ✓ Organisational practices & people
- ✓ BE practices & people

Improvement processes were:

- ✓ Integrated within the first three years of the journey
- ✓ Involved repeated cycles of improvement throughout the organisation
- ✓ Introduced self-assessment or an award process within the first 2 years

The key practices and people were perceived to influence the journey in multiple ways:

- ✓ Clarity of direction e.g. organisation & improvement strategy
- ✓ Stakeholder and customer relationships e.g. with the Council, external and internal customers
- ✓ Organisation capacity e.g. infrastructure, capacity to be involved in improvement initiatives
- ✓ Expertise e.g. business and BE expertise
- ✓ Engagement e.g. confidence and trust in the organisation and BE
- ✓ Momentum

### ORGANISATIONAL RESULTS

Duration of transition

9 years to date; yet to achieve 500+ points (as measured by the CPE)

Rate of improvement

Steady improvement; 204 points over 6 years

Significant change was perceived to have occurred in:

- ✓ Organisation results e.g. business results, CPE score over time
- ✓ Organisation culture e.g. clarity in improvement direction, voluntary involvement in improvement
- ✓ Organisation climate e.g. stakeholder & customer relationships, capacity (predominant), expertise,
- ✓ Engagement e.g. confidence & trust, energy & interest

## **4.6 ORGANISATION F: National defence organisation**

The BE journey started for Organisation F in response to increasing strategic challenges. The Chief identified BE as the “systematic approach to deal with change and improvement” the organisation needed if it “was going to survive as a credible organisation”. The organisation is now in its 4<sup>th</sup> year of the BE journey and they have achieved steady improvement each year, along with a national quality award in year 3.

The case study was completed over 3 months, in the latter part of 2002. A number of key documents were reviewed, such as Strategic Plan, NZBEF application and Feedback Report, CEO presentation to staff, BE staff presentation to NZBEF members, Guidelines for Process Improvement. The researcher interviewed senior BE champions and completed three group interviews with a range of senior people and BE advisors. The people interviewed had been involved with BE since the start of their BE journey.

### **4.6.1 Organisational profile**

Organisation F is one of the three Armed Services, which comprise the New Zealand Defence Force. As an armed service, core services are focused for ongoing service delivery and an ability to carry out defence actions if required. By New Zealand standards, Organisation F is a large organisation with well over 100 staff (full time equivalent). As an armed service, Organisation F relies on service personnel, civilian employees and reservists. In addition, Organisation F has supplier and partner relationships with military operators and providers of training and logistics support.

Organisation F was facing key strategic challenges, such as the owners (the Government) changing defence policy, the need to demonstrate relevance and capability to the owner and the public, and the need to attract and retain people. It was perceived that survival was dependent on being responsive to change. The Chief recognised that the organisation needed a concerted effort to shift the culture from one of “oversight and control” to one of “excellence”. He identified “Baldrige as the tool” to enable the organisation to “develop a systematic approach to improvement and change.” In addition, the Chief saw value in the international reputation, the ability to facilitate external credibility, access to learning from other successful BE organisations (especially business) and the ability to apply the Criteria for Performance Excellence (CPE) for external measurement and benchmarking.

#### **4.6.2 Starting the BE journey**

The BE journey was influenced by a range of key practices and people (see Table 4.7). The BE journey started with the Chief searching for “something” to guide improvement. His search found organisations applying Baldrige successfully in the USA, which led him to “discovering” the BE network in New Zealand. Following conversations with leading New Zealand BE organisations the Chief “took the initiative” to commit the organisation to a BE journey.

The Chief realised this was a long-term initiative that required corporate commitment and perseverance if it was to succeed. A senior manager recalls “seven years was mentioned as the probable time frame.” The Chief also “rightly realised” he only had a maximum of 3 years as Chief and so needed the support from his senior officers, as one of them would be his successor. Although the BE journey started with the Chief’s “visionary thinking” and “strong personality”, initial progress relied on other people to implement the vision. The leader of strategic planning, who had influence and credibility with the “top level”, was seen as the person who “drove” implementation. One of the key events, early in year 1, was a three-day retreat. The purpose was to “sell Baldrige to senior managers”; the Chief and “an old-school -quality person” presented the retreat. The workshop was “pivotal” but the influence was limited due to poor delivery and content. Participants perceived that key people left the workshop with mixed feelings and unclear about the next steps for the organisation and their responsibility. The journey did not “pick up momentum” until later in year 1, when the Chief recruited a BE consultant to provide mentoring for the Chief and coaching for the implementation team on a regular basis.

Participants described a series of enabling practices that occurred throughout year 1 of the BE journey. In the early days the emphasis was on the “benefits to be derived from the improvements arising out of Baldrige – we were not in it for the Awards.” BE was well resourced; a project office was established with a leader, administrator and the external BE consultant. Two internal advisors and four trainers joined this initial group in year 2. A number of internal “volunteers” were introduced to BE “tools” and trained to facilitate self-assessment against the CPE. This had the effect of increasing the number of “champions” throughout the organisation and also enabled the organisation to involve as many people as possible in the self-assessment process.

**Table 4.6: Practices & people perceived to influence the BE journey (Organisation F)**

<b>Year of Journey</b>	<b>Practices &amp; people perceived to have influenced the BE journey</b>	<b>E/C</b>	<b>Participants' perception for how practices &amp; people influenced the BE journey</b>
Pre start	Key stakeholders change; priorities change	C	Clarity of direction
	The organisation has difficulty attracting talented people	C	Capacity; require a critical mass to be considered viable
	CEO experienced BE in a similar organisation / he sponsors BE	E	Clarity of direction; visionary Momentum
	Leader of strategic planning implements BE; there is a champion	E	Momentum; able to carry out Chiefs vision; had credibility with senior staff
	BE is not introduced throughout the organisation	C	Engagement; those not involved ignore BE, reinforced fad attitude
	Underestimated the gap between existing culture & an improvement / involvement culture	C	Momentum; did not take into account the need to change the culture / peoples behaviour
Year 1	BE is adopted as a long term improvement strategy	E	Clarity of direction
	Introductory workshop; BE expectations & consequences are not clear	E/C	Clarity of direction Engagement; no next steps, mixed support
	There is a BE champion or driver	E	Capacity & Momentum
	Key people have access to a BE specialist eg consultant	E	Expertise; guidance, confirmation Momentum; catalyst
	BE is resourced eg leader, project office, advisors, trainers, consultant	E	Capacity
	Executive champions; given role but no clear expectations, no accountability, no training	C	Engagement; not actively involved
	Communications do not address BE relevance & benefits	C	Engagement; confusion with jargon, fad attitude
	BE journey is not monitored initially; no baseline measures	C	Momentum; took awhile to develop a results baseline
	Internal self-assessment; trained volunteers to facilitate the process	E	Clarity of direction; identified the critical few improvements Expertise; staff developed their organisational & BE understanding Engagement; "captured their hearts & minds" Momentum; SA results provided the baseline
	Early improvement projects are organisation-wide eg strategic planning, supply chain, scorecard	E	Engagement; got people involved, increased the spread of people involved
	BE is not aligned with organisation purpose and culture	C	Engagement; underestimated the gap between the existing & required culture
	Did not work as "one organisation"; entrenched silos - elitism;	C	Expertise; limited sharing best practice Relationships; limited cross functional involvement

Year 2	Strategic planning process involved executive & senior managers	E / C	Clarity of direction; but need to be in place pre BE Engagement; staff were involved in the process
	Strategic plan & operational plans do not align	C	Clarity of direction; limits integration
	Governance & organisational priorities do not align; NZ defence force is not on an improvement journey	C	Clarity of direction Relationships
	Key people experience world class organisations eg USA study tour, visitor to NZ	E	Expertise; gathered relevant best practice resources Engagement; developed confidence in BE
	Kept knowledge in senior group	C	Engagement; lack of buy in outside the top 20
	Training for BE tools	E	Expertise; staff given the tools to improve
	Training for BE tools	C	Engagement; training did not address the relevance nor how to guide improvement / change
	Participate as a BE evaluator	E	Expertise; develop management & BE expertise Engagement; individuals become champions
Year 3	Prepare an award application; senior people organisation-wide worked together as a cross-functional team	E	Expertise; developed an understanding for the wider organisation & BE Engagement; identified best practice and opportunities for improvement first hand
	Training for Understanding World Class Organisations; for majority of senior leaders in cross functional groups	E/C	Expertise; developed understanding for BE Engagement; much too late, needed in year 1
	Manager BE training did not address management of change / how to engage people	C	Engagement; we are good at planning but involving people in deployment of improvement initiatives
	Command from Chief to achieve 75 points a year	C	Engagement; biggest turn off, people do not understand the relevance to them
Year 4	Senior leadership given message "BE is important"; continually addressed as part of strategic conversations	E	Clarity of direction; BE is integrated & monitored
	Internal sections complete a self-assessment ; include basic written application	E	Clarity of direction; identified the critical few improvements Expertise; staff developed their organisational & BE understanding Engagement; "captured their hearts & minds" Momentum; SA results provided the baseline
	Focus is on points not improvement	C	Expertise; points race limits sharing
	Conflicting priorities between "urgent work" and "improvement work"	C	Capacity; if the pressure is on BE will dropped – BE is not core business
	Improvement is not sustainable; too much too soon	C	Engagement; fatigue; no energy to go extra mile & get involved in improvement initiatives
	Staff do not see improvement ideas actioned; Limited capability in deployment of improvement projects and change	C	Engagement; lose interest in improvement & confidence in BE

E = enabling influence; C = constraining influence

Organisation F undertook an internal self-assessment against the CPE during the second half of year 2. This initial assessment provided the organisation with a baseline score of 162 points. Senior management set the goal “to achieve world-class performance (650 points) in 7 years”. Based on the scores, the senior management group set the annual improvement target in the range of 50 to 100 points. The process of self-assessment and identifying opportunities for improvement were the catalyst for a number of organisation-wide improvement projects. As people got involved, their interest and confidence developed – the BE journey was perceived to gain momentum. Participants described how some senior people resisted the annual improvement goal, perceiving it as “the biggest turn off”.

When asked to describe any constraining practices or people over this first year of the journey, people talked about structure and culture issues. Senior people (based away from the main site) were given the responsibility to “champion” an aspect of the BE journey. But the expectations and accountability were not clear, nor were they given any BE training. This lack of understanding was not addressed until year 3 of the journey and was seen as being “too late – it should have been provided in year 1”. The perception was this group constrained progress through lack of engagement in the journey. Managers perceived the leaders “underestimated the gap between the existing culture of oversight and control, and the improvement / involvement culture required to progress the BE journey.” People also perceived the decision to focus on one category – process – “missed the point and limited progress.” By not introducing Baldrige across the organisation it gave many people the opportunity to not get involved. The view was typically “it is something they are doing .. it is not applicable to me”.

Organisation F progressed the BE journey in year 2 with a mix of organisation-wide initiatives specific to BE. The key organisation-wide initiative was the development and implementation of a strategic planning process and the development of the first strategic plan in Defence. Although this was a key enabler, senior people perceived its influence would have been enhanced if the Plan had been completed prior to starting the BE journey and the process aligned with the other key planning processes such as a national defence strategy and the financial planning process.

Another focus in year 2 was to develop BE understanding. A team of 5 visited award-winning defence organisations in the USA. The influence was “powerful”; not only did the group develop their confidence in BE, they also gathered practical, best practice ideas and tools. Also, a team of internal trainers provided a “BE Tools” training programme to the

majority of the staff (about 2,500 people). The purpose of the programme was to give people basic quality skills and “to create a culture of performance improvement and measurement, and to engage as many people as possible.” People commented the programme was “good”, but perceived its effectiveness was restricted due to limited opportunity and support for application in the workplace.

Organisation F, also provided the opportunity for key people to be trained as national evaluators for the national awards programme. This further developed the depth of understanding and the number of “champions” within the organisation. When reflecting on the journey, one group identified an opportunity for improvement as “develop capability in deployment; we are good at planning not implementation.” One senior manager suggested training for senior managers needed to address “change management.”

The focus for year 3 and 4 was to introduce BE organisation-wide. To date much of the effort had been directed towards the “back room” aspects of the organisation – the “front line” had “resisted” involvement. Organisation F was able to get the frontline people interested following a visit from a “memorable” senior US defence official. His presentations focused on the benefits and relevance of Baldrige and how to apply it to a defence organisation. Within year 3, Organisation F decided to apply for the national award programme. The application writing process was perceived as a key enabler as it brought senior leaders together to discuss the whole “business” for the first time. Also, as they prepared the application they developed their understanding about BE, identified examples of best practice within the organisation and key opportunities for improvement. Many of the best practice “discoveries” were later adopted organisation-wide. Organisation F won a national award with their first application. Winning a national award in year 3 was encouraging as it provided external recognition and developed the staff’s confidence in the organisation.

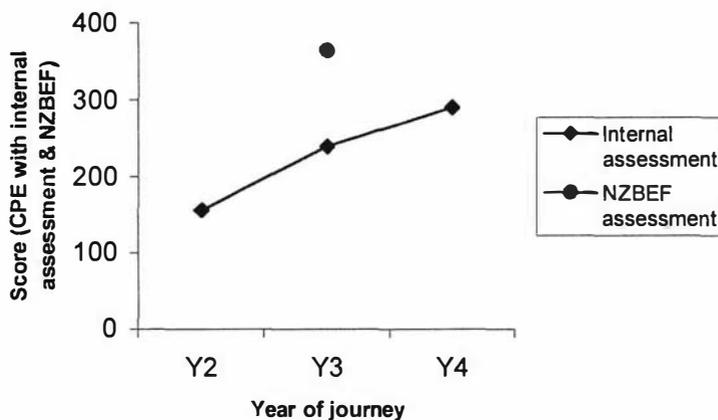
As Organisation F moved to integrate BE organisation-wide they came up against key enablers and constraints to the journey. Key enablers were identified as; BE was part of the strategic conversations at the annual retreat - senior leaders were given the message “ BE is important”. Senior people were required to integrate BE into annual planning, all sections were required to complete a self-assessment. The requirement to complete a self-assessment had the positive effect of developing people’s understanding and involving more people. It had the constraining effect of having sections focus on “the points race” not on improvement and sharing best practice.

As sections integrated BE, many found the attention on BE as “a distraction from core business”, “unsustainable for an organisation short of people”, “created fatigue, too much too soon”. In addition, people perceived the “limited action on feedback” had the effect of constraining progress as it influenced “people losing interest”. Given the opportunity, senior staff suggested they would focus on “credibility – do a little well and use credible examples when talking about success stories”.

### 4.6.3 Organisational results

The participants reported significant business improvement over the 4 years of the BE journey, as evidenced by consistent improvement in business results and a steady improvement in the CPE score over time; 134 points over 3 years (see Figure 4.6).

Figure 4.6: CPE score over time (Organisation F)



The most significant change described by participants was the change in the “way the business is run” and the “improvement culture”. They perceived BE had guided the organisation to be more customer focused and more systematic in all aspects of “running the business”. In particular, there had been a shift from a “we know what is best” attitude, to finding ways to “listen to customers.” The strategic plan has improved “clarity of direction” and provided a base to measure performance and improvement “we now have evidence that we are improving”.

Participants perceived “BE has enabled change to occur, before it was not possible .... you would be disciplined for questioning.” In particular, they talked about the development of innovation in the organisation, “ideas are now OK ...people are allowed to think versus do as you are told to do”. One group described a negative change “we now manage by committee .... this is not as personable or flexible.” Generally, the groups talked about the excitement “we are totally a better organisation .. it is all a bit of a buzz!”

#### 4.6.4 Review of the case study (Organisation F)

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### ORGANISATIONAL PROFILE

###### Theme

###### Dimension is present ( ✓ ) or absent ( x )

The decision to start the improvement journey was influenced by:

- ✓ External drivers eg Government and public influence, need to be more competitive in funding & attracting recruits
- ✓ Internal driver eg Need for organisation growth, new CEO

The decision to adopt the CPE was influenced by:

- ✓ A key person eg the Chief
- ✓ External drivers eg internationally proven to work, external measure of performance, external recognition and credibility, benchmarking
- ✓ Internal drivers eg desire for excellence, needed a business framework to co-ordinate and guide continuous improvement. access to BE networks

##### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:

- ✓ External practices & people
- ✓ Internal practices & people
- ✓ Organisational practices & people
- ✓ BE practices & people

Improvement processes were:

- ✓ Integrated within the first three years of the journey
- ✓ Involved repeated cycles of improvement throughout the organisation
- ✓ Introduced self-assessment or an award process within the first 2 years

The key practices and people were perceived to influence the journey in multiple ways:

- ✓ Clarity of direction eg organisation & improvement strategy
- ✓ Stakeholder and customer relationships eg Government (owner) public
- ✓ Organisation capacity eg infrastructure, capacity to be involved in improvement initiatives
- ✓ Expertise eg BE expertise
- ✓ Engagement eg voluntary involvement
- ✓ Momentum

#### **ORGANISATIONAL RESULTS**

Duration of transition

4 years to date; yet to achieve 500+ points (as measured by the CPE)

Rate of improvement

Steady improvement; 134 points over 3 years

Significant change was perceived to have occurred in:

- ✓ Organisation results eg business results, CPE score over time
- ✓ Organisation culture eg clarity in planning & improvement direction, level of voluntary involvement in improvement
- ✓ Organisation climate eg external relationships
- ✓ Engagement eg confidence in the organisation, capacity, expertise

#### **4.7 ORGANISATION G: Regional government organisation**

The BE journey started for Organisation G with an application to the Business Development Quality Awards (BDQA, a regional award programme based the Baldrige Criteria for Performance Improvement or CPE). The organisation is now in its 5<sup>th</sup> year of the BE journey. Organisation G has achieved steady improvement each year, along with regional and national quality awards.

The case study was completed over 4 months, in the latter part of 2002 and the early part of 2003. A number of key documents were reviewed such as the Annual Plan, Organisational Balanced Scorecard, BE Management Plan, NZBEF application and Feedback Report, Executive minutes. The researcher interviewed the CEO and the BE champion, and completed a series of group interviews with a selection of directors, senior managers and project leaders.

#### **4.7.1 Organisational profile**

Organisation G is a regional government organisation that offers a range of community orientated services to a range of customer groups within their area. As a local authority, Organisation G operates in a democratic environment and holds local body elections every three years. By New Zealand standards, Organisation G is a large organisation with over 100 staff (full time equivalent). Many of the people work away from the main site. As with most service organisations Organisation G relies on its staff and a range of key suppliers and partners to deliver services.

Organisation G had experienced major growth and change, such as a number of distinct organisations had been amalgamated with the local government reforms and a new CEO had been appointed who brought a strong focus on leadership, strategy, community and staff. Following her appointment, the CEO focused on creating a “one organisation ethic” and establishing “major business components”, such as leadership, strategy, performance management systems and IT systems.

The new CEO had experienced BE in a previous role and introduced BE as a strategy to “create a leadership organisation”. BE was introduced after strong “underpinning” systems were in place. BE was seen as a valuable strategy to develop a business ethic and to move the organisation from “a sandals and socks image to one of professionalism”. Also, the framework was recognised for its ability to guide continuous improvement and enable external performance measurement. Later, the desire to be “world-class” became a strong influence.

#### **4.7.2 Starting the BE journey**

Although the BE journey started following an application to the Business Development Quality Awards, participants did not identify this as an influential event as the feedback report was never “taken seriously” and there was no improvement action. The CEO initiated two events in year 2 which were perceived to be influential; the CPE score was included as a CEO performance measure – reported annually to Council. Secondly, the “project way of working” was introduced. This initiative defined how the organisation would approach improvement projects. Staff perceived this as an enabling practice as it was the beginning of staff being given the opportunity to contribute to organisational development. These people felt “involved” as they were “talked to and listened to” (see Table 4.8).

The most influential event for Organisation G was the appointment of an “Executive Project Leader” in year 3. The project leader’s brief was “to do something with business excellence”. He later developed the role “to champion others within the organisation and drive change”. He reported directly to the CEO and participated in management meetings. People took note “the CEO is taking this seriously”, the directors got the message “this is important”. Senior managers saw this role as influential in that “he pushed executive from the side and demystified BE .. and did the leg work for actioning new initiatives”. In addition, the staff perceive it was the person who made the role so influential “had street credentials and was one of us and was supportive”. In the same year, the organisation involved staff in the development of organisational values. People perceived the values project “bought the organisation to life”. A number of the people interviewed perceived both the appointment of the Executive Project Leader and the values work should have been done in year 1 of their journey.

The organisation focused on developing a “coherent leadership strategy” throughout year 4. Leadership capability was targeted, with key individuals throughout the organisation being identified and offered leadership training. Although the organisation had invested in leadership training participants perceived an ongoing constraint for the journey continues to be the inconsistency in leadership and change management capability. Other constraints identified included “operational plans and day to day processes not aligned with strategy” “key people are not on onboard with BE”, and “managers do not address poor performance”. The influence of these constraints was identified as “lack of clarity”, “difficulty in moving ahead cohesively” and “limits confidence that any real progress can be made”.

Organisation G submitted an application for the New Zealand Business Excellence Foundation (NZBEF) national award in year 4 and won an award. The award was used effectively to portray the organisation as a highly credible, and business-like organisation. The community and staff alike developed confidence in the organisation. The “business” aspect of BE was used to encourage staff to think of their customers and how they delivered services. Following the award success, senior managers perceived that executive missed an opportunity to make real progress. Although the feedback report identified key opportunities for improvement, these were not addressed systematically. People were seen to lose confidence in BE and improvement.

**Table 4.7: Practices & people perceived to influence the BE journey (Organisation G)**

<b>Year of Journey</b>	<b>Practices &amp; people perceived to influence the BE journey</b>	<b>E/C</b>	<b>Participants' perception for how the practices &amp; people influenced the BE journey</b>
Pre start	New CEO; focus on leadership, strategy and community relationships	E	Clarity of direction; strong leadership & planning + Stakeholder and customer relationships; built relationships with stakeholders
	New CEO sponsors BE	E	Clarity of direction
	Integrated units; created one organisation ethic	E	Capacity; provide strong "underpinning systems"
Year 2	CEO's performance measures include BE	E	Clarity; message to directors – BE is important
	Developed project management way of working	E	Engagement; initiated involvement culture & trust
Year 3	Appointed Executive Project Leader*; dedicated BE champion; with influence and credibility	E	Clarity; Clear mandate from CEO, BE is important Capacity; "made BE some ones job, did the leg work" Expertise; "kept us up to date with BE developments"
	2-way communication established		Engagement; " facilitated, supported, coached"; high influence as reports directly to CEO; also 'high creds' with staff
	Managers have access to the BE champion as a coach	C	Needed to appoint in year 1
	Organisation values are distinct and integrated	E	Engagement; made us unique, bought the organisation to life
		C	Needed to establish values sooner
Year 4	Won a national quality award	E	Clarity; developed business like & customer focus Stakeholder relationships; developed external credibility
	Opportunities for improvement were not addressed systematically; Staff do not see improvement ideas actioned	C	Engagement; loss of interest & confidence in BE
	Introduced the balanced scorecard for organisation performance measurement	E	Facilitated the shift from activity KPIs / measurement to outcome KPIs / measurement.
	Investment in people; esp. training for leadership	E	Expertise; complements strategy
	BE projects are cross-functional;	E	Relationships; improved cross service understanding
	People have a choice to join improvement project teams	E	Engagement; people are excited; see being involved a reward
Year 5	Prepare an Award application;	E	Expertise; all staff developed BE understanding Engagement; units completed own SA as a training activity
	Feedback Report distributed for action	E	Engagement; exec accept value
	Organisation strategy/KPIs & day to day processes not aligned; often doing a respective fit	C	Engagement; limits confidence that any real progress can be made
Ongoing	Limited access to financial resources	C	Momentum; need to cut services to ensure community satisfaction & healthy staff

Political environment	C	Momentum; Change agendas, change understanding, need to rebuild relationships
Workload for team leaders driven by political agendas vs. agreed priorities	C	Capacity; no time to "think improvement"
Conflicting priorities between "urgent work" and improvement work	C	Capacity; no time to "improve"
Managers do not "address the negatives; they do not hear the grumps"	C	Engagement; limit confidence
Some executive & managers are not "on board"	C	Engagement; limits confidence
Limited network of BE champions	C	Momentum; "BE achieved on the smell of an oily rag"

E = enabling influence; C = constraining influence

Organisation G applied for the NZBEF national award each year as key people perceived the application process offered significant value in maintaining momentum. The organisation increased its preparation for the award process in year 5 in that the application was prepared by a project team. In addition managers and staff developed their knowledge of BE by attending BE training sessions and by completing an internal assessment against the CPE. Aside from developing BE knowledge, this effort sent clear messages about the importance of BE. In contrast to previous years, the organisation developed a plan to address opportunities for improvement identified in the feedback report.

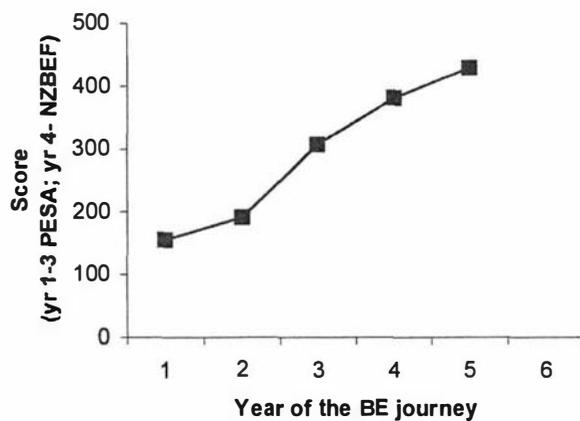
The most significant constraint was perceived as the "nature of local government". In the democratic environment elections are held every 3 years and Councillors often change. The change constrains improvement as new relationships need to be built and new priorities are integrated into operations. Secondly, as a public service, the focus is on delivering core services, with limited control over workload. If improvement is not made a priority and resourced, people do the "urgent work" and cannot "block out time to think improvement .. change their behaviour or get involved in improvement projects."

#### 4.7.3 Organisational results

Organisation G reported a steady improvement in key business result measures and overall CPE score over time; 274 points over 5 years (see Figure 4.7). Senior people perceived the most significant change was in strategic planning, "the focus has shifted from activity planning to outcome planning", "plans are integrated with clear expectations and measures" "we are able to demonstrate improved outcomes" "approach to improvement has shifted from being reactive and selecting low hanging fruit to being proactive and selecting strategic

– organisation-wide initiatives”. Also customer relationships were perceived to have improved, “the community know who we are” “we have taken our blinkers off to consider the broader context” “we have a customer focus versus we are the law mentality”.

**Figure 4.7: CPE score over time (Organisation G)**



The majority of the most significant change stories reflected changes in organisation culture. For example; “we’ve changed from being a demoralised, fragmented organisation to being an unified organisation with great self-belief”, “active involvement in improvement projects”, “people are now valued – encouraged to think for themselves”, “people want to work for us”.

#### **4.7.4 Review of case study (Organisation G)**

This case study provides evidence for a number of emerging themes and dimensions within each of the elements of the initial framework. An outline of these themes and dimensions is provided below.

##### **ORGANISATIONAL PROFILE**

###### **Theme**

The decision to start the improvement journey was influenced by:

###### **Dimension is present (✓) or absent (x)**

- ✓ External drivers eg Organisation growth due to amalgamation, customer influence
- ✓ Internal driver eg New CEO

The decision to adopt the CPE was influenced by:

- ✓ A key person eg CEO
- ✓ External drivers eg internationally proven to work, external measure of performance, external recognition and credibility
- ✓ Internal drivers eg desire to be world class, needed a business framework to guide continuous improvement

### STARTING THE BE JOURNEY

There were multiple practices and people perceived to influence the BE journey:

- ✓ External practices & people
- ✓ Internal practices & people
- ✓ Organisational practices & people
- ✓ BE practices & people

Improvement processes were:

- ✓ Integrated within the first three years of the journey
- ✓ Involved repeated cycles of improvement throughout the organisation
- ✓ Introduced self-assessment or an award process within the first 2 years

The key practices and people were perceived to influence the journey in multiple ways:

- ✓ Clarity of direction eg organisation & improvement strategy
- ✓ Stakeholder and customer relationships eg with the Council, external and internal customers
- ✓ Organisation capacity eg infrastructure, capacity to be involved in improvement initiatives
- ✓ Expertise eg business and BE expertise
- ✓ Engagement eg confidence and trust in the organisation and BE
- ✓ Momentum (many ongoing constraining events influence momentum)

### ORGANISATIONAL RESULTS

Duration of transition

5 years to date; yet to achieve 500+ points (as measured by the CPE)

Rate of improvement

274 points over 5 years; Steady improvement

Significant change was perceived to have occurred in:

- ✓ Organisation results eg business results, CPE score over time
- ✓ Organisation culture eg clarity in organisation and improvement direction, voluntary involvement in improvement (predominant)
- ✓ Organisation climate eg stakeholder & customer relationships, expertise, confidence and trust in the organisation and BE, energy & interest

## **4.8 CONCLUSION**

Within Chapter 4 the researcher described how 7 case organisations started their BE journey. All organisations were New Zealand-based service organisations. The case study reports provide a detailed understanding of how these service organisations started their BE journey. In the next chapter, the researcher analyses the findings across the 7 case organisations in order to identify cross-case themes and to update the initial conceptual framework.

## Chapter 5

### **ANALYSING THE BUSINESS EXCELLENCE JOURNEY: ACROSS SEVEN SERVICE ORGANISATIONS**

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In Chapter 4, the researcher described the BE journey as perceived by research participants within each of the 7 case organisations. The focus was on providing a detailed description for how each organisation started the BE journey. Following the within case analysis the researcher carried out a cross-case analysis in order to identify cross-case themes. The purpose of Chapter 5 is to present the findings of this cross-case analysis and to integrate these findings into the initial conceptual framework. This updated framework was then used to update the investigative questions and to inform the design of the survey instrument for Strand 2 of the study.

For the cross-case analysis, the researcher was guided by the initial conceptual framework presented in Chapter 3 (see Figure 3.3) and the associated investigative questions. The five investigative questions are: (1) How does the organisational profile influence the start of the BE journey? (2) How are improvement processes perceived to influence the start of the BE journey? (3) What are the key practices and who are the key people perceived to influence the start of the BE journey? (4) How are key practices and people perceived to influence the start of the BE journey? (5) How is organisational performance perceived to change from the start of the BE journey?

The chapter structure aligns with the five investigative questions. In the first section (Section 5.1) the researcher identifies dimensions of the organisational profile and focuses on the drivers for starting the improvement journey and selecting the CPE. The researcher then examines the improvement processes perceived to influence the BE journey (Section 5.2) and in Section 5.3 analyses the practices and the people perceived to influence the journey. In Section 5.4 the researcher explores how these practices and people are perceived to influence the BE journey, and in Section 5.5 the researcher describes the most significant

changes perceived by participants to have occurred in organisational performance since the start of the journey. The researcher concludes the chapter by presenting the key inferences and updating the initial conceptual framework.

## **5.1 ORGANISATIONAL PROFILE**

This section focuses on how the organisational profile influences the start of the journey. The cross-case findings are organised within three dimensions: organisational description, organisational challenges, and preparing and planning to start the BE journey. Findings relevant to each of these dimensions are presented below.

### **5.1.1 Organisational description**

The case organisations can be described by business type and by industry type as defined by the New Zealand Standard Classification (Statistics New Zealand, 1996). As listed in Table 5.1, within the 7 case organisations, there were 4 public organisations (Organisations A, E, F and G), 23 private organisations (Organisations B and D) and one government owned trading entity. The public organisations were typically government administration organisations, with the exception of Organisation F being a defence organisation. The private organisations were business service industries (Organisations B and D) and the government owned organisation was a crown research institution (Organisation C).

The researcher also classified the case organisations by service type as defined by Silvestro et al. (1992) and as listed in Table 5.1. Silvestro et al describe professional service organisations as having relatively few transactions and high customisation of services; mass services are described as having a high number of standard transactions; and service shop organisations are described as offering aspects of professional services and mass services. Based on this classification, the researcher identified case organisations as either professional service organisations (Organisations B, C and D) or as service shop organisations (Organisations A, E, F and G). Aspects of the service offering at the local government organisations such as rates processing could be associated with mass services.

Two aspects of the organisational description addressed in the literature are size and structure. For New Zealand, Cameron and Massey (1992) define large organisations as having over 100 full time equivalent people. The researcher did not examine how organisational size influence the journey as the majority of the organisations identified as

large organisations (Table 5.1) and New Zealand research to date (Corbett & Angell, 2004) suggests there is no significant relationship between organisation size and Organisational results. The researcher did analyse the perceived influence of organisational structure on the journey. Each of the case organisations described how the organisational structure had influenced the journey to some extent. For example, Organisations A, C, E, and G all identified that developing a “one-organisation” structure enabled the journey; while Organisations B, D, and F described the existing “silo” structure as constraining the journey.

**Table 5.1: Key characteristics of the 7 case organisations**

<b>Organisation</b>	<b>Business type</b>	<b>Industry type</b>	<b>Service type</b>	<b>Size</b>	<b>Maturity</b>
<b>A</b>	Local Government	Government Administration	Service shop	Large	Formation
<b>B</b>	Registered Limited Liability Company	Business Services	Professional	Large	Growth/mature
<b>C</b>	Government Owned Trading Entity	Crown Research Institute	Professional	Large	Growth/mature
<b>D</b>	Registered Limited Liability Company	Business Services	Professional	SME	Formation / growth
<b>E</b>	Local Government	Government Administration	Service shop	Large	Formation/growth
<b>F</b>	Central Government	Defence	Service shop	Large	Mature /decline
<b>G</b>	Local Government	Government Administration	Service shop	Large	Formation / growth

The literature suggested that the improvement journey may be influenced by the level of maturity of the organisation. Robbins and Barnwell (2002) describe organisations as progressing through levels of maturity such as formation, growth, maturity and decline. The findings from the cross-case analysis indicate that strong improvement is made by organisations that introduced BE as they were “forming” such as organisations A, E and G. Other case organisations, such as Organisations B and C described themselves as introducing BE as they entered their “growth/mature” phase. While these organisations made steady

improvement at the start of the journey it was not as strong as the “forming” organisations. Organisation F is interesting in that it was a mature organisation at risk of moving into decline when BE was introduced as a strategy to accelerate performance improvement, which it achieved as evident from the CPE results.

### **5.1.2 Organisational challenges**

Following the cross-case analysis the researcher identified two key challenges or drivers associated with deciding to start the BE journey; firstly organisations responded to drivers for starting an improvement journey and then, drivers for adopting the CPE. The cross-case analysis indicates that both external and internal drivers influenced the decision to start the improvement journey and to adopt the CPE for each case organisation. As listed in Table 5.2, participants from each case organisation perceived at least one external and one internal driver influenced the decision to start the BE journey. Although all seven case organisations had adopted the CPE, the drivers for adopting the CPE varied for each organisation.

The decision to adopt the CPE was either made by the chief executive or equivalent (Organisation A, B, C, D, F, G) or promoted to the executive by a senior manager (Organisation E). These key people were often described as being highly motivated, for example the key people in Organisation A and F strived for excellence; the CEO in Organisation B and the MD in Organisation D were motivated to create a great organisation; and the desire to be world-class motivated the CEO in Organisations C and G.

### **5.1.3 Preparing and planning to start the BE journey**

BE researchers discuss the need to prepare and plan the approach taken for the start the improvement journey (Hides, Davis & Jackson, 2004) while others recommend organisations adopt an implementation framework prior to starting a TQM initiative (Yusof & Aspinwall, 2000). Cross-case analysis indicates that the case organisations adopted a range of approaches to preparing and planning for the start of their BE journey, and that each organisation applied the CPE as an implementation framework to guide the start of the journey.

As described in Section 5.1.2 each of the case organisations started the BE journey in response to either an external or internal driver, or both. What is less evident, although recommended in the organisational development and change literature as good practice, is the attention given to the alignment of organisational culture and that of the new initiative.

Participants from Organisation F appeared aware, in hindsight, that the gap between the existing culture and the required new culture had not been considered; and that this lack of consideration had constrained the start of the journey.

**Table 5.2: Drivers perceived to influence the decision to start the BE journey**

External and internal drivers perceived to influence the decision to start the improvement journey	External and internal drivers perceived to influence the decision to adopt the CPE
<p><u>External drivers:</u></p> <p>Need to be more competitive eg able to attract government funding, attract and retain people; compete on the global market (Organisations B,C, D, F)</p> <p>Stakeholder influence e.g. the Board demanded a credible organisation (Organisations A, B, C)</p> <p>Government influence eg change in research policy and focus; change in defence policy and focus (Organisations C,F)</p> <p>Customer influence eg the customers required "predictability"; need for "outside in thinking not inside out" (Organisations A, D, E, F, G)</p> <p><u>Internal drivers:</u></p> <p>Crisis eg risk of decline; risk of external management (Organisations A, F)</p> <p>Need for organisational growth eg to be successful; be more efficient and cohesive (Organisations C, D, E, F, G)</p> <p>New CEO influence eg desire to improve; wanted the company to grow effectively (Organisations A,C, G, F)</p> <p>New organisation (Organisations A, B, D)</p> <p>Re-structure e.g. new structure provided the opportunity to be customer focused (Organisations A, C, E)</p>	<p><u>External drivers:</u></p> <p>Internationally proven to work (Organisations A, D, E, F, G)</p> <p>External recognition &amp; credibility (Organisations B, F, G)</p> <p>External measure of performance; "external yardstick"; provides credibility (Organisations A, B, C, F, G)</p> <p>Benchmark within and across industries (Organisations C, D, E, F)</p> <p><u>Internal drivers:</u></p> <p>Business framework to co-ordinate a range of activities; "Internal framework to hang things off" (Organisations A,B, E, F, G )</p> <p>Guide continuous improvement (Organisations C, D, E, F, G)</p> <p>Access to established BE networks (Organisations D, F)</p> <p>Desire to be world class; create a great / quality organisation (Organisations A, B, C, D, F, G)</p>

Participants identified a number of practices and people they perceived had influenced the preparation to start the BE journey. These are recorded in Table 5.3 and listed here as:

*Strategic plan has a customer and results focus, organisational values are integrated, communication is 2-way, financial resources are available for growth, organisational design facilitates working as one organisation, able to attract talented people, strong support processes, capability in project management, CEO focuses on leadership and strategy, executive work together as a cohesive whole, CEO sponsors BE, BE is aligned with organisational purpose and culture, people experience a quality initiative prior to BE, BE is*

*introduced throughout the organisation.* Although the participants perceived a number of practices and people influenced the start of the BE journey, prior to the decision to start there did not appear to be attention given to assessing the organisations readiness to start the journey as recommended in the organisational development and change literature.

Planning to start the journey tended to be influenced by learning from other organisations actively engaged in BE, as was the case for Organisations C, D, E and F. Also, participants perceived that a key person having previous experience in BE enabled planning for the start of the journey, for example the CEO in Organisations A and G had experienced BE in a previous role; and the CEO in Organisations B and D had experienced ISO certification. Only one organisation, Organisation F, engaged the services of an external consultant to assist in the planning for the start of the journey. Participants reflected that this was a key enabler as the consultant advised the CEO and executive on how to start the journey.

One aspect of planning the start of the BE journey is the extent to which BE is introduced through the organisation or the scope of introduction. Organisations A and F made a conscious decision to limit the scope of starting the BE journey. Organisation A limited the introduction of BE to a new unit within the organisation and based on the success within this unit, then introduced BE to the whole organisation. Organisation F limited the start of the journey to the supply process (a core end-to-end process) and then later to the whole organisation. Participants perceived this approach as constraining the BE journey as it excluded the executive and a large number of other key people from being involved.

Of interest, is that although the case organisations applied the CPE and the self-assessment process to identify key opportunities for improvement at the start of the journey; they relied on organisations and people with experience to guide how they started the journey. None of the organisations considered the need for an implementation framework to guide the start of the journey; and only one participant from Organisations F considered the value of adopting organisational change principles. Also of interest, is that although each of the organisations adopted BE and the CPE to guide improvement, Organisations F was the only organisation that had considered the duration of transition and the need to demonstrate organisational performance improvement within a targeted time.

## 5.2 IMPROVEMENT PROCESSES

This section focuses on how improvement processes are perceived by research participants to influence the start of the BE journey. This element of the framework provides a temporal perspective. The researcher identified three key process dimensions evident in the cross-case analysis. These dimensions are the (1) sequence of the BE journey, (2) cycles of improvement, and (3) processes associated with BE practices. Findings relevant to each of these dimensions are presented below.

### 5.2.1 Sequence of the BE journey

The initial conceptual framework described in Chapter 3 represented the BE journey as a continuous process that could be analysed as three general time frames: decision to start the BE journey, starting the BE journey and sustaining the BE journey (adapted from Dawson & Palmer, 1995). For all case organisations the BE journey was described by participants as a continuous process, which involved continual improvement. Although some organisations described a “plateau” effect for their progress, no organisation described a decline in performance since starting the BE journey.

Starting the BE journey was defined by the researcher as the transition period between the decision to start the BE journey and sustaining it (adapted from Dawson & Palmer, 1995). Although the distinction between decision to start and starting the BE journey is relatively clear for each of the case organisations; this is not the case for the distinction between starting the journey and sustaining the journey. Completing the start of the BE journey or completing organisational transition was described in Chapter 1 (Section 1.3) as either “operation of new work practices and procedures (Dawson & Palmer, 1995); or achieving the Improver level of maturity (Dale & Lascelles, 1997); or achieving Silver Award status / or at least 501 points when independently assessed against the CPE in a national award process (NZBEF, 2005). Each of the case organisations had implemented BE practices in part and could be characterised as nearly achieving the improver status as described by Dale and Lascelles. Although organisation A had achieved more than 500 points when assessed against the BDQA (a regional quality award based on the CPE) none of the case organisations had achieved a national Silver Award or at least 501 points when independently assessed against the CPE in a national award process at the time the study was undertaken. Based on the above descriptions the researcher concluded that no case organisation had completed organisational transition at the time of data collection.

Another aspect of the sequence of the BE journey is the sequence of practices applied at the start of the journey. As outlined in Table 5.3, the sequence of practices appears to be unique for each organisation, hence supporting the suggestion by Hides, Davies and Jackson (2004) that there is no best way to start the BE journey. Table 5.3 lists the key practices perceived by participants to have influenced the first four years of the BE journey. The reader is referred to the previous chapter and the full case reports for a description of their journey beyond the first four years. Attempting to identify a specific sequence of practices seems less useful than focusing on the levels of maturity achieved, which is discussed next.

The cross-case analysis indicates the case organisations progressed through stages of maturity as suggested by HEFCE (2003). Three sequential stages are evident: (1) isolated CPE assessment, (2) BE is aligned with the organisational profile but parallel with the organisational planning process, (3) BE is aligned with the organisational profile, and integrated with the organisational planning process. Findings from the cross-case analysis indicate that the stage of maturity influenced the practices adopted by the organisation. Of interest is, those organisations that were able to achieve level 2 maturity also reported a strong rate of improvement as evident for Organisations A, E, F and G.

### **5.2.2 Cycles of improvement**

The cross-case analysis provides evidence for cycles of improvement throughout the improvement journey and at three levels within the organisation. The findings illustrate the well known improvement cycle, PDCA, originally developed by Deming (1986) and applied as a tool to guide performance improvement. For example Planning is evident in that case organisations developed *strategic plans with a customer and results focus* (Organisation F) and *adopted BE as an improvement strategy* (Organisation E); Deployment is evident in that *early improvement projects are organisation wide* (Organisation E); Checking is achieved with *assessment against the CPE* (All organisations); and Action is evident in that staff see improvement ideas actioned (Organisation E).

For some organisations (Organisations A, E, and F) the journey is characterised by the adoption of BE practices at a number of levels within the organisation as recommended by Leonard and McAdam (2002). For example each of these organisations describe strategic practices i.e. *BE is adopted as a long term improvement strategy*; tactical practices i.e. *a BE champion or advisor is appointed*; and operational practices i.e. *improvement projects are actioned*. There is also some evidence that the cycle of improvement occurs at each level;

strategic, tactical and operational. For example Organisations A and F established BE as a strategic improvement initiative; provided tactical plans and resources to ensure BE was implemented effectively throughout the organisation; and ensured improvement projects progressed.

### **5.2.3 Processes associated with BE practices**

The BE literature addresses processes associated with a number of BE practices, such as assessment against the CPE, the award application process and the benchmarking process. Of interest to this study are the processes associated with organisational assessment against the CPE. The researcher examined assessment practices across the case organisations using the classification suggested by Hutton (2000) and described in Chapter 2. Hutton describes four approaches to assessment as (1) mini-assessment, (2) facilitated assessment, (3) joint assessment, and (4) external assessment.

The mini-assessment was used by Organisation E and F as a practice to introduce managers of units within the organisation to BE. The champions in each organisation designed a customised and abridged version of the CPE and used this as a basis for introducing BE and the CPE to the senior managers within the organisation. The next step for Organisation F was to develop the rigour of the process and introduced the facilitated assessment process, where they invited an external facilitator to moderate the process. Feedback from the participants indicates that the facilitated process not only developed their understanding for the CPE but also ensured the results were realistic and consistent between the units.

The joint assessment approach was used by Organisations B and G. This approach involved inviting an external evaluator to work with an internal person and to complete an assessment of the organisation against the full CPE. This approach was used by these organisations prior to preparing an award application. Participants within these organisations described this process as constraining the journey due to the measurement focus and not an improvement focus. A variation of the external approach was applied by Organisations C and D, where a project team worked together to complete a benchmarking questionnaire. This questionnaire was then scored by the benchmark service providers. The participants described this approach as “cherry picking” and with a limited influence on the improvement journey.

The final approach, described by Hutton, is the external assessment which typically involves an award application. Of interest is that the majority of the case organisations had applied for an award within the first four years of their BE journey. Organisation A and B applied for a

regional award (the BDQA or PESA) prior to applying for the national BE award, whereas Organisations E, F and G applied directly to the national award. In each case the process associated with the practice and the resultant report were perceived as enabling, as was actually receiving the award.

Of interest is the timing of assessment. The cross-case analysis highlights that all 7 case organisations had assessed themselves regularly against the CPE during their BE journey; and that Organisation A was the only organisation not to carry out an assessment in year one. While the majority undertook assessment in year one, the maturity of the assessment approach varied. For example Organisations E and F developed an internal self-assessment process (the mini assessment), Organisations C and D participated in a benchmarking survey (external assessment) and Organisations B and G applied for a regional award (external assessment).

Also of interest is the extent to which the process is aligned and integrated within the organisation. For Organisations C and D, the assessment process was distinct from the planning process in that BE was perceived to offer an opportunity to “cherry pick” for business management practices. For Organisation B alignment was perceived to be limited to “feeding” the results of the assessment process into the planning cycle; and integration was limited to making the assessment result a measure of CEO performance. Organisations E and G aligned organisational planning and the assessment process in that the needs of the organisation influenced the focus on the assessment process; integration tended to more at the tactical and operational levels than at the strategic level. Organisations A and F has aligned and integrated the assessment process throughout the organisation. There appears to be an association between the extent of alignment and integration of assessment and the rate of improvement for the BE journey. For example alignment and integration of assessment; and the rate of improvement is limited in Organisations B and C; and the alignment and integration of assessment; and the rate of improvement is strong in Organisations A and F.

**Table 5.3: Practices & people perceived to influence the BE journey over time**

	Organisation A	Organisation B	Organisations C	Organisation D	Organisation E	Organisation F	Organisation G
Prerequisites	Strategic plan has a customer & results focus Strong support processes		Restructuring Strategic plan has a customer & results focus Strong support processes *Executive do not work together as a cohesive group CEO focuses on both leadership & strategy	Financial resources are available for growth The organisation is not able to attract talented people Organisational values are integrated Strong support processes People experience a quality initiative prior to BE	Early improvement projects are org wide Capability in project management	<ul style="list-style-type: none"> <li>• Key stakeholders change</li> <li>• The organisation is not able to attract talented people</li> <li>* BE is not aligned with organisational purpose &amp; culture</li> <li>CEO sponsors BE</li> <li>There is a BE champion</li> <li>• BE (not) introduced throughout the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Organisation design facilitates working as one org</li> <li>Strong support processes</li> <li>Communication is 2-way</li> <li>CEO focuses on both leadership &amp; strategy</li> <li>CEO sponsors BE</li> </ul>
1 Year	Restructuring GM, customer services group introduces/sponsors BE; BE is aligned with org purpose & culture BE is adopted as a long term imp strategy	Self-assessment / Awards report identifies OFIs * Staff are not involved in BE initiatives	Governors increase expectations Financial resources are available for growth Restructuring	BE is adopted as a long term imp strategy Prepare an award or self-assessment application Awards report identifies OFIs * Do not develop leaders throughout the organisation Benchmark club membership	Invest in new resources for the frontline BE is adopted as a long term imp strategy Prepare an award or self-assessment application Key people experience world class organisations Managers are actively involved There is a BE champion or facilitator Staff see improvement ideas actioned Staff are involved in initiatives that impact on them	<ul style="list-style-type: none"> <li>• Organisation design does not facilitate working as one organisation</li> <li>BE is adopted as a long term imp strategy</li> <li>BE expectations &amp; consequences are clear</li> <li>* Communications do not address BE relevance &amp; benefits</li> <li>* BE journey is not monitored &amp; reviewed</li> <li>Prepare an award or self-assessment application</li> <li>Early improvement projects are org wide</li> <li>• BE &amp; org planning are not integrated</li> <li>Key people have access to</li> </ul>	

Organisation A	Organisation B	Organisations C	Organisation D	Organisation E	Organisation F	Organisation G
					a BE specialist There is a network of BE champions throughout	
Y e a r  2	* Staff are not involved in BE initiatives		Governance & executive roles are distinct Strong support processes • Conflicting priorities between urgent work & improvement work • Plans are not deployed CEO sponsors BE		Governance & organisational priorities align Strategic plan has a customer & results focus * Strategic plan & operational plans do not align Key people experience world class organisations Participate as a BE evaluator Training for BE understanding & tools Kept knowledge in senior group	CEO's performance measures include BE Capability in project management
Y e a r 3	Invest in new resources for the frontline * Focus on awards & points & not improvement Prepare an award or self-assessment application Self-assessment / Awards report identifies OFIs *BE expectations & consequences are not clear Staff see improvement ideas actioned Key people experience world class organisations	Governance & executive roles are distinct Market growth - organisational growth	Governors increase expectations Develop leaders throughout the organisation Recruit & retain key people • Managers do not address performance issues	Market growth - organisational growth	BE improvement projects are cross functional Prepare an award or self-assessment application (Exec) training for BE understanding & tools * Focus on awards & points & not improvement • Manager training does not address organisational change	Organisational values are integrated There is a BE champion or facilitator (too late – needed in year 1) Managers have access to a BE advisor / coach

	Organisation A	Organisation B	Organisations C	Organisation D	Organisation E	Organisation F	Organisation G
Y e a r 4	<p>Communication is 2-way BE is adopted as a long term imp strategy BE &amp; org planning are integrated * Communications do not address BE relevance &amp; benefits Won a national BE award (new)CEO sponsors BE Key people experience world class organisations Steering group is cross- functional Managers are actively involved</p>	<p>Financial resources are available for growth</p>	<p>Governance &amp; organisational priorities align</p>		<p>CEO's performance measures include BE Restructuring Strategic plan has a customer &amp; results focus Managers have access to a BE advisor / coach Staff have a choice re their level of involvement</p>	<p>BE expectations &amp; consequences are clear Prepare an award or self- assessment application * Improvement effort is not sustainable *Focus on awards &amp; points &amp; not improvement *Conflicting priorities between urgent work &amp; improvement work *Staff do not see improvement ideas actioned</p>	<p>BE improvement projects are cross functional Won a national BE award *Plans are not deployed Introduced the BSC Develop leaders throughout the organisation Staff have a choice re their level of involvement</p>
O n g o j n g	<p>*Conflicting priorities between urgent work &amp; improvement work Steering group has influence with executive There is a BE champion or facilitator</p>	<p>* Executive are not actively involved * There is not a BE champion or facilitator *Staff do not see improvement ideas actioned *Do not develop leaders throughout the organisation</p>	<p>* Industry challenges *Governance &amp; organisational priorities do not align Lack of critical mass</p>	<p>* Financial resources are not available for growth * Industry challenges</p>	<p>*Industry challenges *Restructuring *Conflicting priorities between urgent work &amp; improvement work *BE journey is not monitored &amp; reviewed *BE expectations &amp; consequences are not clear *Do not retain key people</p>	<p>There is a BE champion or facilitator</p>	<p>* Financial resources are not available for growth *Industry challenges *Conflicting priorities between urgent work &amp; improvement work *Managers do not address performance issues * Executive are not actively involved There is a network of BE champions throughout</p>

\*identifies practices perceived to be present and constraining; other practices were perceived to be present and enabling

## 5.3 PRACTICES AND PEOPLE

This section focuses on the practices and people perceived to enable or constrain the BE journey. Practices may be one off activities or ongoing initiatives. People may be groups of people or individuals. As listed in Table 5.3, the BE journey for each case organisation is characterised by multiple practices and people. The remainder of the section describes (1) the practices perceived by participants to have significantly influenced the BE journey, and (2) the people perceived by participants to have significantly influenced the BE journey.

For the purpose of this study the researcher also analysed the influential practices and people, as having an external or internal focus; and as having an organisational or BE focus. External practices were defined by the researcher as those strategies and events that typically occur outside the organisation, for example *industry challenges*. Internal practices were defined as those events and strategies that occur within the organisation, for example *restructuring*. The organisational focus refers to those practices and people who could influence any improvement journey, for example *governors increase expectations*; whereas the BE focus relates to those practices and people that are specific to BE, for example *BE is introduced throughout the organisation*.

### 5.3.1 Practices perceived to enable or constrain the BE journey

Practices perceived to have significantly influenced the BE journey by at least two case organisations are listed in Table 5.4. The practices are grouped into the dimensions mentioned above; as having an external or internal focus, and as having an organisational or BE focus. Analysis of the practices listed in Table 5.4 shows that external practices typically have an organisational focus and that internal practices appear to be balanced for organisational and BE focus. Also the majority of practices were perceived to be present and enabling, with a few perceived as present and constraining. The constraining practices are identified with an (\*).

**Table 5.4: Practices perceived to have significantly influenced the start of the BE journey**

External practices	Internal practices
<p><u>Organisational focus:</u></p> <p>* Industry challenge; more competitive, downturn; ever increasing number of plans required by statute (B,D,E)</p> <p>Organisational growth; due to new market opportunities; long term contract (B, D)</p> <p>Governance and organisational priorities align (C,F)</p> <p>* Changing political environment; Key stakeholders change (E, F)</p> <p>External financial resources are available for growth (B, C, D)</p> <p><u>Business excellence focus:</u></p>	<p><u>Organisational focus:</u></p> <p>Organisation restructured to facilitate working as one organisation (A,B, C, E, F, G); *Ongoing restructuring (B,E)</p> <p>Organisational values are integrated within the organisation (D, G); Communication is 2-way (A, G)</p> <p>Strategic planning process involved executive and senior managers (B, F)</p> <p>Focus is on business improvement not awards or points (A,C, F)</p> <p>* Strategic plan and operations plan do not align (B, E, F, G)</p> <p>* Plans are not deployed (A, D)</p> <p>* Conflicting priorities between urgent work and improvement work (A, D, F)</p> <p>Invest in new resources for the frontline (A, D, E)</p> <p>Strategic plan has a customer and results focus (A, D, E)</p> <p>Develop effective organisation-wide support systems eg HR, IT, financial (A,B, D, E, G)</p> <p>Developed capability in project work and project team work (B, D, E, G)</p> <p><u>Business excellence focus:</u></p> <p>* BE is not aligned with the organisation purpose or culture (A, F)</p> <p>BE is introduced throughout the organisation (A, F)</p> <p>BE adopted as a long term improvement strategy (A, F)</p> <p>Communications address the relevance and importance of BE (A, F)</p> <p>Organisational planning &amp; BE plans are integrated (A, E)</p> <p>BE expectations and consequences are not clear; *there is no incentive / reward to improve* (E, F)</p> <p>* BE is not sustainable; too many improvement projects (E, F)</p> <p>Prepare a SA / award application (All)</p> <p>SA / awards feedback report identifies key opportunities for improvement (A, B, E, G)</p> <p>Won a quality/ BE award (A, B, E, G)</p> <p>* Have not measured / demonstrated the benefits of a formal BE approach (A, F)</p> <p>Training for BE / BE tools; participate as an evaluator (E, F)</p> <p>Critical few projects are resourced (E, F)</p> <p>Early improvement projects are organisational wide (E, F)</p>
<p>* identifies practices perceived to be present and constraining</p>	

### **5.3.2 People perceived to influence the BE journey**

People are seen as key drivers for the change process (Pettigrew, 1999) but their influence on the BE journey has been relatively ignored in BE empirical studies (Abraham et al. 1999). For the present study, the term people is used by the researcher to refer to groups of people and individuals perceived by participants to have influenced the BE journey. People perceived to have significantly influenced the BE journey by at least two case organisations are listed in Table 5.5.

The findings presented in Table 5.5 indicates that a number of different groups of people and individuals, external and from within the organisation, were perceived to influence the BE journey. For example these people include: the Board, the CEO, the executive group, managers, staff, BE steering group, BE champion (s), BE specialist or advisor. Further analysis of the people listed in Table 5.5 indicates that the BE journey is perceived to be influenced by a balance of external and internal people, as well as a balance of people focused for the organisation and focused for BE. Of interest is that the two constraining people influences are external to the organisation.

The above analysis provides an in depth perspective for the practices and people perceived to significantly influenced the BE journey. What is not evident is how these practices and people influence the BE journey nor to what extent these practices and people influence the journey. The next section (Section 5.4) addresses how the identified practices and people are perceived to influence the BE journey and Strand 2 of study examines to what extent the practices and people are perceived to have influenced the journey. Strand 2 of the study involves a survey with a larger group of BE organisations. The findings for this survey are presented in Chapter 6.

## **5.4 HOW PRACTICES AND PEOPLE INFLUENCE THE BE JOURNEY**

The literature review identified that how practices and people influence the start of the BE journey is relatively unexplored in the QM and BE empirical research. In order to explore this topic the researcher asked the research participants how they perceived significant practices and people had influenced the start of the BE journey. A full description for this process is described in the Research Design (Chapter 3), and the detailed responses for each case organisation are recorded in the case reports (Chapter 4). Following the cross-case

analysis for this topic, the researcher integrated a further element into the emergent framework and named this new element, intermediate outcomes.

**Table 5.5: People perceived to have significantly influenced the start of the BE journey**

<b>External people</b>	<b>Internal people</b>
<u>Organisational focus:</u>	<u>Organisational focus:</u>
Governors increase expectations re accountability and results (C, F)	CEO focuses on both leadership and strategy (C, G)
Governance and executive roles are made distinct (B, D)	Executive work together as a cohesive group (A, F)
The organisation is able to attract talented people (A, B, D, F)	Managers address performance issues (B, C, F)
<u>Business excellence focus:</u>	Staff are involved in initiatives that impact on them (B, E)
CEO's individual performance measures include BE (B, E, G)	Staff are reluctant to go the extra mile (B, C)
Key people experience world class organisations e.g. study visits, networking (A, B, E, F)	Recruit and retain key people; develop leaders throughout the organisation (B, C, G)
People experience a quality initiative prior to BE (A, D, F)	<u>Business excellence focus:</u>
	CEO sponsors BE (All)
	Executive are actively involved in BE e.g. they apply BE within their units & participate in BE initiatives; (A, E)
	Key people have access to a BE advisor / coach (C, D, F)
	Managers are actively involved in BE (A, E)
	Managers have access to a BE advisor / coach (E, G)
	BE steering group has influence with the executive (A, E)
	BE steering group is cross functional (A, E)
	There is a BE champion; who has influence with executive and staff (A, B, E, F, G)
	There is a network of BE champions throughout the organisation (A, F)
	Staff are involved in BE initiatives e.g. self-assessment (B, e)
	Staff have a choice re their level of involvement in improvement initiatives (E, G)
	Staff see improvement ideas actioned (A, E, F, G)
* identifies people perceived to be present and constraining	

The cross-case analysis for this section is guided by the Model of Organisational Performance and Change (Burke & Litwin, 1992). These researchers propose that practices and people influence intermediate outcomes, such as the organisational culture and organisational climate, which in turn influence the level of engagement in the change and

that all three intermediate outcomes influence organisational results. For this study, the researcher applied the definition of intermediate outcomes as “the factor that affects the observed phenomenon but cannot be seen” (Cooper & Schindler, 1998, p.41-43).

Organisational culture is described by Burke and Litwin as being concerned with shared beliefs and values; whereas organisational climate is concerned with people’s perceptions of the work environment.

The remainder of the section describes how research participants perceived practices and people influence the dimensions of (1) organisational culture, (2) organisational climate, and (3) the level of engagement in the organisation and in the BE journey. In addition to the intermediate outcomes proposed by Burke and Litwin, the cross-case analysis revealed a further dimension - momentum of the BE journey. How practices and people were perceived to influence the momentum of the journey is also described below.

#### **5.4.1 How practices and people influence organisational culture**

This section explores findings from the cross-case analysis for how practices and people are perceived to influence organisational culture. The researcher asked the participants to describe their perceptions of how practices and people had influenced the BE journey. The researcher then grouped their responses into two items concerned with organisational culture, such as clarity of direction (e.g. people understood what was valued and considered important) and valuing voluntary involvement. Findings for each of these items are discussed below.

##### **Clarity of direction**

Organisational practices and people were both perceived to influence the BE journey by influencing the clarity of direction. For example participants describe how practices and people influenced clarity for where the organisation was going. Participants from Organisation C described how they received clear messages about the importance of a “commercial focus” (as distinct from a public service culture); participants in Organisations A, E and G (all local government organisations) perceived a new focus on the needs of the customer influenced their service results. Clarity for organisational direction was also perceived to be influenced by a visionary and strategic thinking leader (Organisations C, D, and G). Participants from Organisation E suggested a shift from activity focused planning (lists of actions) to outcome focused planning (results focus) improved the clarity of direction.

BE practices and people were perceived to influence the clarity of direction. For example BE communications that addressed the relevance and importance of BE to the organisation were perceived to provide a clear direction for all staff. For some organisations, the communication was an announcement that BE was the organisation-wide improvement strategy (Organisations A, E, F, G), for others the alignment of organisation strategy and BE created a clear “one focus”. Executive in Organisation G knew BE was important when the CEO included a BE performance measure into her performance targets and recruited a dedicated BE champion who reported directly to the CEO. The strongest communication re the importance of BE, was perceived when senior managers actively applied BE within their areas as observed by participants in Organisations A, B, E, F and G.

### **Voluntary involvement in improvement**

Participants described an organisational culture that was characterised by voluntary involvement in improvement. Participants in Organisations A and B related how as their understanding of BE developed, their confidence and trust in BE developed, and this had the impact of them being more inclined to volunteer for projects. A manager in Organisation E related how he made sure BE was explained to his staff and when it was time to carry out the annual self-assessment he was inundated with volunteers.

Managers in Organisation F, explained how the organisational culture had changed since the introduction of BE. These managers described how the culture had changed from one where there was no interest in innovation and improvement for fear of being punished; to one where staff think and act improvement. A participant in Organisation F, was heard to say “it’s now OK to make suggestions”. Organisation G participants commented about there being active involvement in improvement projects, and about how they perceived their improvement ideas were valued. Participants within Organisation B described their culture as being one where “they had confidence in management”, and that this confidence encouraged them to be get involved in BE opportunities. Participants from Organisation B also described a situation where this confidence was reduced following a restructure; resulting in people withdrawing from improvement initiatives.

### **5.4.2 How practices and people influence organisational climate**

This section explores findings from the cross-case analysis for how practices and people are perceived to influence the organisational climate. The researcher asked the participants to describe their perceptions of how practices and people had influenced the BE journey. The

researcher then grouped their responses into three items concerned with organisational climate, such as stakeholder and customer relationships, organisation wide capacity and management and BE expertise. Findings for each of these items are discussed below.

### **Relationships**

Practices and people were perceived to influence external and internal relationships which in turn influenced the BE journey. Participants from Organisations A and G perceived BE practices improved their customers' confidence in the organisation. Frontline staff from Organisation A described the public as "more pleasant" to serve. Participants from Organisations A and G, perceived that BE had improved the profile of the organisation to such an extent that they were now able to attract and retain talented people.

Executive managers from Organisation F perceived that while working on the award application for the national quality awards, the relationships within the executive group improved as the process required them to see and understand the whole organisation. BE practice was perceived to influence inter-departmental relationships within Organisation E, as services were refocused to work as end-to-end processes versus as functional silos. Cross-functional improvement teams in Organisation G and cross-functional BE training groups in Organisation F were perceived to influence improvement in internal service relationships.

### **Capacity**

Participants described situations where practices and people, throughout the journey had contributed to enabling and constraining the journey by influencing capacity. Both Organisations B and D, perceived winning ongoing contracts had enabled them to establish strong core systems and processes which provided the foundation to develop the company. The ongoing contracts were also perceived to give these organisations the space in which to "think improvement". Conversely, Organisations E, F, and G perceived excessive and inconsistent workload constrained their ability to take time out and to plan for improvement.

Within Organisations F and G, people perceived that the dedicated BE champion enhanced capacity as this individual had the time to develop the understanding of the managers for BE and coach managers in its application. As BE became established in Organisations A and G, participants observed the CEO spending less time on management and fire-fighting issues and more time on external relationships and organisational leadership.

## **Expertise**

Organisational and BE, practices and people were perceived to influence the BE journey as they improved the level of expertise within the organisation. In Organisations A, B, and F, involvement in BE was perceived to influence the development of leaders throughout the organisation. For example senior managers believed BE had provided them with opportunities to develop their management capability. Participants from Organisation B, perceived that developing effective recruitment processes that included team involvement, improved the success of new recruits and contributed to the level of expertise in the organisation.

Executive and senior people identified practices that developed their understanding of BE, such as (1) examining the whole organisation while preparing an award application, (2) attending training focused for understanding change and BE, (3) participating in study tours of world class organisations, (4) receiving feedback from an award application, and (5) applying BE to their Units. Project leaders and staff identified practices as developing their project management and BE tools expertise. The BE champion was seen as enabling the journey by contributing up to date BE expertise.

### **5.4.3 How practices and people influence engagement**

Burke and Litwin (1992) suggest organisational culture and organisational climate influence the extent to which an individual is motivated to engage in action, which in turn influences organisational performance. This relationship between engagement and organisational performance is also addressed by Lloyd and Bell (2005). The researcher has adapted the definition of engagement provided by Lloyd and Bell to define engagement as the state of emotional and intellectual involvement an individual has in his or her organisation or the BE journey.

The findings from the cross-case analysis indicate that practices and people are perceived to influence two aspects of engagement (1) confidence and trust, and (2) energy and interest. For example participants in Organisation B perceived that as manager capability developed, staff developed confidence in the company and the management team. Conversely, participants in Organisation C perceived managers' inability to address performance issues, influenced confidence in the management team. Also, for Organisation D, when the management team did not follow through on new initiatives, participants perceived staff confidence was lost, and hence was perceived to constrain the BE journey.

The appointment of a dedicated BE champion reporting to the CEO and executive was seen as influencing confidence in the BE journey. Staff within Organisation G observed that following the recruitment of the BE champion, people “got the message that BE is important”. In other organisations, such as Organisations B and E, staff perceived that some executive members were not actively involved in the BE journey. This lack of involvement influenced their confidence in the sustainability of BE.

Senior managers in Organisations A, C, E, F and G perceived that as BE became established there was more energy for change. One participant in Organisation C, commented “the fight is gone and we are all just getting on with growing the company”. A consistent theme across all the case organisations was the positive influence of targeted communications, that addressed the relevance and importance of BE, and provided clear expectations about what was required. Staff explained that once they understood what was happening and what was expected of them, they developed confidence in the initiative. As they got involved and were listened to, they talked about a growing sense of energy and interest in BE and a keenness to be involved. People in Organisation G described the work environment as having a “real buzz about it”.

#### **5.4.4 How practices and people influence momentum**

Participants in Organisations B and D perceived changes in the external environment influenced the momentum or the rate of the BE journey. Both organisations provided information technology services and reported the industry as highly competitive with new entrants emerging. The comment was made “no matter how excellent you are, if a strong competitor enters the market, or if there is a market downturn – your business results and BE journey will be affected.” Another example for the influence on momentum was provided by Organisations E and G. For these local government organisations the three yearly cycle of elections often results in new key stakeholders and the need to “start again” and engage these people in BE.

Internal practices were also perceived to influence the momentum of the BE journey. For Organisations A, B, E and F the feedback report associated with self-assessment or an award application was perceived to be a catalyst for the journey. Similarly, exposure to world-class organisations for participants from Organisations A, B, E and F was perceived to be a significant turning point for these organisations.

Other practices and people were perceived to maintain the rate of the BE journey. Organisations D and E perceived the development and improvement of core processes maintained the momentum of the journey. In other situations measuring performance (Organisations E and G) and resourcing improvement projects were perceived to keep the journey moving. For other organisations (A, B and F) having an effective, dedicated person to facilitate the BE journey was perceived to be a key influence for maintaining momentum.

Interestingly, the practices perceived to constrain the momentum of the journey were different from those perceived to facilitate momentum. Organisation F described how underestimating the gap between the existing and required organisational culture severely constrained the rate of improvement. Participants from both Organisations B and E commented on how restructuring constrained momentum. A participant from Organisation B noted how “the merger stopped us in our tracks”. An ongoing constraint on momentum perceived by several organisations was the conflicting priorities between “work as usual” and improvement work; and a related situation was the lack of deployment of action plans.

## **5.5 ORGANISATIONAL RESULTS**

The final element of the proposed conceptual framework is organisational results. The organisational results element represents performance and change in key areas relevant to the organisation and the BE journey, such as business results, BE journey results and progress results. The present study focused on BE journey results as the literature review identified a gap in the empirical knowledge for this results dimension. As identified in the literature review there appears to be three approaches to reporting the results for the BE journey (1) the duration of transition, (2) the change in CPE score over time, and (3) the perceived change in organisational performance over time. To establish perceived change in organisational performance the researcher applied the “Most Significant Change Technique” (Dart & Davies, 2003) and asked the participants to tell stories about what had changed, either positive or negative, since the start of the BE journey. This technique is described fully in Chapter 3 (Research Design). Findings for each of these results items are presented next.

### **5.5.1 Duration of transition**

Starting the BE journey was defined by the researcher as the transition period between the decision to start the BE journey and sustaining it (adapted from Dawson & Palmer, 1995).

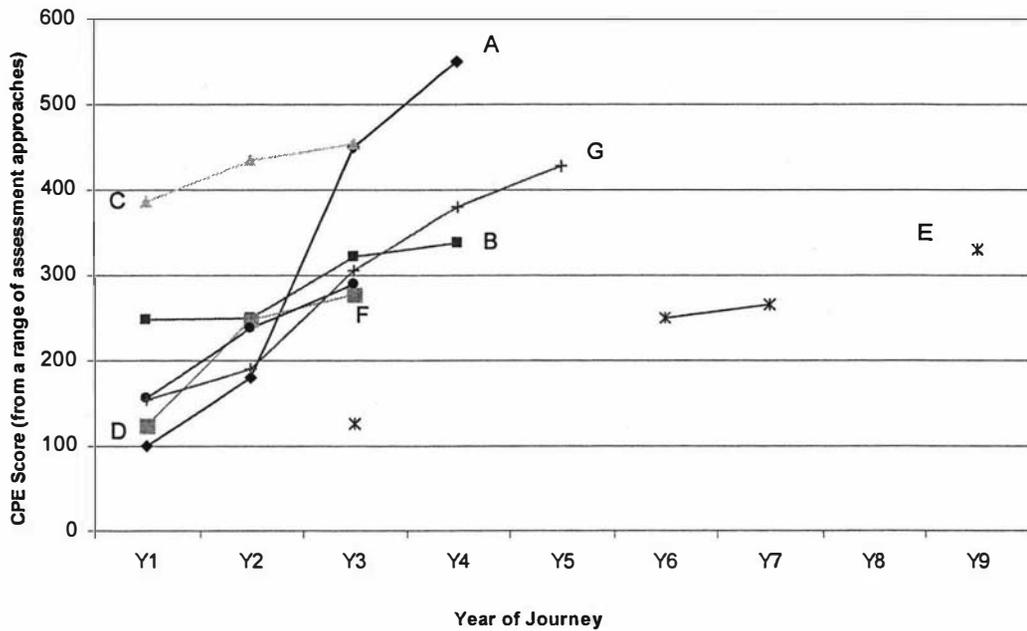
As described in Section 5.2.1 of the cross-case analysis each of the case organisations were yet to complete organisational transition. The researcher concluded that Organisation A was the nearest to having completed the start of the BE journey. For Organisation A, the duration of transition had been four years at the time of the study. For the other case organisations the duration of transition ranged from three years (Organisations C & D), four years (Organisation F), five years (Organisation G), eight years (Organisation B) and nine years (Organisation E). Based on these results there does appear to be an association between the duration of transition and the improvement in organisational performance achieved.

### **5.5.2 Change in CPE score**

All case organisations had assessed themselves against the CPE consistently over the duration of the BE journey. Although each organisation applied a different approach to assessment there was a pattern in that the CPE score for each organisation had improved over time as indicated by Figure 5.1. Each of the organisations achieved improvement from year 1, and in some cases they had achieved their greatest rate of improvement from years 1 to 2. These findings differ from those proposed by Dale (2003) who suggests it is not until organisations achieve the end of organisational transition (the Improver level) that real improvement is evident and that this is likely to take three to eight years from year 1 of the journey.

The rate of improvement in CPE scores ranged from 19 points in 2 years (Organisation C) to 450 points in 4 years (Organisation A). The range in the rate of improvement may be related to the difference in scores for year 1, in that Organisation C started the BE journey with a higher baseline score (435 points) than Organisation A (100 points). The stronger rates of improvement were reported by Organisation A (450 points in 4 years), Organisation D (153 points in 3 years), Organisation E (204 points in 6 years), Organisation F (134 points in 3 years) and Organisation G (274 points in 5 years).

Figure 5.1: CPE score over time (7 case organisations)



### 5.5.3 Perceived change in organisational performance

Each group of participants identified the most significant change for their organisation. The researcher grouped these changes into change dimensions, such as business results, organisational culture (clarity of direction, voluntary involvement in improvement), organisational climate (relationships, capacity, expertise) and engagement (trust & confidence, energy & interest). The cross-case findings for perceived change in organisational performance are presented in Table 5.6.

All case organisations identified significant change in *business results*, *clarity of future direction* of the organisation and the BE journey, *organisation-wide capacity*, and *expertise*. Improvement in *organisation-wide capacity* was typically associated with improved support processes, such as information technology, human resources and finance. Participants described improved *expertise* in business management and BE.

**Table 5.6: Perceived change (improvement) in organisational performance over time**

Change dimensions	Case organisations						
	A	B	C	D	E	F	G
<b>BUSINESS RESULTS</b>							
Results specific to the organisation	✓	✓	✓	✓	✓	✓	✓
<b>ORGANISATIONAL CULTURE</b>							
Clarity of future direction	✓	✓	✓	✓	✓	✓	✓
Voluntary involvement in improvement	✓				✓	✓	✓
<b>ORGANISATIONAL CLIMATE</b>							
Stakeholder & customer relationships	✓				✓	✓	✓
Organisation-wide capacity	✓	✓	✓	✓	✓	✓	✓
Expertise	✓	✓	✓	✓	✓	✓	✓
<b>ENGAGEMENT</b>							
Trust & confidence; energy & interest in improvement,	✓		✓	✓	✓	✓	✓
✓ = Identified as a significant change by at least one participant group							

Change dimensions not evident in all organisations (refer to Table 5.6) were *voluntary involvement in improvement, stakeholder and customer relationships, and engagement*. The change in the level of voluntary involvement was described as “staff thinking improvement”, “staff nominating themselves for improvement projects” and “new ideas being easier to get off the ground”. Examples of improved *relationships* included key stakeholders having improved confidence in the organisation, staff developing a customer focus and improving collaboration across service functions. Participants perceived that *confidence and trust* in the organisation, in management and in the BE journey had improved since the start of the BE journey. An improvement in *energy and interest* was also described, for example, “people are energised”, “staff go the extra mile”, “there is a buzz about the place”.

The cross-case findings highlight some interesting phenomena. When asked to describe perceived change in organisation performance the participants did not only describe

traditional business results but also changes in the organisational culture, organisational climate and level of engagement. Of note is that all the significant changes were described as being improvements. Although there is very limited data and data points, there is some evidence that those organisations with a stronger rate of improvement (as measured by change in CPE score and graphed in Figure 5.1) such as Organisations A, E, F and G also perceived change in all change dimensions, as recorded in Table 5.6. Those organisations with some evidence of a plateau effect in their rate of improvement, Organisations B and C, did not report a perceived change in the change dimensions: *voluntary involvement in the improvement* and *stakeholder and customer relationships*.

## 5.6 CONCLUSION

Within Chapter 5 the researcher has presented the cross-case analysis for how the 7 case organisations started their BE journey. Findings from the cross-case analysis provide evidence for each of the elements within the initial conceptual framework (see Figure 3.3) and also provide evidence for an additional element - intermediate outcomes (see Figure 5.2). Next, the researcher provides conclusions to date for each investigative question and the associated element of the updated conceptual framework (see Figure 5.2).

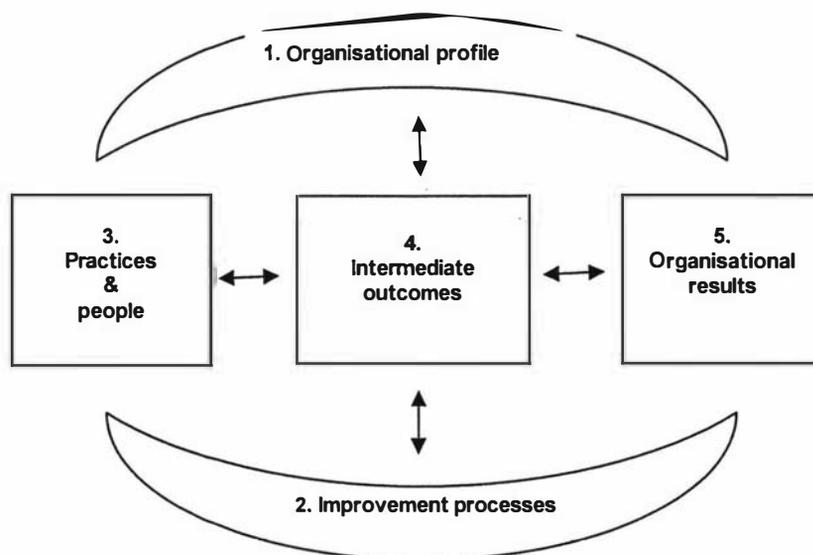
### **Q1. How does the organisational profile influence the start the BE journey?**

The cross-case analysis described three dimensions of the organisational profile (Element 1) perceived to influence the start of the BE journey (1) organisational description, (2) organisational challenges, and (3) preparing and planning to start the BE journey. Six of the seven case organisations were large service organisations from either the public or private sector. Further analysis identified that all case organisations were professional or service shop services and not mass services (as defined by Silvestro et al. 1992). Each of the organisations described how the organisational structure had influenced the BE journey to some extent. Those with a “one-organisation” structure perceived this to enable the journey, and those with “silo” structures perceived them to constrain the BE journey. The maturity of the organisation was also perceived to influence the BE journey, with those organisations introducing BE as they were forming perceiving stronger organisational results than those organisations that introduced BE as a mature organisation.

All case organisations appeared to start the journey in response to a perceived challenge or driver. Both internal and external drivers were perceived to influence the decision to start the improvement journey and to influence the decision to adopt the CPE. What is yet to be examined is to what extent these drivers influence the decision to start and the decision to adopt the CPE.

There was some evidence for organisations preparing and planning to start the BE journey. Participants identified a number of practices and people they perceived had influenced the BE journey prior to starting (recorded in Table 5.3). Two case organisations limited the scope of implementation to a unit or process; with the balance introducing BE to the whole organisation. What is yet to be established is to what extent these different approaches influenced the start of the journey. Of interest was the reliance on experiences from other organisations to assist organisations plan the start of the BE journey and the limited attention given to the BE journey being an organisational development and change initiative.

**Figure 5.2: The BE journey represented as a conceptual framework (version 2)**



## **Q2. How are improvement processes perceived to influence the start of the BE journey?**

The researcher identified three improvement processes (Element 2) perceived to influence the BE journey (1) sequence of the BE journey, (2) cycles of improvement, and (3) processes associated with BE practices.

Firstly, the findings provide evidence for the sequence of the BE journey reflecting the three sequential time frames proposed by Dawson and Palmer (1995) and adapted by the researcher in the initial conceptual framework, such as decision to start the BE journey, starting the BE journey and sustaining the BE journey. The cross-case analysis also provided evidence for three sequential levels of maturity proposed by HEFCE (2003) and adapted for this study (1) CPE is used as a performance measurement tool only, (2) BE is adopted as an improvement strategy, is aligned with the organisational profile and is parallel with the organisational planning process, (3) BE is adopted as an improvement strategy, is aligned with the organisational profile, and is integrated with the organisational planning process. What was not evident was a shared sequence of practices, hence supporting the notion of ‘there is no best way’ to start the BE journey.

The cross-case analysis also provides evidence for cycles of improvement throughout the BE journey. Effective implementation appears to be associated with BE being implemented as cycles of improvement at the strategic, tactical and operational levels as proposed by Leonard and McAdam (2002). A strategic example is *BE is adopted as a long term improvement strategy*; a tactical example is *cross-functional teams are established*, and an operational example is *self-assessment against the CPE*.

Thirdly, the processes associated with assessment against the CPE were perceived to influence the BE journey. Although the case organisations tended to apply a range of processes for assessment they typically became more mature and externally focused as the organisation matured. Assessment processes that were integrated into planning and engaged staff in the process were perceived by participants as having the greatest influence on the BE journey.

## **Q3. What are the key practices and who are the key people perceived to influence the start of the BE journey?**

The cross-case analysis identified multiple practices and people (Element 3) perceived to have significant influence on the start of the BE journey. These practices and people were

grouped as externally and internally focused. Of interest was the dominance of internally focused practices and people perceived to influence the journey. Practices and people were also grouped as organisation-wide and BE focused. The list of practices and people were transferred as items within the survey developed for Strand 2 of the study with the purpose of confirming (or disconfirming) their perceived influence on the BE journey with a larger group of BE organisations. The other purpose of the survey was to quantify the extent to which these practices and people are perceived to influence the BE journey, and also to be open to any new practices or people perceived to influence the start of the BE journey.

#### **Q4. How are key practices and people perceived to influence the start of the BE journey?**

Based on the findings from the cross-case analysis the researcher suggested that practices and people are perceived to influence the BE journey via intermediate outcomes (Element 4). For this study intermediate outcomes are defined as “the factor that affects the observed phenomenon but cannot be seen” (Cooper & Schindler, 1998, p.41-43). These apparent intermediate outcomes were grouped by the researcher into dimensions, such as organisational culture, organisational climate, engagement and momentum. Intermediate outcomes were integrated into the emergent conceptual framework and explored further in the survey developed for Strand 2 of the study.

#### **Q5. How is organisational performance perceived to change from the start of the BE journey?**

The organisational results element (Element 5) represents performance and change in key areas relevant to the organisation and the BE journey, such as business results, BE journey results and progress results. The present study focused on BE journey results as the literature review identified a gap in the empirical knowledge for this results dimension. As identified in the literature review and supported by the cross-case analysis, there appears to be three approaches to reporting the results for the BE journey (1) the duration of transition, (2) the change in CPE score over time, and (3) the perceived change in organisational performance over time. These dimensions and associated items were transferred to the survey developed for Strand 2 of the study with the purpose of establishing the extent to which these items change from the start of the BE journey, and also the extent to which BE is perceived to influenced this change.

The cross-case analysis completes Strand 1 of the study. The findings from the cross-case analysis support the elements included within the initial conceptual framework (see Figure 3.3) and provided additional insights for how New Zealand service organisation start the BE journey. Following cross-case analysis, the researcher updated the framework to include the influence of intermediate outcome such as organisational culture, organisational climate, engagement and momentum.

Strand 2 of the study was designed to confirm (or disconfirm) the findings from the cross-case analysis and to provide further insights for how service organisations in New Zealand start the BE journey. The results from Strand 2, a survey with a larger group of BE organisations, are presented and analysed in the next chapter (Chapter 6). In Chapter 7, the findings from the case reports, the findings from the cross-case analysis and the results from the survey are discussed, with final conclusions for the study being made in Chapter 8.



## Chapter 6

### **ANALYSING THE BUSINESS EXCELLENCE JOURNEY: USING THE DATA FROM THE SURVEY**

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In Chapter 6, the researcher presents the findings from Strand 2 of the study, the survey. The findings from Strand 1, the case study were used to inform the development of the survey in order to strengthen the emerging conceptual framework and to develop broader insights for how a larger group of BE organisations start the BE journey. The survey involved the distribution of a questionnaire to all New Zealand service organisations known to be actively engaged in BE. The questionnaire (see Appendix D) was primarily designed to confirm (or disconfirm) the findings from the cross-case analysis, and to identify to what extent respondents perceived these items influenced the start of the BE journey. The researcher used charts, descriptive statistics, cross-tabulations and non-parametric tests to examine patterns in the data. The approach to analysis is described in Chapter 3, with further information and data tables being provided in Appendix E. The researcher presents the survey findings for each element of the framework and concludes the chapter by integrating the latest findings into the emergent framework.

#### **6.1 ORGANISATIONAL PROFILE**

Element 1: the Organisational Profile represents the profile of the organisations engaged in BE and how the profile of an organisation is perceived to influence the start of the BE journey. The questionnaire was designed to identify the description of organisations known to be engaged in BE, to further develop understanding for the extent to which organisational challenges are perceived to influence the decision to start the BE journey, and to develop understanding for the scope of planning to start to the BE journey. The researcher carried out an initial statistical analysis to examine the potential associations between Element 1 items (organisational profile items) and Element 3 items (key practices & people) or Element 5

items (organisational results). Due to the low number of data the results were considered unreliable and hence not reported here.

Section 6.1 is organised into four subsections: (6.1.1) survey respondents, (6.1.2) organisational description, (6.1.3) organisational challenges, and (6.1.4) planning to start the BE journey.

### 6.1.1 Survey respondents

The researcher identified New Zealand service organisations known to be actively engaged in BE (i.e. the survey population) by liaising with the BE community, for example the New Zealand Business Excellence Foundation, the Performance Excellence Study Awards co-ordinator, and the network of Authorised Consultants who provide BE services. The researcher distributed 85 questionnaire packs to the members of the survey population; 14 of these were returned to the researcher as the recipient deemed it inappropriate to participate in the survey. The researcher received 38 completed questionnaires, which represented a 53.5% response rate.

Respondents were asked to identify their role or position within the organisation from a list. Some respondents identified more than one role. The majority of the respondents (see Figure 6.1) held executive or senior management roles, for example 26% identified themselves as a CEO, 13% as an executive manager, and 42% as the BE champion. The analysis indicated there were no respondents who held a front-line service role, which was expected as the researcher requested the questionnaire be completed by the person most informed about the organisation's BE journey.

Figure 6.1: Role of respondents

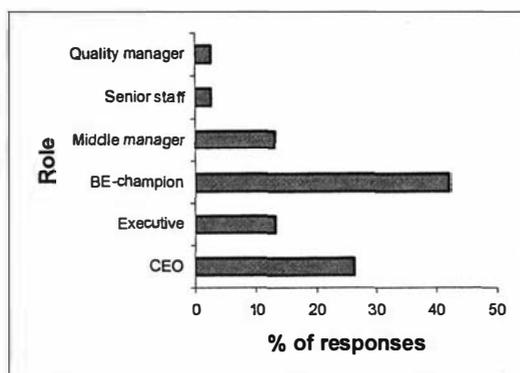
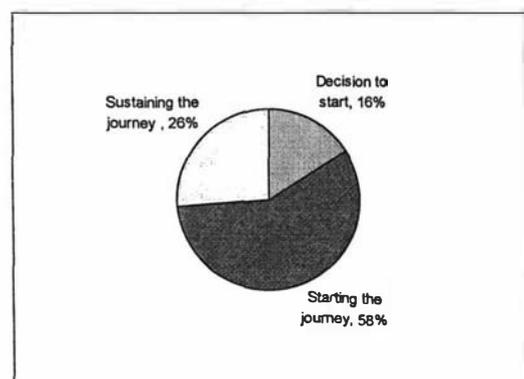


Figure 6.2: Focus for research effort



Prior to establishing the aim for the present study, the researcher had a number of informal conversations with people within the BE community to develop her understanding of the research need. These people identified the research need as to develop understanding for how organisations start the BE journey. The questionnaire included a question to confirm (or disconfirm) the research need with a larger group of BE organisations. The respondents were asked to identify which stage of the BE journey they believed needed to be researched. The majority selected *starting the BE journey* (58%) from the provided list, while others identified *decision to start* (16%) and *sustaining the BE journey* (26%), hence supporting the decision to focus the present study on the start the BE journey.

### **6.1.2 Organisational description**

Respondents were requested to identify which type of industry and type of business best described their organisation. The first level of the ANZSIC classification system (ANZSIC96, Statistics New Zealand) was used to provide respondents with a standard list to select from.

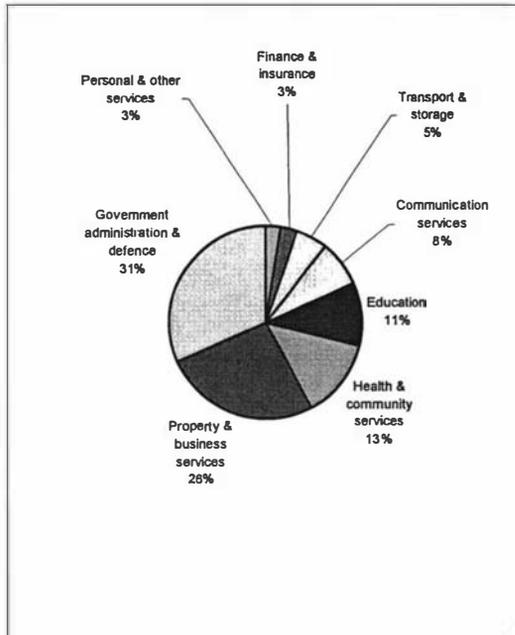
As presented in Figure 6.3, the majority of respondents identified their type of industry as *government administration and defence* (32%) or *property and business services* (26%). A smaller number of respondents identified their type of industry as *education* (10.5%) or *health and community services* (13%). No respondents identified themselves as being from the *wholesale and retail* or *tourism* related industries.

As presented in Figure 6.4, the majority of respondents identified their type of business as *registered limited liability company* (37%), *a government owned trading entity* (13%), *central government* (21%) or *local government* (18%). Together this group of organisations represents a balance of private organisations (37% are companies or trading entities) and public organisations (39% are central government organisations, local government organisations or defence organisations).

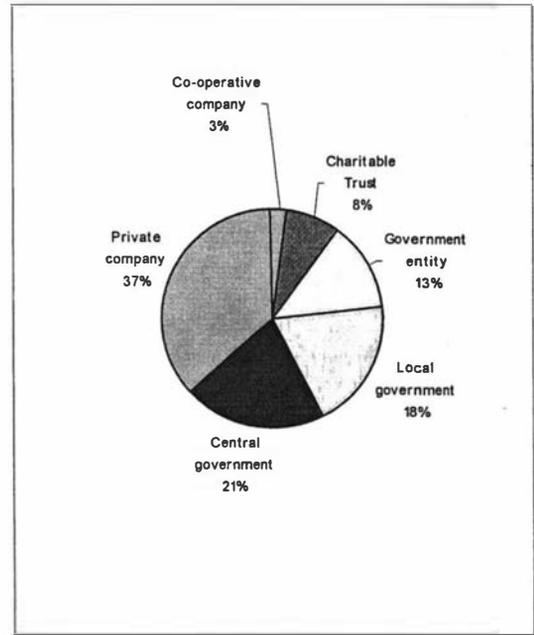
The respondent organisations can be further analysed using the classification of services type proposed by Silvestro et al (1992) and described fully in Chapter 2. The majority of the respondent organisations can be classified as professional services (e.g. property and business services, health and community services) or service shop services (e.g.

communications services, government administration and defence, education) and not mass services (e.g. finance and insurance, transport and storage).

**Figure 6.3: Type of industry**



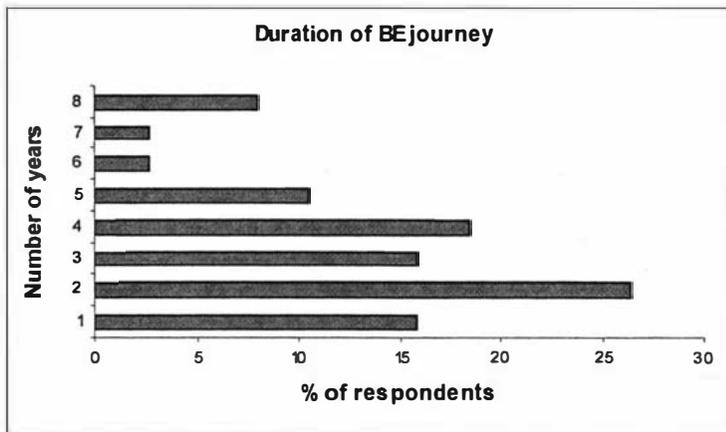
**Figure 6.4: Type of business**



Another aspect of the organisational description is the size of the organisation. For this study, the researcher defined large organisations as employing over 100 full time equivalent people (Cameron & Massey, 1992). Respondents were asked to identify the number of people employed within their organisation (i.e. fulltime equivalent). The analysis indicates the majority of the respondents (71%) employ 100 or more people.

Respondents were asked how long their organisation had been engaged in BE. As shown in Figure 6.5, the duration of the BE journey for respondent organisations ranged from 1 year (16%) to eight years (8%). The greatest number of respondents indicated they had been engaged in BE for at least two years (26%) and 73% of the respondents were within the 1 to 5 year duration. All respondents were applying the CPE as the BEF for their journey.

**Figure 6.5: Duration of the BE journey**

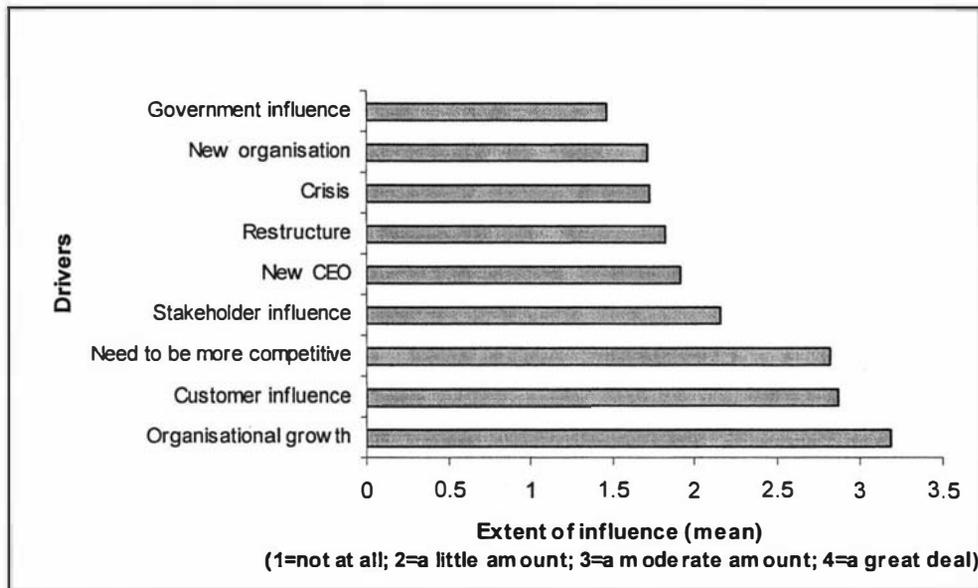


### 6.1.3 Organisational challenges

From the cross-case analysis, the researcher identified two key organisational challenges associated with starting the BE journey; the decision to start the BE journey and the decision to adopt the CPE (or equivalent). The questionnaire was designed (1) to confirm or disconfirm the key drivers identified from the cross-case analysis, (2) to identify to what extent respondents perceived the key drivers influenced the decision to start, and (3) to provide the opportunity for respondents to provide additional information related to the decision to start the BE journey. The researcher’s analysis of the survey results are presented below. The key drivers, are presented as they were written in the questionnaire and are identified in *italics*.

As shown in Figure 6.6, the key drivers for starting the BE journey are perceived to be the *need for organisational growth*, *customer influence* and the *need to be more competitive*. As recorded in Table 6.1, the greatest number of respondents (53%) perceived the *need for organisational growth* had influenced the decision to start “a great deal”. This rating along with a strong level of significance (see Table 6.2) suggests the need for growth is the strongest driver for starting the BE journey for this group of organisations. Other drivers such as the *government influence*, *new organisation*, *crisis or restructure* were typically perceived to have little or no influence on the decision to start the BE journey

**Figure 6.6: Extent of influence for drivers perceived to influence the decision to start the BE journey**



**Table 6.1: Descriptive analysis for key drivers perceived to influence the decision to start the BE journey**

Key drivers	N	Extent of influence	
		Mean *	Influenced a great deal %
Organisational growth	38	3.18	53
Customer influence	38	2.87	30
Need to be more competitive	38	2.82	37
Stakeholder influence eg Board, supplier	38	2.16	13
New CEO	35	1.91	23
Restructure	33	1.82	6
Crisis	37	1.73	3
New organisation / green fields	23	1.71	8
Government influence eg legislation	38	1.47	5

\*Scale: 1 = Not at all; 2 = A little amount; 3 = A moderate amount; 4 = A great deal

**Table 6.2: Level of significance for key drivers perceived to influence the decision to start the BE journey**

Key drivers	Chi-Square	Level of significance
Organisational growth	16.95	.001 ***
Customer influence	6.84	.077
Need to be more competitive	3.47	.324
Stakeholder influence eg Board, supplier	6.21	.102
New CEO	29.11	.000 ***
Restructure	14.39	.002 ***
Crisis	17.59	.001 ***
New organisation / green fields	32.54	.000 ***
Government influence eg legislation	40.73	.000 ***

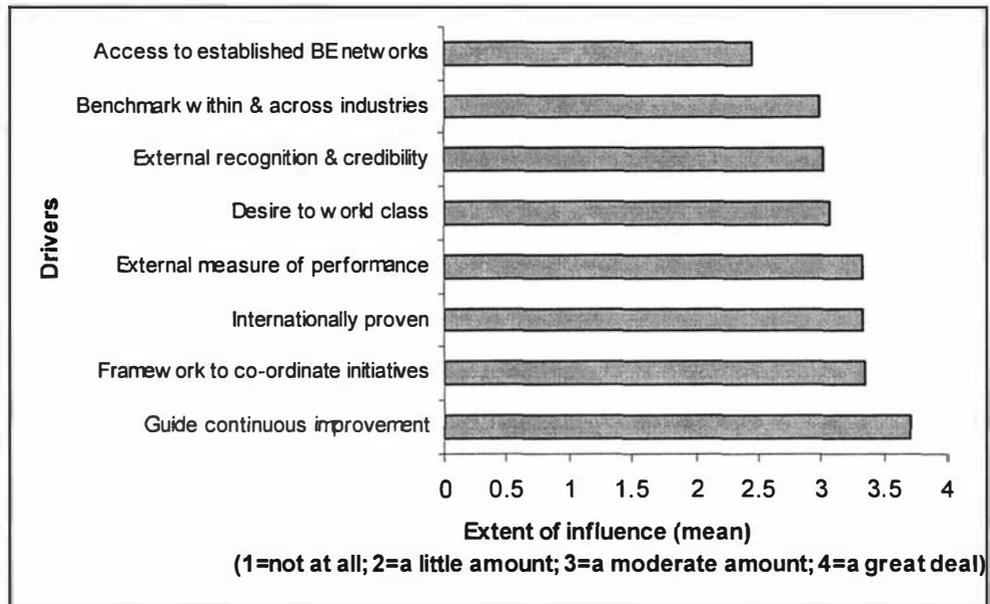
Key: \*\*\* = strong ( $p \leq .001$ ); \*\* = moderate ( $p \leq .01$ )

Although there appear to be a number of drivers perceived to influence the decision to adopt the CPE (see Figure 6.7), the analysis indicates that the key driver is perceived to be *to guide continuous improvement*. As recorded in Table 6.3, 76% of the respondents rated the driver *to guide continuous improvement* as influencing decision making a great deal. The analysis confirms other identified drivers were perceived to influence decision making to some extent, such as the need for a *framework to co-ordinate a range of improvement initiative, internationally proven to work, and external measure of performance*. The least influential drivers were perceived to be *benchmarking* and *access to BE networks*.

#### **6.1.4 Planning to start the BE journey**

The respondents were asked if BE was introduced into the whole organisation or limited to a unit within the organisation. For the majority of the organisations (79%) BE had been introduced to the whole organisation.

**Figure 6.7: Extent of influence for drivers perceived to influence the decision to adopt the CPE**



**Table 6.3: Descriptive analysis for key drivers perceived to influence the decision to adopt the CPE**

Practices	N	Extent of influence	
		Mean *	Influenced a great deal %
To guide continuous improvement	38	3.71	76
Needed a business framework to co-ordinate a range of initiatives	38	3.35	54
Internationally proven to work	38	3.34	47
External measure of performance	38	3.34	53
Desire to be 'world class'	33	3.08	42
External recognition & credibility	37	3.03	40
Benchmark within & across industries	35	3.00	38
Access to established BE networks	23	2.46	13

\* Scale: 1 = Not at all; 2 = A little amount; 3 = A moderate amount; 4 = A great deal

**Table 6.4: Level of significance for key drivers perceived to influence the decision to adopt the CPE**

Practices	Chi-Square	Level of significance
To guide continuous improvement	32.58	.000 ***
Needed a business framework to co-ordinate a range of initiatives	23.21	.000 ***
Internationally proven to work	24.11	.000 ***
External measure of performance	22.00	.000 ***
Benchmark within & across industries	10.63	.014 **
Desire to be 'world class'	10.21	.017 **
External recognition & credibility	9.37	.025 **
Access to established BE networks	8.29	.040 **

Key: \*\* = moderate ( $p \leq .01$ ); \*\*\* = strong ( $p \leq .001$ )

## 6.2 IMPROVEMENT PROCESSES

This element of the framework is concerned with the temporal perspective of the BE journey and focuses on the improvement processes perceived to influence the start of the BE journey. Based on the cross-case findings the researcher designed the survey to explore three dimensions improvement processes further, such as the (1) sequence of the BE journey, (2) cycles of improvement, and (4) processes associated with assessment against the CPE. The results for each of these dimensions are presented next.

### 6.2.1 Sequence of the BE journey

Respondents were asked to note which year of the journey key practices had occurred (defined as highly enabling or highly constraining) with the intention of being able to analyse trends in the sequence of the BE journey. Although respondents completed this section of the questionnaire, the data sets were too small; hence unreliable to analyse. The researcher did not proceed with analysis.

## 6.2.2 Cycles of improvement

A review of the survey results provides evidence for key practices and people (see Table 6.10) contributing to cycles of improvement throughout the improvement journey (as introduced by Deming, 1986 and described in Section 2.2.1). For example; Planning – *strategic plan has a customer and results focus, BE is adopted as a long term improvement strategy*; Deployment – *plans are deployed, critical few projects are resourced*; Check – *self-assessment report identifies opportunities for improvement, BE journey is monitored & reviewed*; Action – *staff see improvement ideas actioned*.

The survey results also provide evidence for key practices and people (see Table 6.10) contributing to cycles of improvement throughout the three levels of the organisation (as proposed by Leonard and McAdam, 2002, and described in Section 2.3.2). For example: (1) the strategic level – *CEO sponsors BE, BE is adopted as a long term improvement strategy, BE is aligned with organisation and purpose, BE & organisational planning are integrated, BE is introduced throughout the organisation, BE journey is monitored & reviewed.*; (2) the tactical level – *there is a BE champion or facilitator, BE champion has influence with executive & staff, staff are involved in BE initiatives, executive are actively involved, key people have access to a BE advisor / coach, self-assessment report identifies opportunities for improvement, critical few projects are resourced; BE journey is monitored & reviewed*; and (3) the operational level – *BE improvement project groups are cross-functional, prepare an award or self-assessment application*.

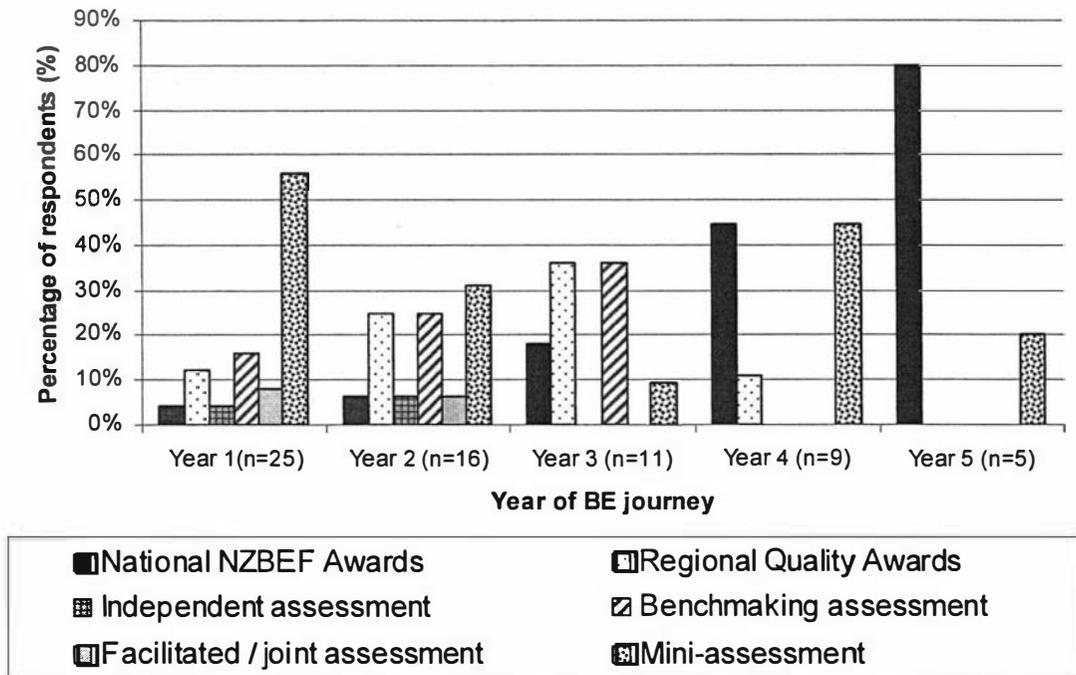
## 6.2.3 Processes associated with assessment against the CPE

The final dimension of the improvement process element, are the processes associated with the application of BE practices, such as assessment against the CPE, awards, benchmarking. The researcher designed the survey to examine the practices associated with assessment against the CPE. The practice descriptions developed by Hutton (2000) were applied for the survey (1) the mini-assessment, (2) the facilitated or joint assessment, (3) the external assessment. In New Zealand the external assessment may be an independent assessment, a regional (e.g. BDQA or PESA) or national (e.g. NZBEF) award assessment. These approaches to assessment are described fully in Chapter 2.

The survey results indicate that collectively the respondent organisations have used the full range of assessment approaches as described by Hutton. The researcher charted the number of respondents who reported their assessment results and the approach they had adopted for

that year. Of interest is that all respondents reported only one assessment per year and that 17 respondents had carried out an assessment within year one of their BE journey. Figure 6.8 charts the percentage of respondents who adopted each approach and when they used this approach. Organisations appear to undertake the simple internal mini-assessment in year 1 and move towards using the more advanced external assessments as their organisation progresses through the BE journey. These results need to be viewed within the context of Figure 6.5, in that the majority of the respondents had been engaged in the journey for less than 4 years.

**Figure 6.8: Assessment approach and year of the BE journey**



### 6.3 PRACTICES AND PEOPLE

This element of the framework is concerned with the practices and people perceived to enable or constrain the BE journey. The cross-case analysis identified how the BE journey is perceived to be influenced by multiple practices and people. Section 3 of the questionnaire (see Appendix D) was designed (1) to confirm or disconfirm the practices and people

identified from the cross-case analysis, (2) to identify to what extent respondents perceived these practices and people influenced the start of the BE journey, and (3) to be open to adding new practices as identified by the respondents.

Within the questionnaire practices and people were described as events or strategies. The list of events and strategies were identified following the cross-case analysis (see Tables 5.4 and 5.5) provided the items for the questionnaire; these are identified throughout the thesis in *italics*. Respondents were requested to identify which events or strategies were present or absent for their BE journey; and then requested to rate the extent to which they perceived the event or strategy had influenced (or was influencing) the rate of improvement for their BE journey.

For the purpose of analysis the researcher categorised practices and people as having an external or internal focus; and as having an organisational or BE focus. External practices were defined by the researcher as those strategies and events that typically occur outside the organisation, for example *(external) financial resources are available for growth*. Internal practices were defined as those events and strategies that occur within the organisation, for example *working as one organisation*. The organisational focus refers to those practices and people who could influence any improvement journey, for example *governors increase expectations*; whereas the BE focus relates to those practices and people that are specific to BE, for example *BE is introduced throughout the organisation*.

This section of the thesis presents the researcher's analysis for Section 3 of the questionnaire. Initially the researcher focuses on practices perceived to enable and constrain the journey (Section 6.3.1) and then focuses on the people perceived to enable and constrain the journey (Section 6.3.2). In Section 6.3.3 key practices and people are defined, identified and examined. In the final two sections of the chapter the researcher presents her findings from further analysis of patterns within the key practices and people (Section 6.3.4) and examines the relationship between perceived key practices and people, and perceived change in organisational performance (Section 6.3.5).

### **6.3.1 Practices perceived to influence the start of the BE journey**

Practices are defined as the strategies and events perceived to enable or constrain the BE journey. The analysis of practices is organised into two subsections: external practices and internal practices. The data tables and associated analysis tables for external practices are

recorded in Appendix E and numbered as 3.1; the data tables and associated analysis tables for internal practices are also recorded in Appendix E and numbered as 3.2 and 3.3.

### **External practices (Refer to Appendix E, 3.1)**

For this study, the researcher defined external practices as those strategies and events external to the organisation that were perceived to influence the BE journey. All the external practices identified following the cross-case analysis and listed in the questionnaire were rated by respondents as influencing the BE journey to some extent; either as an enabling or constraining practice.

The greatest external influence on the start of the BE journey was perceived to be the *organisation's ability to attract talented people* from the external market. Of the 35 valid responses, 63% perceived this practice to be present within their organisation and enabling the BE journey. An equal number of respondents identified *external financial resources are available for growth* as present and enabling (34%) or absent and constraining (34%). If these ratings are combined (68%), the final rating would suggest access to external financial resources is a strong influence for the start of the BE journey. Of note is the high number (73%) of respondents who rate *key stakeholders change* as having no influence.

Two external BE practices were rated as enabling if they were present. Of the 10 respondents that had experienced *winning a national BE award*, 8 of these respondents rated this experience as highly enabling and 2 rated it as slightly enabling. The majority of the respondents who had not won an award rated this absence as having no influence (19 out of 20 respondents). The second external BE practice was *participation as a BE evaluator*. Of the 14 respondents that had the opportunity to be a BE evaluator, 13 of these respondents rated this experience as either slightly enabling (8) or highly enabling (5). The majority of the respondents who had not been an evaluator rated this as having no influence (13 out of 16 respondents).

The analysis provided a mixed picture for how *industry challenges* were perceived to influence the journey as recorded in the cross tabulation (Table 6.5). Some respondents identified that industry challenges were present and constraining (8), while others identified them as present and enabling (9). The reverse perception was also reported; that is, some respondents identified industry challenges as absent and constraining (2) or absent and enabling (4), and others perceived industry challenges to have no influence on the BE journey (10).

**Table 6.5: Cross tabulation for *industry challenges* and extent of influence**

	Extent of influence *					Total
	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	
Industry challenges present	2	6	3	3	6	20
Industry challenges absent		2	7	3	1	13
Don't know			1			1
<b>Total</b>	<b>2</b>	<b>8</b>	<b>11</b>	<b>6</b>	<b>7</b>	<b>34</b>

\* # of responses

The analysis provides a mixed picture for the externally driven practice, *CEO's individual performance measure includes BE*. Of the 13 respondents who indicated BE as a CEO performance measure was present, 11 respondents rated this practice as slightly or highly enabling and 1 indicated this practice was slightly constraining (see Table 6.6). For those respondents where BE was not included as CEO performance measure (19), 16 respondents indicated this had no influence on the BE journey, 2 suggested it was highly constraining and one perceived the absence of this practice as enabling.

**Table 6.6: Cross tabulation for *CEO's individual performance measures include BE* and extent of influence**

	Extent of influence *					Total
	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	
BE as CEO's performance measure: present		1	1	6	5	13
BE as CEO's performance measure: absent	2		16	1		19
Don't know		1				1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>17</b>	<b>7</b>	<b>5</b>	<b>33</b>

\* # Of responses

### Internal practices (Refer to Appendix E, 3.2 and 3.3)

For this study, the researcher defined internal practices as those strategies and events internal to the organisation and perceived to enable or constrain the BE journey. The analysis confirmed that all practices listed in the questionnaire were perceived by respondents to influence the start of the BE journey to some extent.

The presence of a *strategic plan with a customer and results focus* was perceived to have the greatest influence on the start of the BE journey. Of the 37 valid responses, 84% perceived this practice to be present within their organisation and enabling the BE journey. One practice was rated as typically constraining; 81% of respondents perceived *conflicting priorities between urgent work and improvement work* to be present and constraining.

*Working as one organisation* was perceived to be a key practice but the pattern of distribution was split between being present and enabling (33%) and absent and constraining (39%). Respondents rated the influence from *invest in new resources for the frontline* as limited. The researcher considered this response could be explained as the majority of respondents identified as executive or senior managers, and no respondents identified as frontline staff, which is the case study group that identified this practice.

The analysis provides a mixed picture for the influence of *restructuring*. Some respondents identified restructuring as present and constraining, while others identified it as present and enabling. Of the 19, who had experienced restructuring, 58% identified this as an enabling practice and 37% perceived it to be a constraining practice.

Table 6.7: Cross tabulation for *restructuring* and extent of influence

	Extent of influence <sup>*#</sup>					Total
	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	
Restructuring is present	3	4	1	9	2	19
Restructuring is absent		1	15			16
Total	3	5	16	9	2	35

\* # of responses

The analysis confirmed all the BE practices listed in the questionnaire were perceived by respondents to influence the start of the BE journey to some extent. Nearly all the

respondents perceived the practices, *self-assessment report identifies opportunities for improvement* (92%) and *BE is adopted as a long-term improvement strategy* as present and enabling (91%). Of interest is the enabling influence of not only the self-assessment report but also preparing the self-assessment document. One practice was rated as typically constraining; 68% of respondents perceived *the critical few improvement projects are resourced* to be absent and constraining.

The practice, *BE expectations and consequences are clear for executive performance* was perceived to be a key practice but the pattern of distribution was split between being present and enabling (48%) and absent and constraining (29%). The pattern was also split for the practice *BE is introduced throughout the organisation*, with 49% of respondents indicating this practice as present and enabling and 23% perceiving this to be absent and constraining.

The researcher observed the relatively low rating given for the practice, *training for BE understanding and tools*. The practice literature, reviewed in Chapter 2 led the researcher to expect this practice to be perceived as present and highly enabling. This finding could be explained by the confusing wording for the question, which examines two concepts; training addressing understanding for BE and BE training that addresses quality tools skill training.

### **6.3.2 People perceived to influence the start of the BE journey**

The people dimension was defined by the researcher as individuals or groups of people who were perceived to influence the BE journey. As with practices, people may be external or internal to the organisation. The data tables and associated analysis tables for people are recorded in Appendix E and numbered as 3.4.

#### **External and internal people (Refer to Appendix E, 3.4)**

The analysis confirmed all the people items listed in the questionnaire were perceived by respondents to influence the start of the BE journey to some extent. The people items perceived to have the greatest influence on the start of the BE journey were, *there is a BE champion* (86%) and *staff are involved in initiatives that impact on them* (86%).

Although only 17 respondents had experienced world-class organisations, 82% of these people identified the experience as enabling. There are four practices where the pattern of distribution is split between present and enabling, and absent and constraining; *executive work together, managers address performance issues, executive are actively involved, and managers are actively involved*.

There is no clear pattern for the extent of influence for the practice; *people experience a quality initiative prior to BE* (see Table 6.8). The prior experience of a quality initiative was perceived to be present and enabling by 11 respondents, and present and constraining for 2 respondents. A number of respondents (10) perceived prior experience to have no influence on the start of the BE journey.

**Table 6.8: Cross tabulation for *prior experience of a quality initiative* and extent of influence**

	Extent of influence **					Total
	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	
Prior experience is present		4	2	6	5	17
Prior experience is absent	1	2	8	1		12
Don't know			1			1
<b>Total</b>	<b>1</b>	<b>6</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>30</b>

\*\*# of responses

The analysis of the practice, *staff are reluctant to go the extra mile*, did not provide a clear pattern for the presence of the practice or the extent of influence (see Table 6.9). The findings suggest respondents typically perceive staff reluctance to be absent in their organisations and having no influence on the BE journey. This response varies from the organisational change literature which often focuses on the issue of resistance to change.

**Table 6.9: Cross tabulation for *staff are reluctant* and extent of influence**

	Extent of influence *					Total
	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	
Staff are reluctant; present	3	9				12
Staff are reluctant ; absent		1	13	5	1	20
Don't know			1			
<b>Total</b>	<b>3</b>	<b>10</b>	<b>14</b>	<b>5</b>	<b>2</b>	<b>33</b>

\* # of responses

A number of respondents added to the list of people practices that were provided within the questionnaire. A common addition was the need for senior people to move beyond their functional expertise and develop their expertise as leaders and managers. Particular attention was given to the management practice of facilitating change.

### **6.3.3 Key practices and people perceived to influence the start of the BE journey**

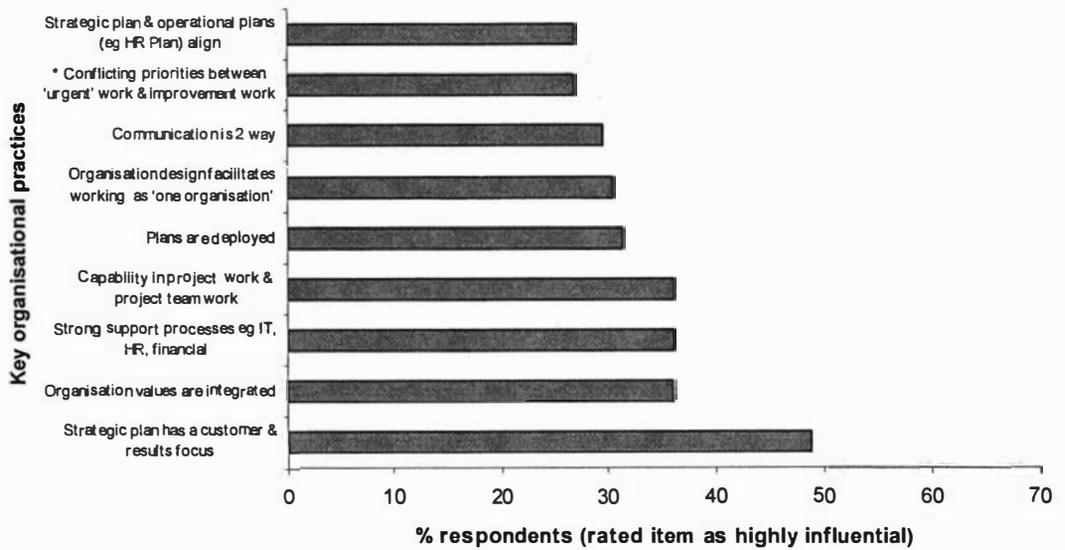
The researcher defined key practices (Figures 6.9 & 6.10) and key people (Figures 6.11 & 6.12) as those practices and people rated as either highly enabling or highly constraining by at least 25% of the respondents. This distinction is based on the proven Pareto principle (Dale, 2003) which is used to focus the key opportunities that will have the greatest impact on performance.

The majority of the key practices and people identified were rated as present and enabling with the exception of one organisational practice and one BE practice item (identified with an \* in the figures). These items *conflicting priorities between urgent work and improvement work* and *critical few projects are not resourced* were typically rated as present and constraining.

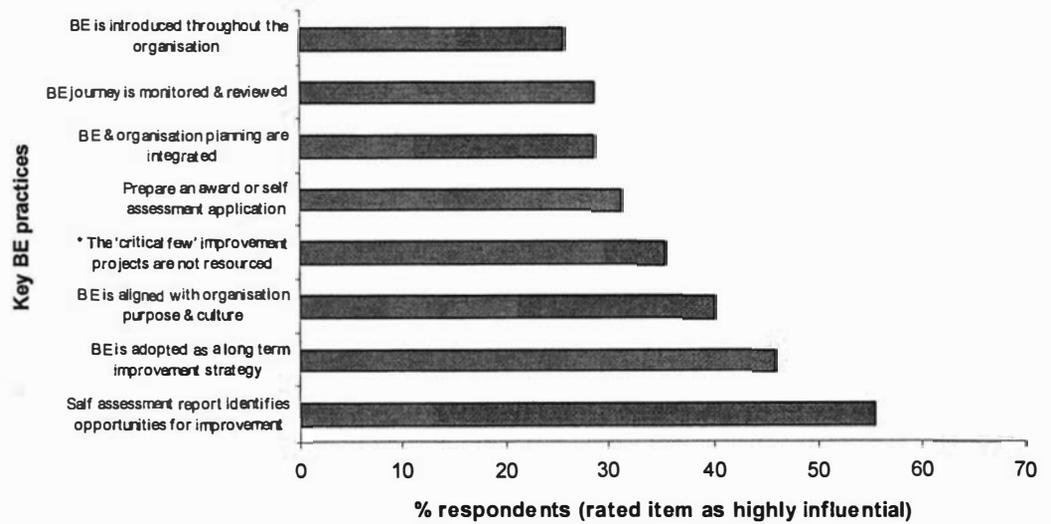
A further analysis of the survey findings for key people (Figures 6.10 & 6.11) highlighted the number of different individuals or groups of people perceived to be highly influential. For example within the list of key people there are six different roles or positions identified, such as the CEO, executive, managers, staff, BE champion or facilitator, and BE advisor or coach. The pattern of key people is also of interest. Of interest is the top three most influential people items are associated with the CEO or the executive and the next most influential people items are associated with a BE champion. This suggests that the CEO, the executive and the BE champion are perceived to be the key people at the start of the BE journey.

The researcher listed the key practices and people in Table 6.10 and added those practice and people items identified as key by those respondents who had experienced the item. For example although only 10 respondents had experienced *winning a national BE award*, 8 of these respondents rated this experience as highly enabling and 2 rated it as slightly enabling. Also, of the 14 respondents who had the opportunity to be a BE evaluator, 13 of these respondents rated this experience as either highly enabling (5) or slightly enabling (8); only one respondent rated this experience as having no influence on the start of the BE journey.

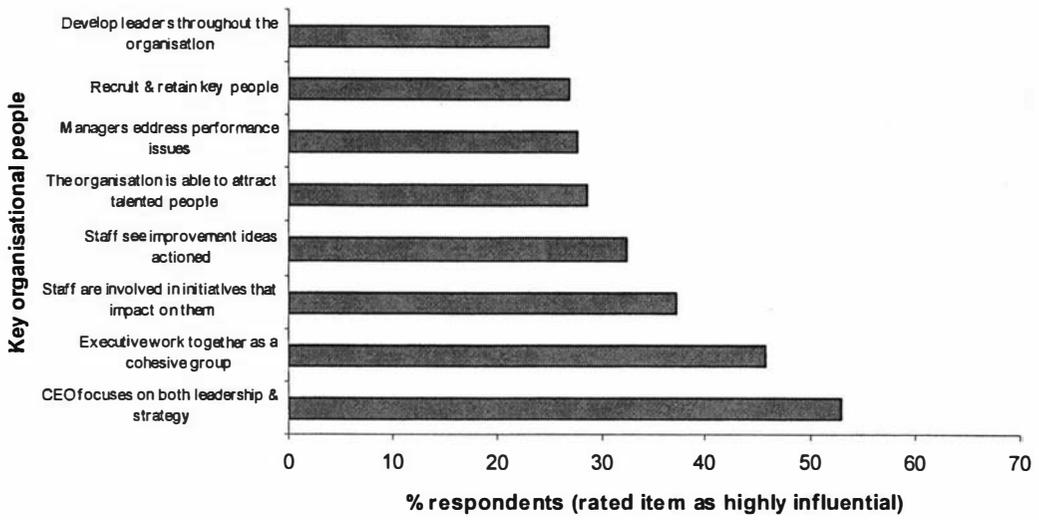
**Figure 6.9: Key organisational practices perceived to influence the start of the BE journey**



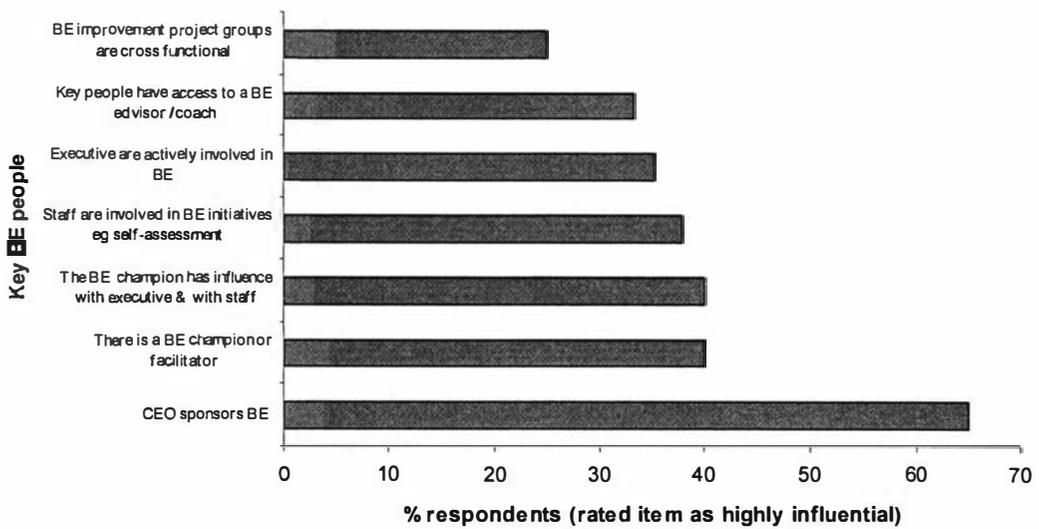
**Figure 6.10: Key BE practices perceived to influence the start of the BE journey**



**Figure 6.11: Key organisational people perceived to influence the start of the BE journey**



**Figure 6.12: Key BE people perceived to influence the start of the BE journey**



**Table 6.10: Key practices & people perceived to influence the start of the BE journey**

<b>Key practices</b>	<b>Key people</b>
<u>Organisational focus:</u>	<u>Organisational focus:</u>
Strategic plan has a customer and results focus	CEO focuses on both leadership and strategy
Organisational values are integrated	Executive work together as a cohesive group
Strong support systems eg HR, IT, financial	Staff are involved in initiatives that impact on them
Capability in project work and project team work	Staff see improvement ideas actioned
Plans are deployed	The organisation is able to attract talented people
Organisation design facilitates working as one organisation	Managers address performance issues
Communication is 2-way	Recruit & retain key people
* Conflicting priorities between urgent work & improvement work	Develop leaders throughout the organisation
Strategic plan & operational plans (eg HR Plan) are aligned	+ Senior managers develop capability in leading & facilitating organisational change & project teams
<u>Business excellence focus:</u>	<u>Business excellence focus:</u>
Self-assessment report identifies opportunities for improvement	CEO sponsors BE
BE is adopted as a long term improvement strategy	There is a BE champion
BE is aligned with organisational purpose & culture	The BE champion has influence with executive and staff
* The critical few projects are not resourced	Staff are involved in BE initiatives e.g. self-assessment
Prepare an award or self-assessment application	Executive are actively involved in BE e.g. they apply BE within their units & participate in BE initiatives
BE & organisational planning are integrated	Key people have access to a BE advisor / coach
BE journey is monitored and reviewed	BE improvement groups are cross functional
BE is introduced throughout the organisation	# participate as a BE national BE evaluator
# winning a national BE award	
* identifies practices & people perceived to be present and constraining	
+ identifies practices & people added to the list provided, by the survey respondents	
# identifies practices present for a few respondents & perceived to be highly enabling by these respondents	

### 6.3.4 Patterns within the key practices and people

The researcher analysed the survey findings further to look for additional patterns in the data in order to extend the interpretation of the results. Further analysis of the key practices and people identified three patterns in the data: (1) the balance of key practices and people, (2) mapping of the key practices and people to the CPE (NZBEF, 2005), and (3) mapping of the

key practices and people to the Model of Organisational Performance and Change (Burke & Litwin, 1992).

### **Balance of key practices and people**

The findings indicate the start of the BE journey I perceived to be influenced by a balance of key practices and people; and that these key practices and people may be focused for the organisation or BE. This apparent balance of key practices and people is evident in Table 6.10. Of interest is that although the survey findings confirm external and internal practices are perceived to influence the start of the BE journey, the majority of key practices and people (i.e. rated as highly enabling or highly constraining by at least 25% of the respondents) are perceived to be internal. Only one external practice was rated as highly influential by at least 25 % of the respondents and that was the *organisation is able to attract talented people*.

Burke and Litwin (1992) propose that successful organisational change requires the integration of both transformational and transactional practices. As illustrated in Table 6.12, these researchers describe transformational practices as being associated with leadership, mission and strategy; and transactional practices as being associated with structure, management practices and systems. With this analysis in mind, the researcher observed that the key practices and people from the present study may also be described as transformational or transactional practices; and that this suggests the start of the BE journey could involve a balance of transformational and transactional practices.

### **Mapping the key practices and people to the CPE system categories (NZBEF, 2005)**

The researcher mapped the key practice and people items identified from the present study to the CPE system categories (Categories 1 to 6) to develop her understanding for how the findings compared with practices believed to be best practice for mature organisations (NZBEF, 2005). These key practices and people are grouped within the CPE system categories and listed in Table 6.11. The list highlights a dominance of items mapped to the Leadership, Strategic Planning and Human Resources categories. Of interest are items mapped to the Customer and Market Focus category that have an internal customer focus; and the limited number of items that have an external customer focus.

**Table 6.11: Key practices and people mapped to the CPE system categories (NZBEF, 2005)**

Categories 1 to 6 (CPE, NZBEF, 2005)	Key practices and key people perceived to influence the start of the BE journey
Category 1: Leadership	<ul style="list-style-type: none"> <li>• CEO focuses on both leadership and strategy; Executive work together as a cohesive group</li> <li>• Organisation values are integrated; Communication is 2 way</li> <li>• CEO sponsors BE; Executive are actively involved in BE</li> <li>• BE is aligned with organisation purpose &amp; culture; BE is adopted as a long term improvement strategy; BE is introduced throughout the organisation</li> </ul>
Category 2: Strategic planning	<ul style="list-style-type: none"> <li>• Strategic plans &amp; organisational plans (eg HR Plan) align; * There are conflicting priorities between urgent work and improvement work; Plans are deployed; Staff see improvement ideas actioned</li> <li>• BE &amp; organisational planning are integrated; * The critical few improvement projects are not resourced</li> <li>• There is a BE champion; The BE champion has influence with executive &amp; staff</li> </ul>
Category 3: Customer and market focus	<ul style="list-style-type: none"> <li>• Strategic plan has a customer &amp; results focus</li> <li>• Organisation design facilitates working as one organisation (i.e. internal customer focus)</li> <li>• BE improvement projects are cross functional (i.e. internal customer focus)</li> </ul>
Category 4: Measurement, analysis & knowledge management	<ul style="list-style-type: none"> <li>• Prepare an award or self-assessment application</li> <li>• Self-assessment report identifies opportunities for improvement</li> <li>• BE journey is monitored &amp; reviewed</li> </ul>
Category 5: Human resources focus	<ul style="list-style-type: none"> <li>• The organisation is able to attract talented people; recruit &amp; retain key people;</li> <li>• Staff are involved in initiatives that impact on them</li> <li>• Managers address performance issues</li> <li>• Develop leaders throughout the organisation; + Senior managers develop capability in leading &amp; facilitating organisational change &amp; project teams</li> <li>• Key people have access to a BE advisor / coach; Staff are involved in BE initiatives</li> </ul>
Category 6: Process management	<ul style="list-style-type: none"> <li>• Strong support processes eg IT, HR, financial</li> <li>• Capability in project work &amp; project team work</li> </ul> <p>* Identifies practices &amp; people perceived to be present &amp; constraining + Identifies practices &amp; people added to the list provided by survey respondents</p>

**Mapping the key practices and people to the Model of Organisational Performance and Change (Burke & Litwin, 1992)**

The researcher mapped the key practice and people items identified from the present study to the practices identified by Burke and Litwin (1992) in order to develop her understanding for how the findings compared with practices believed to be important for organisational change. Burke and Litwin (1992) developed their Model of Organisational Performance and

Change from existing empirical research as well as their own ongoing research and practice. Within the model they identify the key factors they propose influence organisational change and ultimately organisational performance. Note these are described fully by the researcher in Chapter 2, the Literature Review.

The researcher has listed the factors proposed Burke and Litwin in Table 6.12 and has mapped the key practices and key people from the present study to these. The apparent consistency between the key factors proposed by Burke and Litwin, and the key practices and people identified in the present study suggest that practices and people perceived to influence the start of the BE journey may also be effective in influencing organisational change.

**Table 6.12: Key practices and key people mapped to the Model of Organisational Performance and Change (Burke & Litwin, 1992)**

Key factors	Key practices and key people perceived to influence the start of the BE journey
<b>TRANSFORMATIONAL FACTORS</b>	
Leadership	<ul style="list-style-type: none"> <li>CEO focuses on both leadership and strategy; Executive work together as a cohesive group; Organisation values are integrated; Communication is 2 way;</li> <li>CEO sponsors BE; Executive are actively involved in BE; BE is aligned with organisation purpose &amp; culture; BE is adopted as a long term improvement strategy; BE is introduced throughout the organisation</li> </ul>
Mission & Strategy	<ul style="list-style-type: none"> <li>Strategic plan has a customer &amp; results focus; Strategic plans &amp; organisational plans (eg HR Plan) align; Plans are deployed; Staff see improvement ideas actioned; * There are conflicting priorities between urgent work and improvement work;</li> <li>BE &amp; organisational planning are integrated; * The critical few improvement projects are not resourced</li> </ul>
<b>TRANSACTIONAL FACTORS</b>	
Structure	<ul style="list-style-type: none"> <li>Organisation design facilitates working as one organisation</li> <li>There is a BE champion; The BE champion has influence with executive &amp; staff</li> </ul>
Management practices	<ul style="list-style-type: none"> <li>Develop leaders throughout the organisation; Managers address performance issues; Staff are involved in initiatives that impact on them;</li> <li>Staff are involved in BE initiatives; Prepare an award or self-assessment application; Self-assessment report identifies opportunities for improvement</li> </ul>
Systems	<ul style="list-style-type: none"> <li>The organisation is able to attract talented people; recruit &amp; retain key people; Strong support processes eg IT, HR, financial; Capability in project work &amp; project team work; BE improvement projects are cross functional</li> <li>Key people have access to a BE advisor / coach; BE journey is monitored &amp; reviewed</li> </ul>

### **6.3.5 Relationship between key practices & people and organisational performance**

The cross-case analysis indicated that in some situations multiple key practices and people were perceived to influence the same perceived change in organisational performance; and that one practice was often perceived to influence a number of different perceived changes in organisational performance. The researcher examined these apparent relationships further by using statistical analysis and presents the findings in Table 6.13.

A number of statistically significant relationships and associated patterns were identified between (perceived) key practices & people and (perceived) change in organisational performance. For example, there is an apparent relationship between multiple key practices & people (*e.g. plans are deployed, communication is 2-way, BE improvement projects are cross-functional, staff are involved in initiatives that impact on them*) and the same perceived change in organisational performance (*e.g. energy & interest*). Also the analysis indicated significant relationships between a single key practice (*e.g. BE improvement projects are cross functional*) and a number of perceived changes in organisational performance (*e.g. business results, expertise, confidence & trust, energy & interest*).

## **6.4 INTERMEDIATE OUTCOMES**

The cross-case analysis initially revealed that practices and people are perceived to influence the BE journey via intermediate outcomes such as organisational culture, organisational climate and engagement. Section 3 of the questionnaire included an open question, requesting the respondents to explain how they perceived highly enabling and highly constraining practices influenced the start of the BE journey. Although 38 responses were received for the survey, only 32 respondents provided data for this question.

The intention was to analyse the findings of the survey in order to confirm or disconfirm the cross-case findings; and also to provide additional insights. The survey analysis confirmed the intermediate outcome dimensions identified from the cross-case analysis and also identified that respondents perceived practices and people influence the momentum of the BE journey. The researcher then updated the cross-case analysis and the associated coding system, exported the survey data from SPSS software to NVivo software for qualitative analysis and coding. This section presents the researcher's analysis for the responses to this question. Comments extracted from the data files are indicated with quotation marks.

**Table 6.13: Relationship between key practices & people and change in organisational performance**

Key practices & people	Change in organisational performance							
	Business results	Clarity of direction	Stakeholder & customer relationships	Organisation capacity	Expertise	Confidence trust	Energy & interest	Voluntary involvement
<b>Key practices</b>								
	<i>Level of significance (where statistically significant)</i>							
Industry challenges		.016*						
Organisation values are integrated	.012*					.028*		
Plans are deployed	.018*						.001**	
Communication is 2-way	.029*							
Conflicting priorities between urgent work & improvement work							.034*	
BE improvement projects are cross-functional	.001***				.001***	.009**	.001***	
BE journey is monitored & reviewed	.038*		.044*					
Self-assessment report identifies opportunities for improvement	.039*			.015*				
<b>Key people</b>								
	<i>Level of significance (where statistically significant)</i>							
CEO sponsors BE		.019*						
BE champion has influence with executive & staff					.012*			
Staff are involved in initiatives that impact on them	.009**						.012*	.006**
Key: * = Weak relationship (p ≤ .05); ** = Moderate relationship (p ≤ .01); *** = Strong relationship (p ≤ .001)								

#### 6.4.1 How practices and people influence organisational culture

Respondents described how practices and people influenced aspects of organisational culture such as the clarity of direction and valuing voluntary involvement in improvement.

Responses relevant for these aspects of organisational culture are described next.

##### Clarity of direction

This intermediate outcome addresses how respondents perceived key practices and people influenced the clarity of direction for the organisation and BE. Many of the respondents commented that a clearly stated business strategy and BE strategy had contributed to

understanding organisation direction and the importance of BE for business improvement. A respondent reported that BE had “provided a fresh perspective on what we thought we were doing well”. People also valued being listened to and involved. Clarity of direction was perceived to be achieved with a focus on customers and results. For example a respondent commented that, “staff understood what success looked like”.

Respondents described how the importance of BE was communicated with a number of consistent messages such as the CEO sponsoring BE, having top management actively involved, adopting BE as the improvement strategy, integrating BE into the planning process, appointing a BE champion and monitoring the BE journey.

The CPE and the self-assessment process were perceived to influence the clarity of direction. A respondent commented that, “completing a self-assessment was the first time they had seen the organisation as an integrated whole”. Another respondent perceived that when the CPE-based self-assessment results were used as an input into strategic planning “people could see how improvement work was part of the whole picture”. The CPE was described as providing a framework for managers to explain to their staff how the various improvement initiatives “fitted together”. For those people who had the opportunity to develop a detailed understanding for the CPE, they perceived they were able to generate and clarify ideas for their staff. A senior manager commented that “the BE champion was able to show the way and ensure a consistent approach to BE”.

### **Voluntary involvement in improvement**

Respondents described how they were motivated to get involved in BE as they could see how it contributed to the success of the organisation. Also, some respondents described how their organisation valued staff contributing to improvement projects and how this encouraged people to volunteer for BE initiatives. Practices were described as being influential when people were involved in initiatives that impacted on them. For example, when executive and managers were seen to be actively involved in applying BE, when staff were involved in the strategic planning process and improvement project teams.

### **6.4.2 How practices and people influence organisational climate**

Respondents described how practices and people influenced aspects of organisational climate such as the relationships, capacity and expertise. Responses relevant for these aspects of organisational climate are described below.

## **Relationships**

Monitoring the BE journey and acting on the information was perceived to contribute to building relationships with key stakeholders. Winning a BE award was seen as being influential as key stakeholders and customers developed confidence in the organisation, also talented people were attracted to the organisation. A respondent reported BE had influenced the opportunity to work as “one organisation” and “work together for the customer”.

Cross functional groups were reported as being influential as they enabled different functional silos to work together and enabled group members to develop an understanding for each others work. BE and the role of BE champion was reported as influential as they facilitated the link between the CEO, executive, managers and staff.

## **Capacity**

BE was reported as influencing organisation capacity. Respondents described how organisation-wide improvement projects developed organisational capacity by improving core support functions such as human resources, information technology and technology for the frontline. Another influence noted was how BE and self-assessment had guided the organisation to develop a “tighter focus on the vital few projects” and use limited resources “smartly”. Respondents commented on the challenge of balancing their work with finding time to participate in improvement projects; some expressed concern about the ability to sustain both work and BE. There were comments about BE contributing to managers addressing performance issues, as “fire fighting” reduced there was more capacity. For some organisations the BE champion was seen as building capacity, as they worked with managers to implement BE.

## **Expertise**

BE was reported to influence the development of expertise on a number of levels. At the strategic level a respondent commented that “BE provided a wake up call – we needed to focus on business management not being good at the technical work”. At the manager level, another respondent noted that “managers matured ... we made the shift from being master technicians to being business managers”.

Practices such as cross-functional project teams and workshops were perceived to influence the organisational knowledge levels of all staff, as noted by a respondent “cross-functional groups move people away from their silos”. Project capability and cross-functional project

teams were also perceived as being influential as they contributed to the development of a “multi-skilled workforce”.

Respondents described how initiatives that involved them also had the effect of developing their understanding for BE and the direction of the organisation. For example involvement in the strategic planning process developed one respondent’s understanding for the direction of the organisation. For another respondent, participation in the self-assessment process developed their understanding for BE and another respondent observed how writing an award application forced them to understand BE and influenced their engagement in BE.

Executive respondents perceived they gained the most from participating in BE and change management training, working with colleagues to prepare a self-assessment report and receiving the feedback report. Managers perceived they developed their BE knowledge by being involved in BE initiatives and by working with a BE champion (or consultant) to apply BE to their sections. BE consultants or advisors were seen by a respondent as “offering the executive group clarification and specific expertise” as well “helping us to keep moving”.

### **6.4.3 How practices and people influence engagement**

Respondents described how practices and people influenced aspects of engagement such as (1) developing confidence and trust in the organisation, management and BE, and (2) developing energy and trust in improvement. Responses relevant for these aspects of engagement are described next.

Respondents perceived confidence and trust was influenced by values being integrated, by ensuring communications addressed the relevance and importance of BE, by integrating BE throughout the organisation and ensuring managers address performance issues. A respondent noted that “people have confidence if the message is consistent” and that “staff lose confidence in management if there is no action”. People who had participated in the self-assessment process described how this enhanced their confidence and trust in BE as a strategy.

Energy and interest was perceived to be influenced by plans being deployed and staff seeing improvement ideas actioned. Involving staff in the self-assessment process was often associated with creating energy and interest in the BE journey. A respondent commented that “the self-assessment process energised people as they were listened to”. Conflicting priorities between work as usual and improvement work were perceived to reduce energy

and interest. Cross-functional projects were noted as influencing confidence and trust, and energy and interest.

#### **6.4.4 How practices and people influence momentum**

Survey respondents described how practices and people influenced the momentum of the journey by either creating a turning point effect or sustaining the journey. People identified that aligning strategic planning and BE, and self-assessment as “major catalysts” for the journey.

Some respondents perceived the deployment of plans and improvement projects as being influential in sustaining momentum. Leadership development, creating a network of champions and participating as a national evaluator were reported as influencing momentum by building “a critical mass of advocates throughout the organisation”. Those who had won regional or national awards identified the application process and the award as influential for sustaining the BE journey.

### **6.5 ORGANISATIONAL RESULTS**

The final element of the proposed conceptual framework is Element 5, organisational results and is represented by three dimensions: business results, BE journey and progress results. The researcher focused on BE journey results which were examined as duration of transition, change in CPE score since the start of the BE journey and perceived change in organisational performance since the start of the BE journey.

This section of the thesis presents the researcher’s analysis for Section 4 and 5 of the questionnaire. In Section 4 of the questionnaire, the researcher requested respondents to provide their CPE score since the start of their journey. Based on the results for this question the researcher presents findings for the duration of transition in Section 6.5.1 and findings for the change in CPE score in Section 6.5.2. Section 5 of the questionnaire was designed (1) to confirm or disconfirm perceived change in organisational performance since the start of the BE journey, (2) to identify to what extent respondents perceived change had occurred, and (3) to identify to what extent respondents perceived had BE influence these changes. Findings for these questions are presented in Section 6.5.3. The data tables and associated analysis tables for Section 5 of the questionnaire are recorded in Appendix E and numbered as 5.1 and 5.2.

### **6.5.1 Duration of transition**

For this study, the researcher defined starting the BE journey as the transition period between the decision to start the BE journey and sustaining it (adapted from Dawson & Palmer, 1995). The researcher provided a number of descriptions that characterise the start of the BE journey (transition period) in Chapter 1, Section 1.3. In order to analyse the survey findings for the duration of transition, the researcher applied the description; when an organisation achieves at least 501 points when assessed against the CPE in a national award process.

In Section 4 of the questionnaire respondents were invited to report their assessment approach and their CPE scores since the start of the BE journey. Of the 38 completed questionnaires, 23 respondents completed Section 4. This data were exported from SPSS to Microsoft Excel for analysis. Of the 23 respondents that provided information for Section 4, one organisation had achieve more than 500 points (when assessed against the CPE in a regional award process) and no organisation had achieved a score of more than 500 points when assessed against the CPE in a national award process.

### **6.5.2 Change in the CPE score**

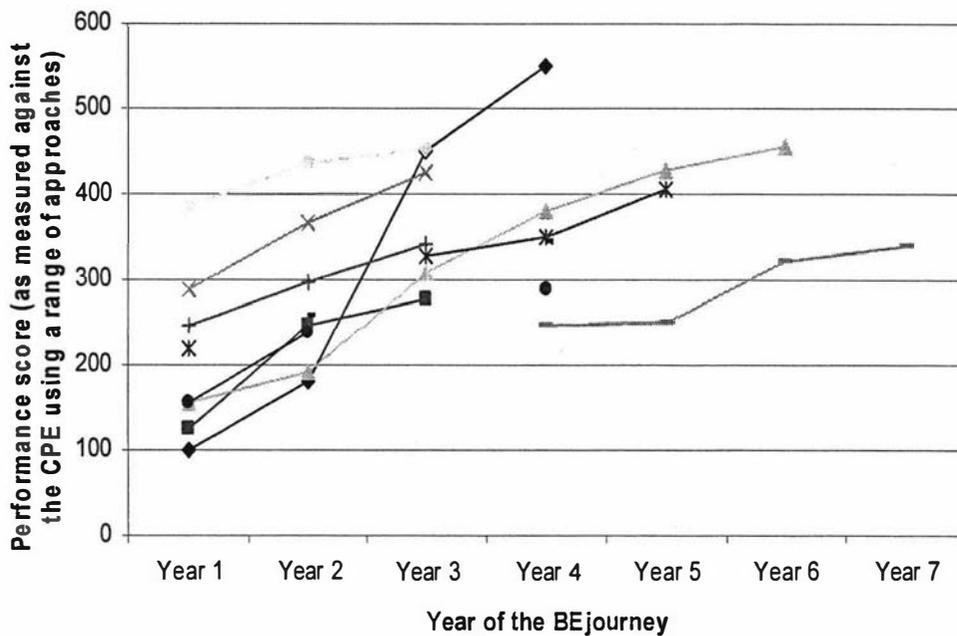
Section 4 of the questionnaire also provided data for the change in CPE score since the start of the BE journey. Of the 38 completed questionnaires, 23 respondents completed Section 4. Data for the year of journey and the corresponding CPE score for that year were exported from SPSS to Microsoft Excel for analysis and charting. Although all the respondent organisations had used the CPE for assessment, they had applied different approaches for the process. Hence the findings can only be viewed as an indication of change in the CPE score for each organisation and cannot be used to compare rates of improvement across the respondent organisations.

From the 23 responses the researcher analysed the trend in scores over time and the rate of improvement. To analyse the trends in improvement the researcher identified those organisations that had least three CPE scores (i.e. three data points). The trends in the improvement achieved by these organisations were presented by plotting the year of journey and the corresponding CPE score for that year. As evidenced in Figure 6.13 each of the organisations had achieved an improvement in their CPE score from year 1 of their journey. This finding is consistent with the cross-case findings.

To analyse the rate of improvement the researcher identified three organisations that had been assessed through the national award process. For each organisation, the rate of

improvement was calculated as the mean improvement over the first four years of their journey. These organisations reported an average annual improvement of 31 points over the first four years of their BE journey and reported a range of 21 to 116 points a year.

Figure 6.13: Change in CPE score over time



### 6.5.3 Perceived change in organisational performance

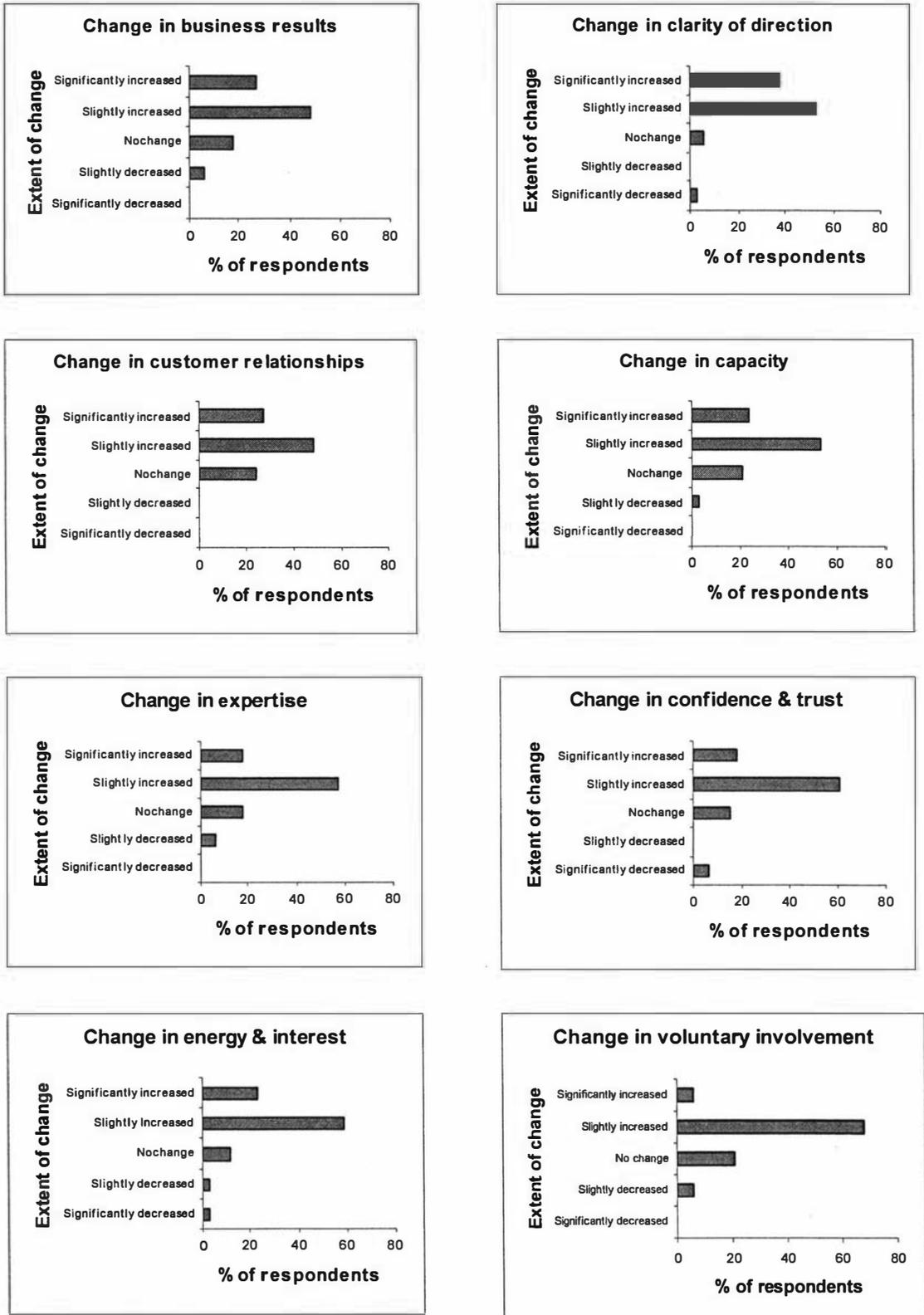
Section 5 of the questionnaire requested respondents to think about the start of their organisation's BE journey and to rate the extent to which they perceived each of the change items had changed since the start of their BE journey. The list of change items were informed by the cross-case analysis and included: *business results, clarity of direction, stakeholder & customer relationships, organisation wide capacity, expertise, confidence and trust, energy and interest, voluntary involvement.*

The findings indicate respondents perceived that all the listed change items had improved to some extent since the start of the BE journey. The extent of improvement was analysed by the researcher and is presented as Figure 6.14. Descriptive analysis (see Table 6.14)

indicated at least 73% of respondents perceived that each change item had improved slightly or significantly, and statistical analysis (see Table 6.15) indicated either a strong or moderate level of significance for these improvement trends. *Clarity of direction* was perceived to have improved the most since starting the BE journey, as evidenced by a mean rating of 4.24 and 91% of respondents rating it as significantly or slightly increased (see Table 6.14).

Respondents were also asked to consider to what extent they perceived BE had influenced the perceived change in organisational performance. The findings indicate that respondents perceived BE had influenced all eight change items to some extent (see Table 6.16). The extent of influence was analysed by the researcher and is presented graphically as Figure 6.15. Statistical analysis (see Table 6.17) indicated either a strong or moderate level of significance for these improvement trends. Respondents perceived *clarity of direction* was influenced by BE the most, as evidenced by a mean rating of 3.12 and 59% of respondents rating the influence of BE as moderate or a great deal (see Table 6.16).

Figure 6.14: Perceived change in organisational performance



**Table 6.14: Descriptive analysis for the perceived change in organisational performance**

Change items	N	Extent of change	
		Mean *	Significantly or slightly increased %
Clarity of direction eg clear organisation strategy, focused approach to improvement	34	4.24	91
Stakeholder & customer relationships eg considering each others needs, gaining credibility	33	4.00	76
Business results eg customer, service, financial, market, human resource, operational effectiveness	33	3.97	76
Energy & interest in improvement eg people are energised, there is a "buzz" about the place	34	3.97	82
Organisation-wide capacity eg infrastructure, capacity to be involved in improvement initiatives	34	3.97	76
Expertise eg business & management maturity, BE champions throughout the organisation	33	3.88	76
Confidence & trust in the organisation eg staff are proud to work for the organisation, challenging is OK	33	3.85	79
Voluntary involvement in improvement eg people think & act improvement, they volunteer for projects	34	3.74	73

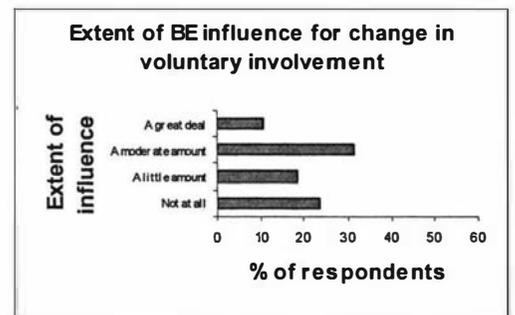
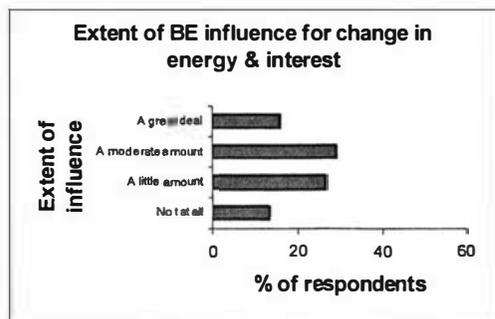
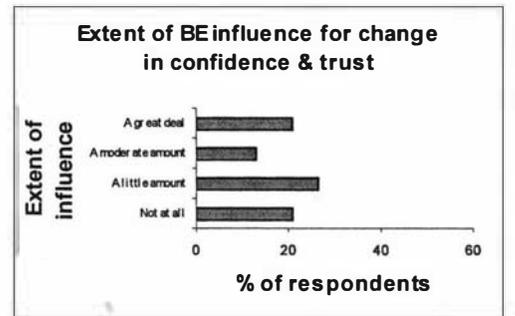
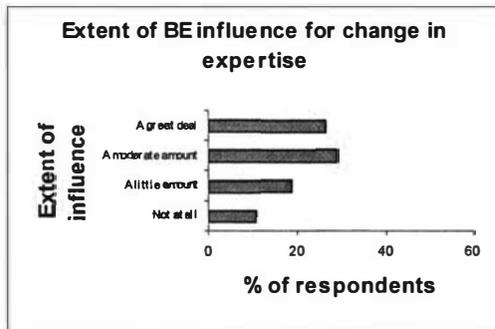
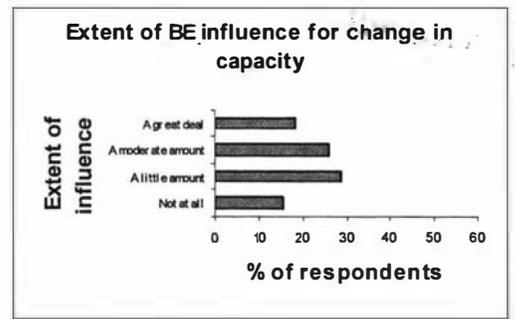
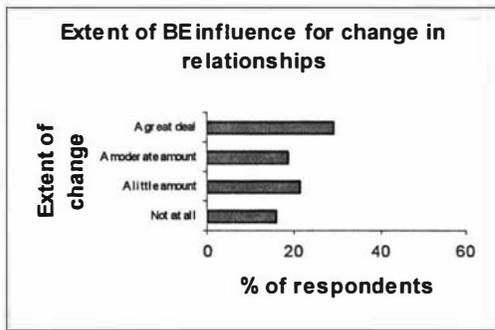
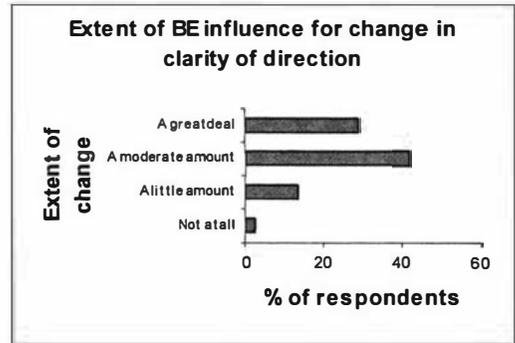
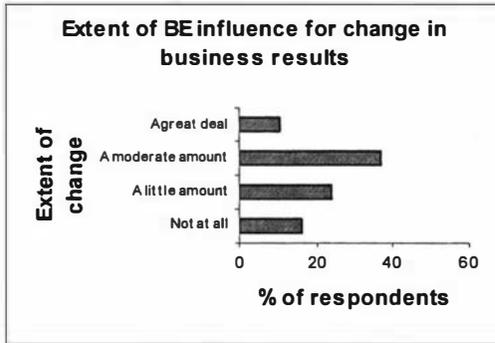
\* Scale: 1 = Significantly decreased; 2 = Slightly decreased; 3 = No change; 4 = Slightly increased; 5 = Significantly increased

**Table 6.15. Level of significance for the perceived change in organisational performance**

Change items	Uni-variate analysis; chi-square value	Level of significance
Clarity of direction eg clear organisation strategy, focused approach to improvement	24.58	.000 ***
Stakeholder & customer relationships eg considering each others needs, gaining credibility	13.91	.003 **
Business results eg customer, service, financial, market, human resource, operational effectiveness	12.69	.005 **
Energy & interest in improvement eg people are energised, there is a "buzz" about the place	36.88	.000 ***
Organisation-wide capacity eg infrastructure, capacity to be involved in improvement initiatives	17.53	.001 ***
Expertise eg business & management maturity, BE champions throughout the organisation	19.97	.000 ***
Confidence & trust in the organisation eg staff are proud to work for the organisation, challenging is OK	23.36	.000 ***
Voluntary involvement in improvement eg people think & act improvement, they volunteer for projects	34.94	.000 ***

Key: \*\* = moderate relationship ( $p \leq .01$ ); \*\*\* = strong relationship ( $p \leq .001$ )

Figure 6.15: The extent to which BE is perceived to have influenced the change in organisational performance



**Table 6.16: Descriptive analysis for the extent to which BE is perceived to have influenced the change in organisational performance**

Change items	N	Extent of influence	
		Mean *	Influenced a great deal or moderate amount %
Clarity of direction eg clear organisation strategy, focused approach to improvement	33	3.12	59
Expertise eg business & management maturity, BE champions throughout the organisation	32	2.84	42
Stakeholder & customer relationships eg considering each others needs, gaining credibility	32	2.72	33
Energy & interest in improvement eg people are energised, there is a "buzz" about the place	32	2.56	40
Organisation-wide capacity eg infrastructure, capacity to be involved in improvement initiatives	34	2.53	36
Business results eg customer, service, financial, market, human resource, operational effectiveness	33	2.48	46
Confidence & trust in the organisation eg staff are proud to work for the organisation, challenging is OK	31	2.42	31
Voluntary involvement in improvement eg people think & act improvement, they volunteer for projects	32	2.34	42

\* Scale: 1 = Not at all; 2 = A little amount; 3 = A moderate amount; 4 = A great deal

**Table 6.17: Level of significance for the extent to which BE is perceived to have influenced the change in organisational performance**

Change items	Bi-variate analysis gamma value	Level of significance
Clarity of direction eg clear organisation strategy, focused approach to improvement	.594	.014 **
Stakeholder & customer relationships eg gaining credibility	.878	.000 ***
Business results eg customer, service, financial, market, human resource, operational effectiveness	.841	.000 ***
Energy & interest in improvement eg people are energised	.850	.000 ***
Organisation-wide capacity eg infrastructure, capacity to be involved in improvement initiatives	.723	.000 ***
Expertise eg business & management maturity, BE champions throughout the organisation	.835	.000 ***
Confidence & trust in the organisation eg staff are proud to work for the organisation, challenging is OK	.946	.000 ***
Voluntary involvement in improvement eg people think & act improvement, they volunteer for projects	.859	.000 ***

Key: \*\* = moderate relationship ( $p \leq .01$ ); \*\*\* = strong relationship ( $p \leq .001$ )

## 6.6 CONCLUSION

The purpose of Chapter 6 was to present the survey results (Strand 2 of the study) and to integrate these results into the emergent conceptual framework. For Strand 2, the survey method was used to strengthen the framework and to develop broader insights for how New Zealand service organisations start the BE journey. The survey involved the distribution of a questionnaire (informed by the cross-case findings) to all New Zealand service organisations known to be engaged in BE. The response rate for the questionnaire was 53.3%, which was considered strong enough for the researcher to have confidence the results were representative of the participating organisations. The following conclusions are based on evidence from the survey results and are organised for the investigative questions and the associated element of the emergent conceptual framework.

### **Q1. How does the organisational profile influence the start of the BE journey?**

The survey addressed three dimensions of the organisational profile (Element 1): organisational description, organisational challenges and planning to start the BE journey. The respondent organisations can be described as typically large New Zealand service organisations (100+, Cameron & Massey, 1992), from government administration (31%), property and business services (26%), health (13%) and education (11%) services. Together this group represents a balance of private (37%) and public (39%) organisations.

Although a few of the respondents indicated their organisations had been involved with the BE journey for more than 5 years, the majority indicated the duration of their BE journey was 4 years or less. Over 25% of the respondents reported they had started the BE journey within the previous 2 years.

The survey results confirmed the key drivers for starting the BE journey as the *need for organisational growth*, the *need to be more competitive*, and *customer or stakeholder influence*. In contrast to the cross-case analysis, the results suggest the key drivers for starting the BE journey are not likely to be a new CEO, restructuring, crisis, new organisation or government influence.

The survey results also confirm the most influential drivers for adopting the CPE as the ability of the CPE *to guide continuous improvement* and *to provide a business framework to co-ordinate a range of initiatives*. This result illustrates the trend for New Zealand organisations to view the CPE primarily as a guide for the improvement journey, and not as a

framework to measure performance in mature organisations as recommended by Dale (2003).

## **Q2. How are improvement processes perceived to influence the start of the BE journey?**

The survey addressed dimensions of improvement processes (Element 2): sequence of the BE journey, cycles of improvement and processes associated with assessment against the CPE. Although the data sets were too small to provide reliable data for the sequence of the BE journey, the researcher was able to analyse the data for cycles of improvement and processes associated with assessment against the CPE.

The findings of the survey indicate cycles of improvement (i.e. PDCA) influence the start of the BE journey. Key practices and people perceived to influence the BE journey also illustrate the PDCA components of the improvement cycle (i.e. planning, implementation, checking and acting). Also there is evidence that key practices are perceived to influence the improvement journey at three levels within organisations, such as strategic, tactical and operational as described by Leonard and McAdam (2002).

The survey examined the approaches to assessment used by the respondents over the duration of the BE journey. Although some organisations introduced external approaches to assessment (e.g. benchmarking assessment, award applications) within the first few years of their journey; overall the pattern is for the respondent organisations to start with a mini assessment approach and progress to the more advanced external approaches later in their BE journey.

## **Q3. What are the key practices and who are the key people perceived to influence the start of the BE journey?**

The survey results confirmed the majority of the cross-case findings for the practices and people perceived to influence the start of the BE journey (Element 3). There was one addition and one item not supported. A common addition to the list was the perception that managers need to develop their capability for the management of change and facilitation of groups. The survey results did not confirm the influence of *key stakeholders change* in that 73% of the respondents rated this practice as being absent and as having no influence on the BE journey. This difference between the cross-case findings and the survey results may be due to the influence of local government organisations within the case organisations. For these organisations key stakeholders, such as the Council may change every three years

following local government elections and hence are perceived to influence the organisation's approach to organisational improvement.

The survey identified key practices and people, defined as practices and people perceived to be highly enabling or highly constraining by at least 25% of the respondents. The majority of the key practices and people were rated as being present and enabling; there were two items rated as typically constraining - *the critical few improvement projects are no resourced* and *conflicting priorities between urgent work and improvement work*. The identification of key practices and people further develops the emergent conceptual framework (see version 3 of the framework, 6.16) and has the potential of guiding the selection of high impact practices and people for starting the BE journey.

For some practice and people items the survey findings provided a mixed picture, hence provide an opportunity for further research. For example the practice, *working as one organisation* were perceived to be a key practice but the pattern of distribution was split between being present and enabling, and absent and constraining. The findings also provided a mixed picture where the response to items was scattered; for example: *BE expectations and consequences are clear for executive performance, BE is introduced throughout the organisation, executive work together, managers address performance issues, executive are actively involved, and managers are actively involved.*

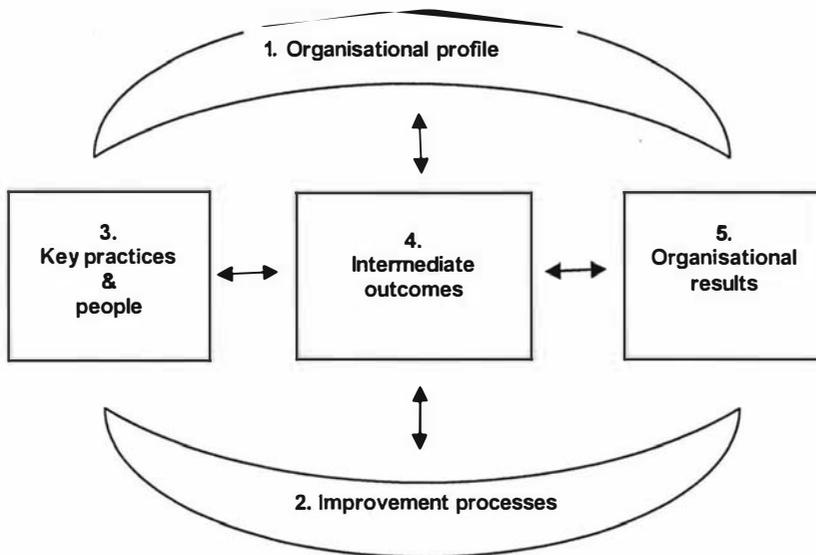
The survey findings did not provide the researcher with a clear pattern for the influence of practices such as; *industry challenges, CEO's individual performance measures include BE, restructuring, prior experience with a quality initiative and staff reluctance*. Further research is required to develop a clearer understanding for how they influence the BE journey and the extent to which they are perceived to influence the start of the BE journey.

The survey findings confirmed the patterns for practices and people observed in the cross-case analysis, such as key practices and people typically have an internal (not external) focus, and they are likely to be balanced for an organisational or BE focus. The analysis provided initial evidence for how multiple practices and people may influence one organisational change item and how one practice or people item may influence a number of organisational change items. These findings have the potential to further focus the selection of high impact practices and people for starting the BE journey.

The researcher mapped the key practices and people to the CPE (NZBEF, 2005) and to the Model of Organisational Performance and Change (Burke & Litwin, 1992) to look for

additional patterns and to extend the interpretation of the results. The key practices and people were shown to be consistent with the system categories in the CPE and the factors within the Model of Organisational Performance and Change. The researcher believed this consistency strengthens the value of the emergent conceptual framework in that the key practices and people appear consistent with existing BE and organisational change frameworks.

**Figure 6.16: The BE journey represented as a conceptual framework (version 3)**



**Q4. How are key practices and people perceived to influence the start of the BE journey?**

The survey findings added to the researcher’s understanding for how key practices and people influence the start of the BE journey (Element 4). In addition to confirming the intermediate outcome dimensions described following the cross-case analysis, the survey analysis highlighted another dimension, this is momentum. The intermediate outcome dimensions proposed for the conceptual framework (version 3) include: organisational culture, organisational climate, engagement and momentum.

### **Q5. How is organisational performance perceived to change from the start of the BE journey?**

The survey analysis focused on BE journey results (Element 5) such as duration of transition, change in the CPE score from the start of the BE journey, and perceived change in organisational performance from the start of the BE journey.

The duration of transition (or the start of the BE journey) was described by the researcher as the period between the decision to start the BE journey and sustaining the BE journey (adapted from Dawson & Palmer, 1995). For the analysis, organisational transition was considered complete when an organisation achieves at least 501 points when assessed against the CPE in a national award process. No organisation had achieved this score hence the researcher concluded that all respondents are yet to complete organisation transition.

The survey analysis indicates that for each of the 23 organisations that had provided CPE scores, they had achieved an improvement in their organisational performance from year 1 of their BE journey. This finding is consistent with the cross-case findings and in contrast with suggestions made by Dale (2003) that improvement is not likely to be evident until at least year 3 of the journey. To analyse the rate of improvement further, the researcher identified three organisations that been assessed through the national award process. These organisations reported an average annual improvement of 31 points over the first four years of their BE journey. As these organisations are considered leading organisations, this finding provides a benchmark for organisations starting the BE journey.

The survey findings confirmed the items for perceived change in organisational performance established following cross-case analysis in that all respondents indicated they perceived each item had improved to some extent since the start of the BE journey. In addition, respondents indicated they perceived BE had influenced all these changes to some extent. The change item, *clarity of direction* was perceived to have changed the most and to be most influenced by BE.

The survey findings strengthen the emergent conceptual framework by confirming the key elements and the identified dimensions proposed following the literature review and cross-case analysis. In addition the findings have added understanding for (1) the extent to which the drivers are perceived to influence the decision to start the BE journey and to adopt the CPE, (2) the extent to which key practices and people are perceived to influence the start of the BE journey, and (3) the extent to which BE is perceived to influence change in

organisational performance from the start of the BE journey. Based on the survey results, the researcher was able to update the emergent conceptual framework (version 3, see Figure 6.16). In the next chapter, the researcher discusses the findings for both strands of the study and makes final conclusions for the study in Chapter 8.



## **Chapter 7**

### **A DISCUSSION OF THE FINDINGS**

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The focus of the present study has been on the researcher developing an understanding for how New Zealand service organisations start the BE journey, with the aim of representing this understanding as a conceptual framework. The background to the study (Chapter 1) influenced the focus for the study and the literature review (Chapter 2) influenced the development of the initial conceptual framework and investigative questions. The researcher has updated this initial framework, following each strand of the research.

The purpose of the discussion chapter (Chapter 7) is to bring together the findings for each strand of the study and to discuss these findings as they relate to the emergent conceptual framework. Throughout the chapter the researcher is comparing the findings of her study with the findings of existing studies. In Chapter 7, the researcher provides an overview of the study (Section 7.1) and discusses the findings from each strand of the study that underlie the elements within the proposed conceptual framework (Sections 7.2 to 7.5). This meta-inference process provides the researcher with the understanding to make final conclusions for the study in Chapter 8.

#### **7.1 OVERVIEW OF THE STUDY**

The focus of the study was influenced by four needs, (1) the need to develop our understanding for how service organisations in New Zealand improve, (2) the need to develop the knowledge base for BE in services, (3) the need to understand how New Zealand service organisation start the BE journey, and finally (4) the need to develop a BEF that represents how service organisations start the BE journey.

The researcher identified the aim of the study as: “To develop a conceptual framework that represents how New Zealand service organisations start the BE journey”. The term BE journey was defined by the researcher as a business improvement journey being guided by a

BE framework, such as the CPE (NZBEF, 2005) and the term starting the BE journey was defined by the researcher as the transition period between the decision to start the journey and sustaining it (adapted from Dawson & Palmer, 1995).

In line with the aim of the study and the opportunities for further research identified from the literature review, the researcher established the research question as: “How do New Zealand service organisations start the BE journey?” The researcher then developed a series of investigative questions in order to make conclusions related to the research question. The questions are related to New Zealand service organisations and include:

- Q1. How does the organisational profile influence the start the BE journey?
- Q2. How are improvement processes perceived to influence the start of the BE journey?
- Q3. What are the key practices and who are the key people perceived to influence the start of the BE journey?
- Q4. How are key practices and people perceived to influence the start of the BE journey?
- Q5. How is organisational performance perceived to change from the start of the BE journey?

Each investigative question aligns with a corresponding element within the framework. The remainder of this chapter discusses key findings relevant to each element and relates these findings to existing research.

## **7.2 ORGANISATIONAL PROFILE**

This section focuses on how the organisational profile (Element 1) influences the start of the BE journey. The organisational profile is represented as three dimensions: organisational description, organisational challenges, and preparation and planning to start the BE journey. Findings for each of these dimensions are discussed next.

### **7.2.1 Organisational description**

The target population for the study included New Zealand service organisations known to be actively engaged in BE. Within this group the researcher carried out case study research with 7 organisations and a survey with 38 organisations. The majority of the survey respondents identified as being large service organisations (employing 100 or more people, as defined by Cameron & Massey, 1992) from either private or public organisations (as defined by

Statistics New Zealand, 1996). The respondents represented professional and service shop service types and not mass services (as defined by Silvestro et al., 1992).

The study adds to the BE knowledge base in that the profile of the case study participants and survey respondents is different from that reported in the BE literature reviewed in this study. The Baldrige Awards in the States appear to be dominated by private companies, as public organisations have only recently been eligible to apply. In New Zealand, although most industry sectors are included in the Firm Foundations report (Knuckey et al. 2002) it excluded some service organisations such as government organisations and personal service organisations. Although other New Zealand based studies (ACNielsen, 2002; Corbett & Angell, 2004; McCaul, 1997; Saunders, 2005) have included all organisations they do not differentiate for service organisations. The review of New Zealand literature indicates that the present study is the first New Zealand-based study to focus on business performance in both private and public service organisations.

An opportunity for further study is evident when comparing the respondent profile and reviewing divergent findings between the cross-case findings and the survey results. The roles of the participants from the case organisations matched the roles of the survey respondents with the exception of front-line staff. Practices perceived to influence the BE journey by front-line staff (i.e. *invest in new resources for the frontline*) were included within the questionnaire but were not rated as highly influential by survey respondents, who were typically senior managers. This finding suggests that there may be differences in how senior managers and front-line people perceive the BE journey. Unfortunately this could not be examined further due to the lack of front-line people responding to the survey.

An aspect of the organisational description that may influence how organisations start the BE journey is the maturity of the organisation. Robbins and Barnwell (2002) describe organisations as progressing through levels of maturity such as formation, growth, maturity and decline, and suggest business practice changes depending on the level of maturity of the organisation. QM and BE empirical studies are typically associated with mature organisations (Dale, 2003; Dervitsiotis, 2003) although Sullivan-Taylor and Wilson (1996) observed stronger performance improvement for organisations that introduced TQM as they were “forming” than those who implemented TQM later as a change management initiative. The findings from the present study provide a mixed picture for these phenomena. The findings from the cross-case analysis indicate that strong progress can be made by organisations that introduce BE as they are “forming” (Organisations A, E, G). This finding

was not confirmed with the survey results, as recorded in Table 6.1, only 8% rated *new organisation / green fields* as an influential driver for starting the BE journey. Further research is required to clarify the relevance of BE for “forming” organisations.

Another aspect of the organisational description that the literature suggests could influence how organisations start the BE journey is organisational structure. Each of the case organisations described how the organisational structure had influenced the journey to some extent. For example a “one-organisation” structure was perceived to enable the journey; while a “silo” structure was perceived to constrain the journey. Also, having an organisational design that *facilitates working as one organisation* was identified as a key practice in the survey results. These results are consistent with the work of Kanter (1983) and Pettigrew (1985) in that they propose that integrative structures are necessary to enable change and that fragmented structures constrain change.

### **7.2.2 Organisational challenges**

The findings from the cross-case analysis (Section 5.1.2) and the survey (Section 6.1.3) suggest that New Zealand service organisations decide to start the BE journey in response to external or internal challenges or drivers. This finding is consistent with the international literature (Angell, 2001; Lascelles & Dale, 1993, Lawler et al. 1999). What is different from the international literature is that the primary driver to start the BE journey was identified by the study organisations as the *need for organisation growth*. This response varies from earlier New Zealand research (ACNielsen, 2001) that identifies the need to be competitive as the primary driver for initiating a business improvement initiative. The survey results (see Figure 6.5) suggest that the traditional drivers for starting a QM initiative (such as *customer influence, need to be more competitive*) are not perceived by the BE organisations to be as influential as the *need for growth*. This appears to be at odds with the strong customer focus associated with QM and services management and the need to be competitor aware for national and international growth. This result could be taken to support the suggestion that New Zealand service organisations are adopting BE as a strategy to achieve improvement and growth; and emphasises the importance for developing our understanding for how organisations start the BE journey.

The cross-case findings (Section 5.1.2) and the survey findings (Section 6.1.3) indicate that service organisations in New Zealand adopt the CPE in response to external and internal drivers. The most influential driver was perceived to be as *a guide for continuous*

improvement, followed by *to provide a business framework to co-ordinate a range of initiatives*, it is *internationally proven to work*, and to provide an *external measure of performance*. Although not perceived to be as influential, other drivers for adopting the CPE included *desire to be world-class, external recognition and credibility, benchmarking and accessing BE networks*. These identified drivers for adopting the CPE suggest that the use of the CPE within New Zealand service organisations has matured and is consistent with recent international practice. In 1997, McCaul reported that New Zealand organisations primarily used the CPE as a source of information. Although Dale (2003) recommends that BE frameworks such as the CPE are best applied as measurement tools in mature organisations, other writers suggest a more comprehensive role for the CPE. For example: to co-ordinate improvement initiatives and to explain the improvement journey to staff (Adebanjo, 2001); to be a catalyst for change and develop manager capability (HEFCE, 2003), and to facilitate sharing of best practices (Saunders & Mann, 2002).

### **7.2.3 Preparing and planning to start the BE journey**

The literature review identified that the practice of preparing and planning for organisational change is recognised as a key practice in the organisational development and change literature but was not so evident in the BE empirical research. The researcher examined how organisations prepared and planned for the BE journey in order to add to the BE knowledge base.

The cross-case findings (Section 5.1.3) and survey findings (Section 6.3) provide some evidence for organisations preparing to start the BE journey. Case participants identified practices perceived to influence the journey prior to the start. For example: *Strategic plan has a customer and results focus, organisational values are integrated, communication is 2-way, organisation design facilitates working as one organisation, the organisation is able to attract talented people, strong support processes, capability in project work, CEO focuses on leadership and strategy, executive work together as a cohesive whole, CEO sponsors BE, BE is aligned with organisational purpose and culture..* Although survey respondents confirmed the above practices and people as influential for the start of the journey, limited data meant the researcher was not able to identify at what stage of the journey these practices and people were perceived to be influential.

The literature and the findings from the study provide a mixed view on planning the scope of the start of the BE journey. Some authors recommend the whole organisation approach

(HEFCE, 2003; van der Wiele, 1996) while others advocate proving BE in a unit prior to introducing it throughout the organisation (Beer, 2003). The cross-case analysis provides evidence for organisations introducing BE to the whole organisation and in some cases to parts of an organisation, whereas the survey findings suggest the whole organisation approach is perceived to be the most influential (see Section 6.1.4). What is not evident in the findings is how organisations plan their approach to starting the BE journey. This apparent gap in practice is relevant to the present study as it is this area where a framework focused for starting the BE journey could add value by informing theory development and guiding practice.

### **7.3 IMPROVEMENT PROCESSES**

This section focuses on how improvement processes are perceived to influence the start of the BE journey (Element 2). This element of the framework provides a temporal perspective for the BE journey. The researcher identified three improvement process dimensions evident in the cross-case analysis and the survey findings. These dimensions are the (1) sequence of the BE journey, (2) cycles of improvement, and (3) processes associated with BE practices. Each of these dimensions are discussed next.

#### **7.3.1 Sequence of the BE journey**

The BE journey is described as an ongoing journey of continuous development and change by BE researchers (HEFCE, 2003; Jackson, 1999; McFarlane, 2001). For all case organisations the BE journey was described as a continuous process, which involved ongoing improvement (Section 5.2.1). Although some organisations described a “plateau” effect for their progress, no organisation described a decline in performance since starting the BE journey. Dervitsiotis (2003) suggests there is general agreement that the BE journey is ongoing and that the more relevant aspect is the “resilience” of BE and BEFs in rapidly changing business environments (p.266). Future research could explore the sequence of the BE journey in environments where rapid and ongoing renewal is required such as the developing knowledge industries.

Starting the BE journey was defined by the researcher as the transition period between the decision to start the BE journey and sustaining it (adapted from Dawson & Palmer, 1995). Although the distinction between decision to start and starting the BE journey is relatively

clear for each of the case organisations; this is not the case for the distinction between starting the journey and sustaining it. Based on the description for starting the BE journey provided in Chapter 1 (Section 1.3) the researcher established that none of the case organisations or survey respondent had completed the transition phase. The implication of this finding is that all findings for the present study are relevant for the proposed conceptual framework which focuses on the start of the BE journey.

Another aspect of the sequence of the BE journey is the sequence of practices applied at the start of the journey. Based on the cross-case findings (Table 5.3) the sequence of practices appears to be unique for each organisation, hence supporting the suggestion by Hides, Davies and Jackson (2004) that there is no best way to start the BE journey. The researcher concluded that attempting to identify a specific sequence of practices seems less useful than focusing on the levels of maturity achieved, which is discussed next.

The cross-case analysis indicates the case organisations progressed through stages of maturity as suggested by HEFCE (2003). Three sequential stages are evident: (1) CPE is used as a performance measure tool only, (2) BE is adopted as an improvement strategy, is aligned with the organisational profile and is parallel with the organisational planning process, (3) BE is adopted as an improvement strategy, is aligned with the organisational profile, and is integrated with the organisational planning process. Findings from the cross-case analysis (Organisations A, E, F and G) indicate that organisations that are able to achieve level 2 maturity early in the BE journey are more likely to achieve a strong rate of improvement. This apparent phenomena was not able to be confirmed with survey analysis, hence offers opportunities for further research.

### **7.3.2 Cycles of improvement**

Evidence from the cross-case findings (Section 5.2.2) and the survey findings (Section 6.2.2) indicates that starting the BE journey is influenced by cycles of improvement. Deming (1986) is recognised for introducing the concept of cycles of improvement, often represented as the PDCA cycle (Dale, 2003). The ‘P’ represents planning, ‘D’ represents deployment (i.e. implementation of action plans), ‘C’ represents check (i.e. evaluation of implementation) and ‘A’ represents action (i.e. change the plan or embed the approach into work as usual). The study findings provide evidence for key practices and people contributing to cycles of improvement throughout the improvement journey. For example; *Planning – strategic plan has a customer and results focus, BE is adopted as a long term*

*improvement strategy; Deployment – plans are deployed, critical few projects are resourced; Check – self-assessment report identifies opportunities for improvement, BE journey is monitored & reviewed; Action – staff see improvement ideas actioned.*

In addition, Leonard and McAdam (2002) suggest BE implementation is influenced by cycles of improvement occurring at the strategic, tactical (concerned with translating strategy to action) and operational (implementation of improvement initiatives) level within and organisation. The study findings provide evidence for this concept, in that key practices and people appear to contribute to cycles of improvement throughout the three levels proposed by Leonard and McAdam. For example: (1) the strategic level – *CEO sponsors BE, BE is adopted as a long term improvement strategy, BE is aligned with organisation and purpose, BE & organisational planning are integrated, BE is introduced throughout the organisation, BE journey is monitored & reviewed.*; (2) the tactical level – *there is a BE champion or facilitator, BE champion has influence with executive & staff, staff are involved in BE initiatives, executive are actively involved, key people have access to a BE advisor / coach, self-assessment report identifies opportunities for improvement, critical few projects are resourced; BE journey is monitored & reviewed;* and (3) the operational level – *BE improvement project groups are cross-functional, prepare an award or self-assessment application.*

### **7.3.3 Processes associated with BE practices**

Although the researcher recognised that there are processes associated with a number of BE practices, such as assessment against the CPE, awards, benchmarking, she focused on examining how the processes associated with assessment against the CPE are perceived to influence the BE journey. The survey findings are consistent with the practice literature in that they describe how organisations adopt progressively more advanced approaches to assessment against the CPE, such as mini assessment, facilitated assessment, joint and external assessment (Hutton, 2000). In addition, the findings from the cross-case analysis indicate that the mini assessment is often carried out as a stand alone activity early in the BE journey and that the impact of the assessment process is not significant until it is integrated into the planning cycle and engages key people in the process. To add to this finding, the survey findings (see Figure 6.10) indicate that the assessment process is perceived to be almost as influential as the assessment report.

There is debate as to when an organisation should begin to assess itself against a BE framework such as the CPE. Dale (2003) suggests an organisation should not progress to assessment with an excellence model until it is experienced in TQM. He suggests this would be 18 months to 3 years from ISO registration. Evidence from Dale's (2003) research suggests that earlier self-assessment is counter productive, as low scores may create disillusionment or inexperience may result in overscoring. Once initiated, Dale advocates that mature organisations repeat the self-assessment cycle at least annually to stimulate a systematic approach to continuous improvement. The findings from the present study suggest that organisations find an assessment against the CPE effective from year 1 of the BE journey. The researcher concludes that it appears to be more relevant to focus on the relevance of the approach to assessment and the effectiveness of the process versus delaying assessment until an organisation is considered mature.

## **7.4 KEY PRACTICES AND PEOPLE**

This section focuses on the key practices and people perceived by research participants to enable or constrain the start of the BE journey (Element3). Key practices and people were defined by the researcher as those practices and people perceived to be highly enabling or constraining by at least 25% of the respondents. In the discussion the key practices and people items included in the questionnaire are identified in *italics*. For this study the researcher categorised the key practices and people as having an external or internal focus; and as having organisational or BE focus. Organisational practices and people were defined as those that may be present for any improvement journey; and BE practices and people were defined as being specific to an improvement journey being guided by a BEF.

### **7.4.1 Key practices perceived to influence the start of the BE journey**

The discussion brings together the findings from the cross-case analysis (Section 5.3.1) and the findings from the survey analysis (Sections 6.3.1 and 6.3.3). Although all cross-case and survey findings are considered, the focus of the discussion is on the key practices; defined by the researcher as those practices perceived to be highly enabling or constraining by at least 25% of the respondents. The researcher proposes key practices are included within the conceptual framework as these are the practices perceived to be highly influential when starting the BE journey.

The cross-case analysis identified a number of externally focused practices perceived to influence the start of the BE journey. These practices were incorporated into the questionnaire (Appendix D) and confirmed following survey analysis to influence the start of the BE journey to some extent. Although the survey analysis did not identify any key external practices (i.e. perceived to be highly enabling or constraining by at least 25% of the respondents), it did identify the item *external financial resources are available for growth* as having the greatest perceived external influence on the start of the BE journey.

The perceived influence of external drivers for the decision to start the BE journey and the limited perceived influence during the start of the journey is consistent with Dawson and Palmer's (1994) suggestion that the influence from the external context will be high at the start of the journey and decrease in importance during the BE journey. This finding is also consistent with Burke and Litwin's (1992) proposal that external practices have the greatest influence on organisational change at the start of the process. The implication for theory development and practice is that if organisations move away from the traditional QM concern for internal practice, towards BE as a strategy for growth and improvement, external factors may need to be given more attention to ensure organisations are responsive to their external environment throughout the BE journey as suggested by Dervitsiotis (2003).

The cross-case analysis identified a number of internal practices perceived by participants to influence the BE journey. These practices were incorporated into the questionnaire (Appendix D) and confirmed by the survey analysis to influence the start of the BE journey to some extent. Key practices were identified from the survey analysis and have been listed in Section 6.3.3. The majority of the key practices were perceived to be present and enabling; with the exception of *conflicting priorities between urgent work and improvement work* and *critical few projects are not resourced* being perceived as present and constraining.

The key organisational practices identified (Figure 6.9; Table 6.10) were typically consistent with the literature, although two core QM practices were not identified as key practices, such as practices related to the customer service focus, and reward and recognition. Participants explained the absence of the customer service focus by suggesting it was likely to be embedded in the way they work and so no longer seen as a key influence on the BE journey. The other absence is practices associated with reward and recognition. The cross-case findings suggest staff perceive they are rewarded by being employed by a BE organisation and by being invited to participate in improvement projects. One group of participants talked

about how individual recognition was undesirable and how recognition of group performance resulted in unconstructive competition.

The key BE practices identified (Figure 6.10; Table 6.10) were typically consistent with the literature, although there were four traditional QM practices absent: (1) quality systems i.e. as ISO, six sigma; (2) collaboration with suppliers and partners; (3) cost of quality; and (4) benchmarking. An explanation for the absence of quality systems and the collaboration with suppliers and partners may be related to the study participants typically being from professional and service shop service organisations and not mass service organisations (Mohrman et al. 1995; Silvestro et al. 1992). Also, the influence for benchmarking may not be perceived as a key practice within the context of starting the BE journey as the technique is typically adopted by mature BE organisations (Camp, 2003). Although monitoring the cost of quality is promoted as a useful first step when starting the improvement journey by some QM writers (Dale, 2003), others have observed a lack of concern for the cost of quality (Bardoel & Sohal, 1999). The absence of this practice may be related to the difficulty of applying it in service organisations more than a lack of potential influence for the start of the BE journey.

The researcher observed the relatively low rating given for the practice, *training for BE understanding and tools*. The review of the QM literature, led the researcher to expect this practice to be perceived as present and highly enabling, although other researchers have also reported low ratings for the influence of training (Cole, 1999; Dawson & Palmer, 1995). Participants explained the low rating may be due to the view that training is perceived as a key practice only when the training is seen to be relevant and timely. The relatively low rating could also be explained by the confusing wording for the question, which examined two concepts in one question; training that addressed the understanding of BE and training that addressed the use of quality tools.

#### **7.4.2 Key people perceived to influence the start of the BE journey**

The discussion brings together the findings from the cross-case analysis (Section 5.3.2) and the findings from the survey analysis (Section 6.3.2). Although all cross-case and survey findings are considered, the focus of the discussion is on the key people; defined by the researcher as those people perceived to be highly enabling or constraining by at least 25% of the respondents. The researcher proposes key people are included within the conceptual

framework as these are the people perceived to be highly influential when starting the BE journey.

The cross-case analysis identified a number of externally focused people items perceived to influence the start of the BE journey. These items were incorporated into the questionnaire (Appendix D) and confirmed by the survey analysis to influence the start of the BE journey to some extent. Analysis identified one key external people item, which was the item *ability to attract talented people*. Also of interest, 73% of the survey respondents rated the item *key external stakeholders change* as having no influence on the BE journey.

The key organisational people items identified (Figure 6.11; Table 6.10) were typically consistent with the literature. Respondents were invited to add to the list of people items and a common addition was the need for senior people to move beyond their functional expertise and develop their expertise as leaders and managers; with particular attention being given to the capability of leading and facilitating change.

The researcher noted some unexpected results from the survey analysis, which offer opportunities for further research. For example the findings vary from the literature for two people items; survey respondents perceived unions and staff resistance to have limited influence on the start of the BE journey. The limited perceived influence from unions may relate to the situation in New Zealand where many professional service workers have individual contracts with their employers and are not union members. The item *staff are reluctant to go the extra mile* was analysed but did not provide a clear pattern for its influence on the BE journey. The survey respondents typically rated *staff reluctance* as absent in their organisations. This apparent lack of staff resistance may relate to these same organisations being characterised as having high levels of *staff involvement in initiatives that impact on them* and high levels of *staff involvement in BE initiatives* (Figures 6.11 & 6.12).

The key BE people items identified (Table 6.10; Figure 6.12) were typically consistent with the literature. Throughout the BE and organisational change literature the influence of top management is stressed. Nadler (1989) argues that although leadership is consistently identified as a key factor for organisational change, “leadership is not enough” on its own and that “many bullets” are required (p.194). This phenomena is not discussed in the BE literature but is evident in the findings from the present study. Within the top 12 key people items (see Figures 6.11 & 6.12) there are six different roles or positions represented, such as the CEO, executive, unit manager, staff, BE champion or facilitator, and BE advisor or

coach. Of interest, is that the respondents rated the top people items (Figures 6.11 & 6.12) as being more influential than the top practice items (Figures 6.9 & 6.10), hence highlighting the need to consider the influential practices and people when starting the BE journey.

### **7.4.3 Analysing patterns within the key practices and people**

The researcher identified three overall patterns for the key practices and people (1) the balance and integration of key practices and people, (2) the consistency between the key practices and people items and the system categories within the CPE, and (3) the consistency between the key practices and people items and key organisational development and change factors. Each pattern is now discussed in relation to the literature and the findings.

#### **The balance and integration of key practices and people**

The survey results confirmed that the start of the BE journey is perceived to be influenced by multiple key practices and people. Further analysis identified patterns within these key practices and people items that add to the BE in services knowledge base.

The perceived influence from key practices and key people was relatively balanced (see Table 6.10) suggesting that both practices and people are important to consider when starting the BE journey. Although a number of studies have addressed the perceived influence of practices (Angell, 2001; Barnes, 1996; Corbett & Angell, 2004) few have examined the influence of key people.

Another pattern observed was the balance of organisational and BE, key practices and key people. This finding supports the concept that the BE journey is influenced by both organisational and BE practices, and contrasts with the research by Powell (1995) who suggested TQM success depends more on organisational practices and less on TQM specific practices.

Another example of balance evident in the findings was the balance of transformational and transactional practices as defined by Burke and Litwin (1992). Burke and Litwin describe transformational factors (such as mission, strategy and leadership) as those practices that are focused at the organisation level and are likely to influence organisation culture.

Transactional factors (such as structure, systems and management practice) are described as being more operational focused, and are likely to influence organisational climate.

Powell (1992) argues that transformational practices are the key to TQM success and that transactional practices have little influence. Other QM researchers, Thiagarajan and Zairi

(1997c) suggest that the implementation of QM requires both transformational and transactional practices. The survey analysis indicates that the start of the BE journey is characterised by the balance of transformational and transactional items (see Table 6.12). These findings support the QM-based work by Thiagarajan and Zairi (1997c) and not that of Powell. The difference may be related to the fact that Powell's research was carried out prior to the widespread adoption of the BE frameworks.

What is less balanced is the perceived influence of enabling and constraining, practices and people; and the perceived influence of external and internal practices and people. Although the cross-case findings suggested a balance in enabling and constraining, practices and people this was not confirmed with the survey findings. Survey respondents identified the majority of key practices and people as present and enabling, and only two key practices as present and constraining. Also, the survey findings indicated respondents perceived the start of the BE journey was most influenced by internal versus external practices and people.

Research by Hart and Banbury (1997) established that organisational change typically required managers to implement multiple initiatives simultaneously; and that organisations able to achieve high levels of integration of improvement initiatives outperformed those that focused on single improvement strategies. The present study identifies a number of key practices that involve integration, such as *strategic plan has a customer and results focus, organisational values are integrated, organisational design facilitates working as one organisation, BE is aligned with organisational purpose and culture, BE and organisational planning are integrated, executive work together, project groups are cross-functional*. Unfortunately, due to the small data set, the researcher was not able to establish the pattern for when these integrated practices occurred within the BE journey; hence providing another opportunity for future research to examine the effect of singular or multiple interventions.

#### **The consistency between the key practices and people items, and the system categories of the CPE (NZBEF, 2005)**

There are six system categories (Categories 1 to 6) within the CPE which are described by NZBEF (2005) as representing best practice in mature organisations. The researcher reviewed the literature to identify the QM and BE empirical research that supported these 6 categories. The results of this review are summarised in Table 2.8. Of note are the limited number of studies that address the start of the journey (identified with an \* within Table 2.8).

When the researcher mapped the key practice and people items from the present study to the system categories within the CPE (see Table 6.11) she observed that the key practices and people aligned with the Categories but that the items varied from the items in the CPE. This observation is to be expected as the CPE is focused for mature organisations and the present study is focused for organisations at the start of their journey. There is a dominance of items mapped to the Leadership, Strategic Planning and Human Resources categories; and a surprising lack of items for the Customer and Market Focus category. The value of the conceptual framework developed in the present study aligning with the proven CPE framework is that it builds on the existing knowledge base associated with the CPE by providing empirical developed key practices and people perceived to influence the start of the journey versus those believed to be present in mature BE organisations.

**The consistency between the key practices and people and key organisational development and change factors (Burke & Litwin, 1992)**

Organisational development and change researchers (Abraham, Fisher & Crawford, 1997; Burke & Litwin, 1992) have identified key practices shown to influence organisational development and change initiatives. Although Abraham et al. demonstrated that successful award winners are also successful at managing complex change, BE researchers are yet to examine consistencies between the practices that influence change and those that influence the BE journey.

The researcher mapped the key practice and people items from the present study with the key factors identified by Burke and Litwin (1992) to develop her understanding for how service organisations start the BE journey. As shown in Table 6.12 there is a consistency between the key practice and people items from the present study and the key organisational change factors identified by Burke and Litwin. The consistency between the two sets of items provides initial evidence for the relationship between the key practices and people perceived to influence the start of the BE journey and those practices known to influence organisational development and change. This result indicates there is value in future research building on this initial study and continuing to explore the synergies between the BE journey and organisational change theory and practice.

## **7.5 INTERMEDIATE OUTCOMES**

The purpose of this section is to discuss the findings for how the key practices and people are perceived to influence the BE journey (Element 4). Based on the empirical evidence from cross-case analysis (Section 5.4) and survey analysis (Section 6.4) the researcher proposes that the key practices and people are perceived to influence intermediate outcomes, which in turn influence the organisational results. Intermediate outcomes (or intervening variables) are defined as “the factor that affects the observed phenomenon but cannot be seen” (Cooper & Schindler, 1998, p.41-43). The researcher identified four dimensions for intermediate outcomes (1) organisational culture, (2) organisational climate, (3) engagement, and (4) momentum.

The literature review identified that although the influence of culture, climate, and engagement has been examined in the organisational change literature these topics are relatively neglected in the QM and BE empirical research. Detert (2000) developed a framework for defining and measuring organisational culture, but the indicators combined culture, climate and engagement. In order to develop new knowledge the researcher chose to differentiate the dimensions of culture, climate and engagement for the present study.

For this study organisational culture is described as being concerned with the shared beliefs and values among organisational or group members; whereas organisational climate is described as being concerned with the shared perceptions about organisational conditions or the work environment (Burke & Litwin, 1992). Burke and Litwin differentiate a third dimension, motivation and describe this as the individual’s desire to take action and move towards goals. For this study, the researcher chose to adopt the more recent concept of engagement, defined by Lloyd and Bell (2005) as “a state of emotional and intellectual involvement that an employee has in his or her organisation” (p.24). The evidence for each of these dimensions is discussed next.

### **7.5.1 Organisational culture**

Popular management books describe organisational culture and values as a key feature of successful organisations (Collins & Porras, 1995; Collins 2001; Hubbard et al, 2002). Research by Kotter and Heskett (1992) demonstrates that organisational values only influence organisational performance if they are relevant to the organisational strategy.

The review of the literature identified that the BE culture is defined differently by different researchers. For example the BE culture is described as being customer focused (Abraham,

et al.1997; Sureshcananda et al. 2001), open to change (Cobb, 2003; HEFCE, 2003) and as valuing ongoing improvement (Jackson, 1999).

The findings from the present study indicate that key practices and people are perceived to influence the BE journey by influencing aspects of organisational cultural such as a shared belief in the direction of the organisation and the BE journey; and a shared value of voluntary involvement. Of interest is the lack of evidence for a customer focused culture. When participants were asked about the apparent absence, they commented the customer focus was “just taken for granted these days!”.

Findings from the cross-case analysis and confirmed following survey analysis provide evidence for how people perceived key practices and people influenced their understanding for the direction of the organisation and BE. At the organisation level, key practices such as the *strategic plan* were perceived to focus the BE journey as people developed an understanding for what success looked like, and what was valued or important (Rossett, 1987). Participants indicated that the clarity of direction was also enhanced when the CEO agreed to include *BE as a performance measure*, when the executive *integrated the business strategy and BE*, and when *organisation values* were deployed throughout the organisation. The importance of BE was *communicated* with a number of consistent messages, such as having top *management actively involved*, *resourcing a BE structure* and *monitoring the BE journey*. Individuals perceived the clarity of direction was enhanced when the *CEO sponsored BE*, the *executive adopted BE* as the long term strategy for improvement and *BE was integrated into planning* (Brown, 2000).

The CPE itself and the *self-assessment process* were seen to influence the clarity of direction. For some people, *preparing a self-assessment* was the first time they had seen the organisation as an integrated whole. When the CPE-based self-assessment results were “fed” into strategic planning, people could see how improvement work was “part of the picture”. The *self-assessment results* enabled organisations to identify and focus on the critical few improvement initiatives, as well as providing a baseline for continuous improvement. The CPE provided a framework for managers to explain to their staff how the various improvement initiatives “fitted together”. The BE champion was perceived to enhance clarity of direction by facilitating a consistent approach to BE across the organisation.

The findings from the present study indicate that key practices and people are perceived to influence the BE journey by influencing an organisational culture that values voluntary involvement in organisational change initiatives and improvement projects. The cross-case findings are consistent with the literature for employee involvement. For example, Lawler (1986, 1999) proposed that development in power, information, knowledge and skills, and rewards influenced the level of employee involvement. Participants in Organisation A and B commented that as their understanding of BE developed, their confidence and trust in BE developed, and this had the impact of them being more inclined to volunteer for projects. A manager in Organisation E related how he made sure BE was explained to his staff; and when it was time to carry out the annual self-assessment, he was inundated with volunteers. Managers in Organisation F, explained how the organisational culture had changed since the introduction of BE; they described how the culture changed from one where there was no interest in innovation and improvement for fear of being punished for questioning a senior person, to one where staff think and act improvement. The majority of the most significant change stories in Organisation G, reflected a developing involvement and improvement culture. For example, participants commented about there being active involvement in improvement projects, and about how they perceived their improvement ideas were valued. An aspect of the BE culture expected by the researcher but not evident in the findings is the influence of a customer and service focused culture. The researcher discussed this apparent absence with case study participants and based on these discussion believes the customer focused culture is present in BE and service organisations but is not consciously associated with BE. This observation is consistent with the absence of customer focused key practices and people reported in section 7.3.3. In addition this lack of customer focus may relate to the majority of survey respondents identifying as senior management and not frontline staff or it may relate to the dominance of focus on internal influences.

### **7.5.2 Organisational climate**

The review of the literature identified that there is a developing interest in the relationship between organisational climate and organisational performance. A study by Kangis and Williams (2000) in manufacturing organisations demonstrated the relationship between organisational climate and organisational performance. These researchers proposed organisational climate be considered as a lead indicator for organisational performance. Mason's (2004) research established that selected aspects of organisational climate are more

strongly related to organisational performance than others, implying that managers could select practices known to influence climate in order to achieve stronger performance.

The findings from the present study indicate that key practices and people are perceived to influence the BE journey by influencing aspects of organisational climate such as relationships, capacity and expertise. Key practices and people were perceived to influence the effectiveness of internal and external relationships. Having the CEO *monitor* and report on the BE journey was perceived to contribute to building relationships with key stakeholders. *Winning a BE award* was seen as being influential as key stakeholders and customers developed confidence in the organisation, also *talented people* were attracted to the organisation. The focus on creating *one organisation* was seen to facilitate cross functional relationships and improve cross organisation processes. *Cross functional BE groups* were reported as influential as they enabled different “silos” to work together and to develop an understanding for how they contribute to the organisation. BE and the role of BE champion was reported as influential as they facilitated the link between the CEO, executive, managers and staff. Some participants perceived restructuring constrained the BE journey as it influenced established working relationships.

Organisation-wide, group and individual capacity was perceived to be enhanced when *core processes* were improved, when the *BE journey was resourced* with a dedicated *champion*, when the *critical few improvement projects were resourced*, when the self-assessment process guided the organisation to focus on the critical few improvement initiatives (Brown, 2000) and when *managers addressed poor performance* issues. A CEO described how she perceived her capacity to lead was enhanced as BE became more established and internal performance improved. Managers repeatedly commented on how the *conflict between urgent and improvement work* was perceived as a key constraint due to the pressure on their capacity to achieve existing deadlines, unexpected deadlines and improvement work.

Key practices were perceived to influence the level of expertise within the organisation. *Cross-functional projects* and the *preparation of an award or self-assessment application* enabled people to work together and develop an understanding for other sections within the organisation as well the BE journey (Brown, 2000). Capability in *project work* was seen to be particularly influential if associated with an ability to *facilitate group processes* as well as ensure project completion. Involvement in improvement and BE projects was perceived to be a stronger influence on the BE journey than BE tools training as there were *intrinsic rewards* associated with projects (Cole, 1999).

As organisations started the BE journey they perceived advice from an *advisor* (internal or external) as being key to making an effective start to the journey. Executive and managers also relied on an advisor for coaching to apply BE within their sections; they particularly valued support to *lead the change process*. Where the CEO was often seen to provide the vision for the BE strategy, the internal champion was perceived as influential as the driver or dedicated resource to make things happen. As organisations matured, the senior managers became responsible for implementation and the champion assumed the role of an advisor. For those organisations that enable their staff to *participate in the national award* programme, they perceive the return is a *network of trained evaluators* who provide expertise and champion BE throughout the organisation.

### **7.5.3 Engagement**

The review of the literature identified that there is a developing interest in the relationship between practices, engagement and organisational performance. A study by Lloyd and Bell (2005) demonstrated a relationship between higher than average business results and high levels of engagement. They identified three indicators for engagement: employees stay, they advocate their workplace, and they go beyond what is minimally required to the job.

Key practices and people were perceived to influence the engagement in the organisation and in the BE journey by influencing (1) the level of confidence and trust in the organisation, the managers and BE, and (2) the level of energy and interest experienced by individuals. Confidence and trust in the organisation was achieved when people perceived organisation values were integrated across the organisation. Multiple key practices were perceived to influence confidence and trust in the BE journey, such as consistent messages about the relevance and importance of BE, the deployment of plans and addressing of performance issues, the monitoring and reporting of the BE journey, the active involvement of executive, and the commitment of resources. The development in confidence and trust appears to then enhance energy and interest in improvement.

### **7.5.4 Momentum**

A range of key practices and people were perceived to influence the momentum of the BE journey by either creating a turning point effect (Gladwell, 2001) or by contributing to the sustainability of the journey. Executives reported experiencing world class organisations (e.g. joining a study trip to Baldrige winners) as a turning point. A manager described a turning point for the organisation was when the management team realised BE was really

about *business improvement - not winning awards*. Respondents reported the key practices of *integrating strategic planning and BE*, and *units completing self-assessment*, were “a major catalyst” for the journey.

Some respondents perceived the key practice, *plans are deployed*, as being influential in sustaining momentum. Leadership development, *creating a network of champions* and *participating as a national evaluator* were reported as influencing momentum by building “a critical mass of advocates throughout the organisation”. Those who had *won regional or national awards* identified the application process and receiving the award as influential for sustaining momentum, as it enhance the confidence of key external stakeholder and staff. Those who experienced ongoing restructuring, perceived this to have a constraining influence on the BE journey.

## **7.6 ORGANISATIONAL RESULTS**

Organisational results is the final element of the proposed conceptual framework (Element 5) and focuses on change in performance relevant to the organisation and the BE journey since the start of the BE journey. The results element is represented by three dimensions: (1) business results, (2) BE journey results, and (3) progress results.

The researcher’s approach to the results element was influenced by the BE implementation model proposed by Leonard and McAdams (2002) that represents organisational results occurring at three hierarchical levels in the organisation: strategic, tactical and operational. The strategic level aligns with business results; the tactical level focuses on how the strategy is transferred into action and aligns with BE journey results; and the operational level is concerned with implementation of improvement projects and aligns with progress results.

For this study the researcher focused on the BE journey results which are represented as three items (1) duration of transition, (2) change in CPE score since the start of the BE journey, and (3) perceived change in organisational performance since the start of the BE journey. Each of these dimensions is discussed next.

### **7.6.1 Duration of transition**

For this study, the researcher represents the time frame, starting the BE journey, as the duration of transition. It is defined as the transition period between the decision to start the BE journey and sustaining it (adapted from Dawson & Palmer, 1995). The researcher

provided a number of descriptions that characterise the start of the BE journey (transition period) in Chapter 1, Section 1.3. In order to analyse the cross-case findings (5.5.1) and the survey findings (6.5.1) for the duration of transition, the researcher applied the description transition is complete when an organisation achieves at least 501 points when assessed against the CPE in a national award process.

Based on the above description for the duration of transition, all the case organisations and survey organisations are yet to complete organisational transition. There appears to be no relationship between the duration of transition and organisational performance. For example, results range from a survey respondent achieving 500 points in 2 years to another survey respondent taking 6 years to achieve 456 points. This finding is consistent with the study by Brah, Wong and Rao (2000) that examined the duration of QM implementation in services, and demonstrated that performance improvement is attributable to the effectiveness of implementation and not the duration of implementation.

### **7.6.2 Change in CPE score**

The following discussion is based on CPE reports from all 7 case organisations and 23 survey organisations that had assessed themselves against the CPE over the duration of the BE journey. Although each organisation applied a different approach to assessment there was a pattern in that the CPE score for each organisation had improved over time as indicated by Figures 5.1 and 6.13. Each of the organisations achieved improvement from year 1, and in some cases achieved their greatest rate of improvement from years 1 to 2. These findings are consistent with the CPE results reported by Jackson (1999) but differ from those proposed by Dale (2003) who suggests organisations are likely to experience a low rate of improvement over the first few years and then experience acceleration in improvement once they achieve the improver level of maturity. This difference in evidence may be explained by the BE organisations in the present study and the Jackson study, applying the CPE early in their journey, a practice not supported by Dale.

The case analysis and the survey analysis provide a mixed view for the change in CPE since the start of the BE journey. It is difficult to compare results due to the range of assessment approaches adopted, the differences in timing of the first assessment and the differences in performance at the start of the journey. Results can be presented to provide an indication of what is possible only. For the case organisations the change in CPE score ranged from 450 points in 4 years – a mean rate of improvement of 112.5 points (Organisation A, assessed

against the PESA regional award); to Organisation C which started from a high base and improved 68 points in 4 years – a mean rate of 17 points a years (assessed against the BPES benchmarking survey). Survey organisations that had been assessed through the national award process provide another view. These organisations reported a mean annual improvement of 31 points over the first four years of their BE journey. As these organisations are potentially national award winners, this result provides a useful benchmark for change in CPE score from the start of the BE journey.

The value of monitoring the change in CPE score at the start of the journey is more likely to be relevant for monitoring the rate of improvement; than comparing performance with other organisations. Although there is very limited data and data points, there is some evidence that those case organisations with a stronger rate of improvement (as measured by change in CPE score and graphed in Figure 5.1) such as Organisations A, E, F and G also perceived change in all change dimensions, as recorded in Table 5.6. Those organisations with some evidence of a plateau effect in their rate of improvement, such as Organisations B and C did not report a perceived change in the change dimensions: *voluntary involvement in the improvement* and *stakeholder and customer relationships*. Further research could explore the apparent relationship between change in CPE score and perceived change in selected change dimensions.

### **7.6.3 Perceived change in organisational performance**

The researcher identified three dimensions for perceived change in organisation performance, based on the cross-case analysis (Section 5.5.3) and confirmed with the survey analysis (Section 6.5.3). The dimensions include: business results (as measured by Category 7 in the CPE), organisational culture (comprising of items - *clarity of direction, voluntary involvement in improvement*), organisational climate (comprising of items - *relationships, capacity, and expertise*) and engagement (comprising items - *trust & confidence, energy & interest*).

Survey analysis indicated that 76% of respondents perceived business results had improved either significantly or slightly (Tables 6.14 & 6.15) and that 46% perceived BE had influenced this improvement a moderate amount or a great deal (Table 6.16). This perceived improvement in business results is consistent with other BE in services research that reports improved business results in BE organisations (Corbett & Angell, 2004; NZBEF, 2004; Pryanyski & Tai, 2002; Singal & Hendricks, 1999; Sirca, 2003) along with the many QM in

service research results (listed in Table 2.11). What is different for the results from the present study is the evidence for the extent to which respondents perceived BE had contributed to the improvement in business results.

Organisational culture is understood to be concerned with the shared beliefs and values among organisational or group members (Burke & Litwin, 1992). Respondents perceived that the organisational culture items, *clarity of direction* and *voluntary involvement* had improved to some extent over the duration of the BE journey (Tables 6.14 & 6.15) and that BE had influenced this improvement to some extent (see Tables 6.16 & 6.17). Of interest is that the strongest improvement was reported for the item *clarity of direction* (e.g. clear organisational strategy, focused approach to improvement); and that respondents perceived BE had contributed to this change the most. The item perceived to have changed the least was *voluntary involvement in improvement* (e.g. people think & act improvement, they volunteer for projects) suggesting that this item of culture is likely to be more difficult to develop and change or maybe it takes longer for BE to influence a change.

Organisational climate is concerned with the shared perceptions about organisational conditions or the work environment (Burke & Litwin, 1992). Respondents perceived that the organisational climate items, *relationships, capacity, and expertise* had all improved to the same extent over the duration of the BE journey (Tables 6.14 & 6.15) and that BE had influenced this improvement to some extent (see Tables 6.16 & 6.17). Of interest is that BE was perceived to have the strongest influence on the improvement in the item *expertise* and the least influence on the item *stakeholder & customer relationships*. As mentioned earlier participants explained this unexpected result on the customer focus being embedded within the work environment and not being consciously considered in BE planning and actions.

Engagement is concern with the extent to which people are involved in the organisation and the BE journey in particular. Engagement is defined by Lloyd and Bell (2005) as “a state of emotional and intellectual involvement that an employee has in his or her organisation” (p. 24). Respondents perceived that the engagement items, *confidence & trust, and energy & interest, and voluntary involvement* had all improved to the same extent over the duration of the BE journey (Tables 6.14 & 6.15) and that BE had influenced this improvement to some extent (see Tables 6.16 & 6.17).

Popular management and QM researchers have demonstrated that change in organisational culture (Abraham et al. 1998; Collins & Porras, 1995; Collins, 2001; Hubbard, Samuel, Heap

& Cocks, 2002), change in organisational climate (Kangis & Williams, 2000 ) and change in engagement (Lloyd & Bell, 2005) are associated with change in organisational results. The literature review noted that BE researchers are yet to address these relationships and are yet to identify change indicators that are proven to predict organisational results. Future research could examine the relationship between the identified items in the present study and organisational results with the view to confirming key culture, climate and engagement indicators that could then be developed as lead indicators for the BE journey.

Within Chapter 7 the researcher has discussed the findings from each strand of the study that have contributed to the development of each element within the proposed conceptual framework. The final conclusions for the study are based on this discussion and are provided in the next chapter, Chapter 8.



## Chapter 8

### FINAL CONCLUSIONS

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The purpose of Chapter 8 is to make final conclusions for the study, to describe the conceptual framework, to highlight implications for theory and practice and to provide final reflections for the study. The chapter is organised into three sections. Firstly in Section 8.1, the researcher outlines the development of the conceptual framework. In the next section, Section 8.2, the researcher discusses implications for theory development and describes the latest version of the conceptual framework. In Section 8.3 the researcher provides conclusions for the investigative questions and highlights implications for practice. The researcher provides final reflections for the study in Section 8.4.

#### 8.1 THE DEVELOPMENT OF THE CONCEPTUAL FRAMEWORK

The aim of the study was influenced by four identified key needs (1) the need to develop our understanding for how service organisations improve, (2) the need to develop the knowledge base for BE in services, (3) the need to understand how New Zealand service organisations start the BE journey, and finally (4) the need to develop a BEF that represents how service organisations start the BE journey. The researcher identified the aim of the study as: “To develop a conceptual framework to represent how New Zealand service organisations start the BE journey”.

The proposed conceptual framework involved three main phases of development. Firstly, an initial framework was developed through researching existing organisational studies, QM and BE empirical literature, and organisational development and change models. In developing this initial framework, the researcher was particularly influenced by the contextualist models of organisational development and change (Burke & Litwin, 1992; Dawson & Palmer, 1995; Pettigrew, 1999). The aim of the study, the existing literature and

the initial framework provided the context for the researcher to develop five investigative questions which then provided the focus and the structure for the study.

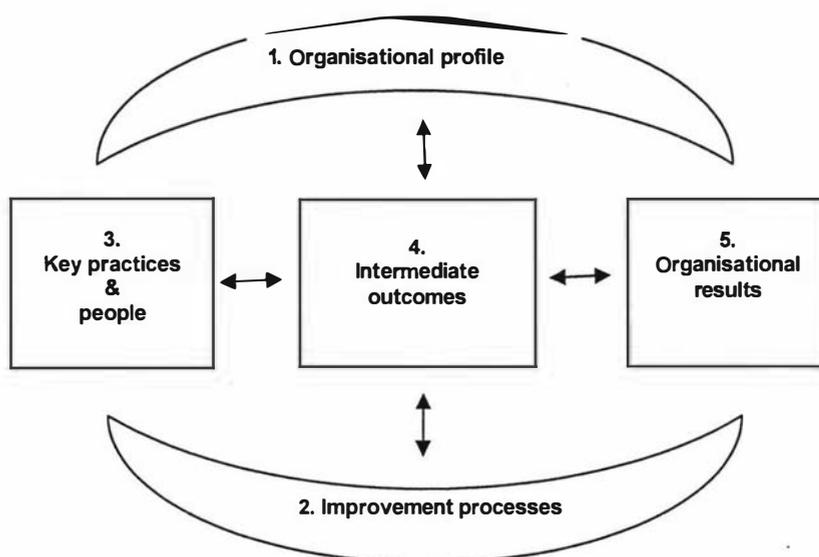
Secondly, the initial framework was developed further following each strand of the study. Strand 1 of the study (case study) contributed much of the initial data for the framework, such as drivers for starting the BE journey; processes, practices and people perceived to influence the journey, how the practices and people influence the journey; and the perceived changes in organisational performance. Strand 2 of the study (survey) was informed by the findings from Strand 1 and involved developing a questionnaire which was distributed to larger group of BE (service) organisations. The questionnaire was designed to confirm (or disconfirm) the case study findings and to develop understanding for the extent to which each of the elements of the framework were perceived to influence the BE journey. The empirical work was designed to describe the journey as perceived by people within BE organisations and to develop explanations for how organisations start the BE journey where possible.

The final phase of development involved the researcher evaluating the findings in relation to the existing literature research and mapping key practices and people (the items of Element 3) with the system categories of the CPE (Table 6.11) and the Model of Organisational Performance and Change (Table 6.12) to strengthen the theoretical basis. The proposed framework was shown to be consistent with these existing frameworks.

## **8.2 THE CONCEPTUAL FRAMEWORK AND IMPLICATIONS FOR THEORY**

The proposed conceptual framework, presented as Figure 8.1, represents the BE journey as an aligned and integrated approach to starting the BE journey. Embedded within the conceptual framework are six principles that provide the theoretical base for the framework. The framework consists of five elements, all of which are perceived to influence the start of the BE journey to some extent and represent an aspect of new knowledge for how service organisations start the BE journey. The elements of the framework are connected with bi-directional arrows to represent the holistic nature of the BE journey, and the need for the elements to be aligned and integrated as an organisation starts the BE journey.

**Figure 8.1: The BE journey represented as a conceptual framework (version 3)**



The framework is based on five principles which reflect the literature and the theory underlying the framework. It is proposed by the researcher that the principles and the framework have the potential to guide ongoing theory development. The principles are:

Principle 1: There is alignment between the organisational profile and actions taken (Burke & Litwin, 1992; Pettigrew, 1999)

Principle 2: The journey is a continuous organisational development and change process which requires action at multiple levels within an organisation (Dawson & Palmer, 1995; Leonard & McAdam, 2002; Pettigrew, 1999)

Principle 3: Multiple practices and people are balanced and integrated over time to influence intermediate outcomes and organisational results (Burke & Litwin, 1992; Dawson & Palmer, 1995; Pettigrew, 1999)

Principle 4: Key practices and people are selected based on their proven ability to influence intermediate outcomes and organisational results (Burke & Litwin, 1992)

Principle 5: Organisational results are achieved at the strategic, tactical and operational level of the organisation (Leonard & McAdams, 2002)

The proposed conceptual framework consists of five elements which are subdivided into dimensions and items. The organisational profile (Element 1) provides the overview of the organisation; its attributes, the rationale for starting the BE journey and the approach organisations plan to take when starting the BE journey. The improvement processes (Element 2) provide the temporal view of the BE journey as a continuous improvement process. The processes are perceived to influence the BE journey along with key practices and people (Element 3). These key practices and people are perceived to be highly enabling or constraining and hence can be adopted to enhance the journey or managed to avoid constraining the journey. Key practices and people are perceived to influence the BE journey via intermediate outcomes (Element 4). Element 5 represents the organisational result areas that may be achieved from the start of the BE journey.

The remainder of this section describes the focus of each element and the associated dimensions and items which represent key areas to consider when starting the BE journey. Items in italics can be traced to the items listed in the questionnaire (see Appendix D).

Element 1: Organisational Profile represents how the organisational profile may influence the start of the BE journey. It provides the organisational context for how an organisation approaches the start the BE journey. Based on the literature review and findings from the study, the researcher subdivided Element 1 into three dimensions: organisational description, organisational challenges, and preparation and planning to start the BE journey. These dimensions and associated items are described in Table 8.1.

**Table 8.1: Element 1 - Organisational Profile**

Dimension	Items
Organisational description	<p>The conceptual framework has been developed with service organisations in New Zealand that are engaged in the BE journey.</p> <p>In New Zealand service organisations are defined as not primary or goods producing organisations (Statistics New Zealand, 2005). Service organisation in the study were large (100+, Cameron &amp; Massey, 1992), public and private organisations (ANZSIC96, Statistics New Zealand, 1996), offering professional and service shop type services (Silvestro et al, 1992)</p>
Organisational challenges	<p>The key drivers to start the BE journey were the <i>need for organisational growth, customer influence and the need to be more competitive.</i></p> <p>The key drivers to adopt the CPE were <i>to guide continuous improvement, to provide a framework to co-ordinate initiatives, internationally proven and to provide an external measure of performance.</i></p>
Preparation & planning to start the BE journey	<p>The start of the BE journey is perceived to be influenced by the attention given to preparation and planning for start the BE journey.</p> <p>Attention may be given to:</p> <ul style="list-style-type: none"> <li>- the alignment between the organisational profile and BE (<i>eg strategic plan has a customer &amp; results focus, BE is aligned with organisation purpose &amp; culture</i>),</li> <li>- the capability of the organisation and the people (<i>eg Strong support processes, organisational values are integrated, capability in project management</i>), and</li> <li>- the scope of implementation (<i>eg BE is introduced throughout</i>)</li> </ul>

Element 2: Improvement processes represents how organisational development and change processes may influence the start of the BE journey. It provides the temporal perspective for the BE journey and is subdivided into three dimensions by the researcher: sequence of the BE journey, cycles of improvement, processes associated with BE practices. These dimensions and associated items are described in Table 8.2.

**Table 8.2: Element 2 –Improvement processes**

Sequence of the BE journey	<p>The BE journey can be characterised as:</p> <ul style="list-style-type: none"> <li>- a journey of continuous improvement with three time frames i.e. decision to start, starting the BE journey and sustaining the BE journey;</li> <li>- a journey with three stages of maturity; (1) CPE is used as a performance measurement tool only, (2) BE is adopted as an improvement strategy that is aligned with the organisational profile and parallel with the organisational planning process, (3) BE is adopted as an improvement strategy that is aligned with the organisational profile and is integrated with the organisational planning process.</li> <li>- the sequence of practices adopted are likely to be unique to the organisation vs. there being "one best way"</li> </ul>
Cycles of improvement	<p>The BE journey can be characterised by ongoing cycles of improvement at three levels of the organisation, such as:</p> <ul style="list-style-type: none"> <li>- strategic – establishes direction eg <i>BE is adopted as a long term improvement strategy, BE is aligned with the organisations purpose and culture, CEO sponsors BE</i></li> <li>- tactical – transfer strategy into action eg <i>there is a BE champion, the BE champion has influence with executive and staff, staff are involved in BE initiatives, self-assessment report identifies opportunities for improvement, critical few projects are resourced</i></li> <li>- operational – tools &amp; techniques eg <i>BE improvement projects are cross-functional, strong support processes</i></li> </ul>
Processes associated with BE practices	<p>Processes associated with BE (e.g. assessment against the CPE, benchmarking) are perceived to be enhanced when aligned with the organisational profile, integrated into the planning cycle and when the process actively involves and engages key people.</p> <p>For example: the process adopted for assessment against the CPE appears to reflect the maturity of the BE organisation; while the approach varies, assessment is often carried out from year 1 of journey; both the process and the results of assessment are perceived to influence the start of the BE journey from year 1.</p>

Element 3: Key practices and people represents the practices and people perceived to be highly enabling or constraining by at least 25% of the survey respondents. Key practice and people items are identified in Table 8.3 and are organised within the system categories of the CPE. The majority of the key practice and people items were perceived to be enabling; those practices items perceived to be typically constraining are identified with an \* in Table 8.3.

**Table 8.3: Element 3 – Key practices and people**

CPE category	Description for the key practices and people
1. Leadership	<p>Leadership is concerned with how the executive guide and sustain the organisation; and how they communicate with their staff.</p> <p>Many of the key practices and people are perceived to be influential prior to starting the BE journey i.e. <i>CEO focuses on both leadership &amp; strategy; CEO sponsors BE; BE is aligned with organisation purpose &amp; culture; BE is adopted as a long term improvement strategy, BE is introduced throughout the organisation.</i> Other key practices and people are perceived to be influential throughout transition i.e. <i>Executive work together as a cohesive group; executive are actively involved; organisational values are integrated throughout the organisation and communication is 2- way.</i></p>
2. Strategic planning	<p>Strategic planning addresses how the organisation establishes strategy and how it deploys the strategy.</p> <p>The focus of key planning practices and people is for achieving alignment and integration e.g. <i>strategic plans &amp; organisational plans align; BE &amp; organisational plans are integrated; BE &amp; organisation planning are integrated.</i> The focus is also on ensuring plans are resourced and deployed e.g. <i>plans are deployed; * there are conflicting priorities between 'urgent' work &amp; improvement work; staff see improvement ideas actioned; * the 'critical few' improvement projects are not resourced; there is a BE champion; the BE champion has influence with executive &amp; staff.</i></p>
3. Customer & market focus	<p>The customer and market focus addresses how an organisation develops an understanding for their customers and markets, what they do with this knowledge and how they build the relationship with their customers. Customers may be external or internal to the organisation.</p> <p>Key practices associated with this category included <i>strategic plan that focused on results and customers, and establishing an organisation design that facilitates working as one organisation; BE projects are cross-functional</i></p>
4. Measurement, analysis & knowledge management	<p>This category focuses on how an organisation gathers and uses performance data and information; and how the organisation ensures people have access to relevant data and information.</p> <p>Key practices are perceived to be: <i>prepare an assessment or award application; self-assessment report identifies opportunities for improvement; BE journey is monitored &amp; reviewed</i></p>
5. Human resources focus	<p>HR focus is concerned with how the organisations' work systems, people development systems and support systems contribute to achieving performance.</p> <p>The start of the BE journey is perceived to be influenced by the ability to <i>attract talented people and to recruit &amp; retain key people; managers addressing performance issues; managers lead and facilitate change; develop leaders throughout the organisation; key people have access to BE advisor / coach; staff are involved in initiatives that impact on them; staff are involved in BE initiatives.</i></p>
6. Process management	<p>Process management is concerned with the design and implementation of core processes and support processes. Starting the journey is perceived to be influenced by <i>strong support processes</i> i.e. IT, HR, finance; and capability in <i>project work and project team work</i></p> <p>* key practice perceived to typically constrain the BE journey</p>

Element 4: Intermediate Outcomes represents how the key practices and people are perceived to influence the BE journey. It is proposed that the key practices and people enhance the BE journey when they are implemented to influence intermediate outcomes. Intermediate outcomes (or intervening variables) are defined as “the factor that affects the observed phenomenon but cannot be seen” (Cooper & Schindler, 1998, p.41-43). Based on the literature review and findings from the study, the researcher subdivided Element 4 into four dimensions: organisational culture, organisational climate, engagement, momentum. These dimensions are described in Table 8.4.

**Table 8.4: Element 4 – Intermediate outcomes**

Organisational culture	<p>Organisational culture is defined by Burke and Litwin (1992) as the “overt and covert rules, values and principles that guide organisation behaviour”. The BE journey can be characterised by two organisational culture items:</p> <ul style="list-style-type: none"> <li>- <i>clarity of future direction</i>; key practices and people are perceived to influence the BE journey by enhancing the clarity of direction for the direction of the organisation, for how BE contributes to achieving the direction, and for what is considered important</li> <li>- <i>voluntary involvement</i>; key practices and people are perceived to influence the BE journey by enhancing a volunteer mindset within the staff</li> </ul>
Organisational climate	<p>Organisational climate is defined by Burke and Litwin as the “perceptions held by individuals for how their work environment is managed and how people work together”. The BE journey can be characterised by three organisational climate items:</p> <ul style="list-style-type: none"> <li>- <i>relationships</i>; key practices and people are perceived to influence the BE journey by enhancing the effectiveness of internal and external relationships,</li> <li>- <i>capacity</i>; key practices and people are perceived to influence the BE journey by building organisational capacity, and the capacity of the staff to participate in the BE journey,</li> <li>- <i>expertise</i>; key practices and people are perceived to influence the BE journey by enhancing organisational or individual capability</li> </ul>
Engagement	<p>Engagement is defined by Lloyd and Bell (2005) as “a state of emotional and intellectual involvement that an employee has in his or her organisation” (p. 24). The study identified two engagement items:</p> <ul style="list-style-type: none"> <li>- <i>confidence and trust</i>; key practices and people are perceived to influence the BE journey by developing staff confidence and trust in the organisation, management or BE journey</li> <li>- <i>energy and interest</i>; key practices and people are perceived to influence the BE journey by developing staff energy and interest in improvement and in the BE journey</li> </ul>
Momentum	<p>Momentum is measured by the rate of improvement in the CPE score.</p> <p>Key practices and people are perceived to influence the momentum of the journey by being a <i>catalyst</i> or by <i>sustaining improvement</i>.</p>

Element 5: Organisational results represents how organisational performance is perceived to change from the start of the BE journey. It is proposed by the researcher that organisational results are achieved at the strategic, tactical and operational levels of the organisation. The researcher divided Element 5 into three dimensions: business results, BE journey and progress. These dimensions are described in Table 8.5.

**Table 8.5: Element 5 – Organisational results**

Business results (strategic focus)	Business results align with the organisational profile and represent performance and improvement in key business areas. These areas may align with the business results category in CPE (Category 7) and include: product & service outcomes, customer focused results, financial and market results, human resource results, organisational effectiveness (productivity) results, leadership and social responsibility results
BE journey results (tactical focus)	<p>BE journey results are concerned with the tactical implementation of the BE strategy. The researcher focused on three result areas evident in the study:</p> <p><u>Duration of the start of the BE journey (or duration of transition)</u></p> <p>For this study the researcher defined starting the BE journey (or transition) as the period between the decision to start the BE journey and sustaining it (Silver Award or at least 501 points when assessed against the CPE in a national award process, NZBEF, 2001). Although a number of the study organisations had been engaged in the BE journey for up to 8 years no organisation was yet to achieve the completion of transition.</p> <p><u>Change in CPE score since the start of the BE journey.</u></p> <p>The study results provide an indication of the results achieved by three organisations that had been assessed by the national award programme from year 1 of their journey. These organisations reported a mean annual improvement of 31 points over the first four years of their BE journey.</p> <p><u>Perceived change in organisational performance (since the start of the BE journey)</u></p> <p>Perceived change in organisational performance can be represented as four dimensions:</p> <ul style="list-style-type: none"> <li>- <i>business results</i> eg product &amp; service outcomes, customer focused, financial and market, human resource, organisational effectiveness (productivity) results</li> <li>- <i>organisational culture</i> eg clarity of direction, voluntary involvement in improvement</li> <li>- <i>organisational climate</i> eg relationships, capacity, expertise</li> <li>- <i>engagement</i> eg trust &amp; confidence, energy &amp; interest</li> </ul>
Progress results (operational focus)	Progress results are concerned with the effectiveness and efficiency of operations. Results may address: progress of improvement projects, effectiveness of projects and tools, the cost of projects and the BE journey.

## 8.3 CONCLUSIONS AND IMPLICATIONS FOR PRACTICE

The researcher intends the framework to represent the BE journey as an aligned and integrated approach to starting the BE journey, so although each element of the proposed framework is discussed separately, all of the elements are believed to influence the start of the BE journey to some extent and hence need to be considered when starting the journey. The framework is proposed as a guide for theory development and practice, not a prescribed approach to starting the BE journey.

This section provides conclusions for the investigative questions, highlights new knowledge for how service organisations start the BE journey and suggests implications for practice. The investigative questions align with the elements of the conceptual framework and include:

- Q1. How does the organisational profile influence the start of the BE journey?
- Q2. How are improvement processes perceived to influence the start of the BE journey?
- Q3. What are the key practices and who are the key people perceived to influence the start of the BE journey?
- Q4. How are key practices and people perceived to influence the start of the BE journey?
- Q5. How is organisational performance perceived to change from the start of the BE journey?

### 8.3.1 How does the organisational profile influence the start of the BE journey?

The organisational profile (Element 1) represents how the organisational profile may influence the start of the BE journey. It provides the organisational context for how an organisation prepares and plans to start the BE journey. The study findings indicate that three dimensions of the organisational profile are perceived to influence the start of the BE journey. Each of these dimension provide new knowledge and implications for practice.

The first dimension, organisational description represents the attributes of the service organisations that start the BE journey. The literature review highlighted much of the BE in services empirical research had been carried out with mature BE organisations. The present study contributes to the BE in services knowledge base by focusing on service organisations as they start the BE journey.

The service organisations in the study were typically large (100+ people, Cameron & Massey, 1992) public and private organisations, offering professional and service shop type services (Silvestro et al, 1992). As the researcher received 38 completed questionnaires, which represents a 53.5% response rate it was concluded that the results from the present study could be generalised to similar organisations with some confidence.

The second dimension of the organisational profile addresses how organisational challenges are perceived to influence the start of the BE journey. Although the BE literature addressed the drivers perceived to influence the decision to start the BE journey and the decision to adopt the CPE, there was no evidence for the extent these drivers influenced the journey. The present study adds to the BE in service knowledge base by identifying the extent to which drivers are perceived to influence the decision to start the BE journey and the decision to adopt the CPE, in New Zealand based service organisations.

The findings from the present study indicate that starting the BE journey is particularly relevant for organisations experiencing challenges associated with the *need for organisational growth, customer influence and the need to be more competitive*. And adopting the CPE is likely to be relevant for organisations needing a framework *to guide continuous improvement or to co-ordinate improvement initiatives*. In addition the CPE is perceived to be relevant as it is *internationally proven* and provides an *external measure of performance*.

The third dimension of the organisational profile addresses how preparation and planning to start are perceived to influence the start of the BE journey. Although case study participants perceived key practices and people to be influential prior to the start of the journey (Table 5.3) there was limited evidence of organisations applying empirical evidence when preparing and planning to start their BE journey. The proposed conceptual framework has the potential to guide practitioners as they prepare to start the BE journey and plan how they will approach the start of the journey.

### **8.3.2 How do improvement processes influence the start of the BE journey?**

Element 2: Improvement processes represents how organisational development and change processes may influence the start of the BE journey. It provides the temporal perspective for the BE journey and is subdivided into three dimensions by the researcher: sequence of the BE journey, cycles of improvement, processes associated with BE practices.

The literature review highlighted that although the QM and organisational development and change researchers had examined how improvement processes influence the improvement journey, BE researches had neglected this area. The present study contributes to the BE knowledge base as it examines the influence of improvement processes on the BE journey and integrates this new knowledge into the proposed conceptual framework.

The first dimension, sequence of the BE journey, represents the BE journey as an ongoing journey of continuous development and change that can be represented as three sequential timeframes: decision to start the BE journey, starting the BE journey, sustaining the BE journey. Although the study did not find a clear sequence of practices, three sequential stages of maturity were evident: (1) CPE is used as a performance measure tool only, (2) BE is adopted as an improvement strategy, is aligned with the organisational profile and is parallel with the organisational planning process, (3) BE is adopted as an improvement strategy, is aligned with the organisational profile, and is integrated with the organisational planning process. Of value for practitioners is the finding that the sequence appears to be sequential, and that those case organisations that achieved level 2 maturity early in the BE journey also achieved a strong rate of improvement.

The second dimension, cycles of improvement, represents how the BE journey is influenced by cycles of improvement occurring at the strategic, tactical (concerned with translating strategy to action) and operational (implementation of improvement initiatives) level within and organisation. The implication for practitioners is that although many focus on the PDCA (Deming, 1986) at the operational level, there are advantages in also ensuring cycles of continuous improvement occur at the strategic and tactical levels of the BE journey. For example: (1) the strategic level – *CEO sponsors BE, BE is adopted as a long term improvement strategy, BE is aligned with organisation and purpose, BE & organisational planning are integrated, BE is introduced throughout the organisation, BE journey is monitored & reviewed.*; (2) the tactical level – *there is a BE champion or facilitator, BE champion has influence with executive & staff, staff are involved in BE initiatives, executive are actively involved, key people have access to a BE advisor / coach, self-assessment report identifies opportunities for improvement, critical few projects are resourced; BE journey is monitored & reviewed.*

The final dimension, processes associated with BE practices, focused on examining how the processes associated with assessment against the CPE are perceived to influence the BE

journey. The findings are consistent with the literature that describes how BE practices such as self-assessment and benchmarking are enhanced when aligned with the organisational profile, integrated into the planning cycle and when the process actively involves and engages key people. The study provides new knowledge in that the process adopted for assessment against the CPE appears to reflect the maturity of the BE organisation and that while the approach varies, assessment is often carried out from year 1 of journey. This finding implies that organisations are likely to benefit from assessing themselves against the CPE from year 1 of their BE journey but the approach adopted needs to be relevant for the maturity of their organisation. For example, organisations with limited approaches in place and limited results would be advised to start with a mini assessment or facilitated assessment and then progress to more advanced assessment approaches such as the joint assessment or external assessment (Hutton, 2000).

### **8.3.3 What are the key practices and who are the key people perceived to influence the start of the BE journey?**

The key practices and people element (Element 3) represents the practices and people perceived to be highly influential by at least 25% of the survey respondents. The literature review highlighted gaps in the existing knowledge base, such as limited attention to identifying key practices and people perceived to influence the start of the journey, particularly the extent to which key practices and people are perceived to influence the start of the journey. The present study contributes to the BE knowledge base as it identifies the key practices and people perceived to enable and constrain the start of the journey, and examines the extent to which they are perceived to influence the start of the journey.

The key practices and people perceived to influence the start of the BE journey (as listed in Table 8.3) can be mapped to the systems categories within CPE (NZBEF, 2005). While most key practices were perceived to be present and enabling by the survey respondents, the key practices perceived to be present and constraining tended to have an ongoing influence on the BE journey as described by the case participants e.g. *conflicting priorities between urgent work and improvement work*, and *critical few projects are not resourced*. Two practices not identified as key practices but recommended in the BE literature, are customer focus and training. Participants suggested their absence can be explained by the customer focus being embedded; and that training is a key practice only if it is seen to be relevant and timely.

For the practitioner the lists of key practices and people provide a quick reference to the items perceived to be highly influential by the study participants. Practices and people are identified as typically enabling or constraining which has the potential to guide how practitioners plan for and manage their BE journey. In addition, if the monitoring system integrates items known to influence the BE journey, the feedback data has the potential to provide managers with specific information about which aspects of the journey are strong and which offer opportunities for improvement.

The study also identified the extent to which these key practices and people are perceived to influence the start of the BE journey, as well as a number of patterns in the key practices and people. Of particular interest is the evidence of the balance of practice and people items, the balance of organisational and BE items, and the balance of transformational and transactional items. This evidence for balance of practices and people is consistent with the trends in organisational studies described in Chapter 2 and provides further guidance for practice.

The analysis of the patterns within the key practices and people illustrates how starting the BE journey is complex. The findings suggest that an effective start to the BE journey requires a portfolio of carefully selected practices and that a range of people need to be actively involved in the BE journey. In the first instance a practitioner may opt to select key practices and people that are perceived to be relevant for their organisation. The practitioner may then plan the selection of the key practices and people to ensure they are balanced and are likely to influence intermediate outcomes as discussed next.

#### **8.3.4 How do key practices and key people influence the start of the BE journey?**

Element 4, Intermediate Outcomes, represents how the key practices and people are perceived to influence the BE journey. It is proposed that the key practices and people enhance the BE journey when they are implemented to influence intermediate outcomes. Based on the literature review and findings from the study, the researcher subdivided Element 4 into four dimensions: (1) organisational culture e.g. *clarity of direction, voluntary involvement*, (2) organisational climate e.g. *relationships, capacity, expertise*, (3) engagement e.g. *confidence and trust, energy and interest*, and (4) momentum e.g. *turning point, sustaining the BE journey*.

As discussed in the previous section, practitioners may select key practices and people perceived by the present study to influence intermediate outcomes. Also, by their nature, intermediate outcomes have the potential to be lead indicators for the BE journey (Kangis & Williams, 2000; Mason, 2004). If a strong relationship can be established between key practices, intermediate outcomes and organisational results, as proposed by Burke and Litwin (1992) then there would be benefit in developing measures for these outcomes. Monitoring lead indicators has the potential to demonstrate the benefits of BE earlier than the traditional measures, such as business results and change in CPE score.

### **8.3.5 How does organisational performance change from the start of the BE journey?**

The literature review highlighted that much of the BE empirical research is focused on business results for mature BE organisations (a strategic result), change in the CPE score over time once again for mature organisations (a BE journey result) and the implementation of BE practices (progress result). The review identified an apparent neglect for examining results associated with the start of the BE journey, hence providing an opportunity to add to the BE in services knowledge base.

Organisational results, Element 5, represents how organisational performance is perceived to change from the start of the BE journey. It is proposed by the researcher that organisational results are achieved at the strategic, tactical and operational levels of the organisation (adapted from Leonard & McAdam, 2002). The strategic level is concerned with strategically driven change and is represented as the business results dimension. The tactical level is concerned with the deployment of the BE strategy and is represented as the BE journey dimension. The operational level focuses on the implementation of improvement projects and the application of tools and techniques; and is represented as the progress dimension.

The study focused on the BE journey results, and examined duration of transition, change in CPE score over time, and perceived change in organisational performance. There was no pattern for the duration of transition and duration did not appear to influence organisational performance achieved. BE organisations appear to achieve an improvement in their CPE score from the start of the journey and BE is perceived to contribute to improvement in business results, organisational culture, organisational climate, and engagement – from the start of the BE journey.

Practitioners may focus on all three results dimensions as they adopt a more comprehensive approach to the monitoring and review of the BE journey. They may also adopt the approach recommended in the CPE scoring guidelines for assessing the strength of results, for example attention is given to trends in performance over time and to comparative performance over time.

The findings from the study indicate that a BE organisation may experience changes in the organisational culture, organisational climate and engagement prior to noticeable changes in business results. Hence monitoring the proposed BE journey results items has the potential to provide managers with early evidence for the benefits of the BE journey or early evidence for the journey being constrained.

## **8.4 FINAL REFLECTIONS**

In this final section of the thesis the researcher reflects on the need for the study, how the study contributes new knowledge, and how the study was conducted. The researcher completes the section with her ideas for further research.

### **8.4.1 The need for the study**

As discussed in Chapter 1, the need for the study was influenced by four needs (1) the need to develop our understanding for how service organisations improve organisational performance, (2) the need to develop the knowledge base for BE in services and to understand how service organisations apply BE and BEFs, (3) the need to understand how New Zealand service organisations start the BE journey and how they influence their rate of improvement over this timeframe, and finally (4) the need to develop a framework that represents how service organisations start the BE journey that can be used to inform theory development and to guide practice. Next, the researcher discusses how these identified needs continue to be relevant and how the study has contributed to each of these needs.

Firstly, the study has been focused to develop our understanding for how New Zealand service organisations improve organisational performance. Although the aim and the scope of the study were established in 2001, the importance of service organisations to the New Zealand economy continues to be relevant at the completion of the study. Service organisations make up 89% of the total number of enterprises (Statistics New Zealand, 2005) and contribute a growing proportion of GDP (Treasury, 2005). Although recent New

Zealand-based research has included service organisations, the review identified gaps in the literature. For example the Firm Foundations report (Knuckey et al. 2002) excluded government administration, defence organisations and personal services; while other research includes all organisations but does not differentiate for service organisations (Corbett & Angell, 2004; Saunders, 2005). In particular the present study is the first empirical research known to the researcher that examines how New Zealand service organisations start the BE journey.

Secondly, the BE literature review identified that BE has been proven to contribute to improved organisational performance but the empirical research for BE in services is limited to a few studies that focus on single service organisations (Barnes, 1996; Jackson, 1999; McFarlane, 2001) or single service industries (HEFCE, 2004; Win & Cameron, 1998). The present study contributes new knowledge from empirical research with seven case organisations (case study) and 38 BE organisations (survey) from a range of New Zealand service organisations.

Thirdly, New Zealand service organisations are adopting BE and the CPE (NZBEF, 2005) to guide their improvement journey. Anecdotal evidence from the BE community suggests that once the decision has been made to adopt BE, the next challenge is how to start the improvement journey and how to influence the rate of improvement over this time frame. A review of the literature identified limited attention had been given to how organisations start the BE journey and the few practitioner studies offered conflicting advice. For example Dale (2003) cautions against using the BEFs to guide the start of the improvement journey, while others promote their use (HEFCE, 2004). The present study contributes to the BE knowledge base in that it (1) defines the BE journey and the start of the BE journey as a distinct time frame, and (2) focuses on how service organisations apply BE and the CPE as they start their improvement journey and how they influence their rate of improvement over this time frame.

Finally the proposed conceptual framework makes a contribution to the BE knowledge base as it represents how service organisations start the BE journey and has the potential to guide theory development and practice. The proposed framework is distinct from existing frameworks, for example there are frameworks designed to measure performance in service organisations but they do not address the start of the BE journey (Robson & Prabhu, 2001; Voss et al. 1997); and there are BEFs designed as implementation frameworks but they do not differentiate for service organisations (Dale, 2003; Kanji & Wallace, 2000; Oakland, 2005). In addition, the proposed framework is unique in that it integrates principles from

organisational studies, QM and BE, and organisational development and change to provide a holistic view for how service organisations start of the BE journey. As discussed in Sections 8.2 and 8.3, the inclusion of Element 4 (Intermediate Outcomes) is unique to the proposed framework, as are some of the dimensions and items within each of the elements.

#### **8.4.2 Reflections on how the study was conducted**

On reflection the researcher identified a number of strengths of the study, as well as opportunities for improvement. The key strength of the study is its contribution to the identified needs discussed above. In addition, there are specific strengths related to the design of the study. Firstly; the application of the sequential mixed model design as described by Tashakkori and Teddlie (2003) provided four advantages for the present study such as the researcher was able: (1) to develop new knowledge and confirm (or disconfirm) this new knowledge in the same study, (2) to develop depth and breadth of understanding, (3) to develop a range of views, and (4) to develop the conceptual framework throughout the study. In addition, the researcher applied the evaluation technique, “Most Significant Change” (Dart & Davies, 2003) to gather data for how the key practices and people were perceived to influence the BE journey over time. The researcher believes this technique provided data for the study that would not otherwise have been available and strongly influenced the inclusion of Element 4 (intermediate outcomes) within the conceptual framework.

The second strength of the study relates to the profile of the study participants. Both the profile of the case study organisations and the response rate for the survey strengthen the value of the conceptual framework. The case organisations were selected on their ability to provide “rich information” as described by Patton (1990). The organisations had been actively engaged in BE for at least three years, they were able to provide a range of evidence for practices and people perceived to influence the start of the BE journey, and they had achieved a rate of improvement of at least 20 points a year as measured by the CPE. The survey was distributed to all service organisations known to be actively engaged in BE and using the CPE. The response rate of 53.55 was considered high for this type of survey and hence enhanced the confidence that the findings were representative of the survey population. The majority of the respondents (71%) identified as large, public or private, service organisations (defined as 100+ people by Cameron & Massey, 1992) which lead the

researcher to suggest the findings could be generalised to similar service organisations in New Zealand.

The opportunities for improvement relate to profile of the organisations, the design of the study and in particular to the design of the questionnaire. The sequential mixed model design was primarily selected for the study as it enabled the researcher to develop new knowledge (Strand 1) and confirm (or disconfirm) this new knowledge (Strand 2) in the same study. In Strand 1 the case study analysis generated detailed findings as was planned for and expected but the survey analysis was limited due to the small number of responses. The researcher had intended to use statistical analysis to explore the relationship between the organisational attributes and other elements within the framework but small data sets limited the reliability of this analysis. Also, the design relied on retrospective reports for the majority of the data. Although the researcher took measures to limit the potential for recall bias, this retrospective approach could have influenced the accuracy of the findings.

The researcher identified opportunities for improvement in relation to the design of the survey and related questionnaire. As was intended the findings from the case study analysis informed the development of survey and in particular the items within the questionnaire. What was not included in the survey were the items identified in the QM and BE literature but not in the case study findings. While their inclusion would have increased the size of the questionnaire the findings would have strengthened conclusions made for the key practices and people perceived to influence the start of the BE journey. Also, in Section 1 of the questionnaire, respondents were asked to identify the size of their organisation from a list of size options. On reflection, requesting an exact number of employees would have provided greater flexibility for analysis. Lastly, Section 3 of the questionnaire collected data for the presence / absence of an item and data for the perceived influence of this item. This approach provided the researcher with comprehensive data but it did add to the complexity of analysis.

#### **8.4.3 Opportunities for further research**

The discussion (Chapter 7) and the reflections above highlight opportunities for further research to develop our understanding of the BE journey. If the findings of future studies are to be generalised beyond large New Zealand service organisations, the profile of the population would need to be expanded. For example this study could be repeated with service organisations from other countries.

The aim of further research could focus on strengthening the framework. For example a practise-based design such as action research or a longitudinal study could be used to examine the application of the present conceptual framework within an organisation. Given a larger population and data sets, factor analysis could be applied to further focus the proposed dimensions and items, and the statistical analysis could be extended to examine the relationships between the elements within the framework. In addition, the researcher discussed a number of findings that lacked clarity that could be examined in further research.

Further research could also focus on developing the scope of the framework and examine all three timeframes of the BE journey such as the decision to start, starting the BE journey and sustaining it. Research may also focus on those findings that differ from international research and explore the significance of the difference. For example, it would be interesting to explore if the perceived lack of influence associated with rewards, training and unions, reflect a unique New Zealand approach or an opportunity for improvement in our practice.

The researcher believes the greatest opportunity for further research relates to the indication that New Zealand service organisations start the improvement journey to achieve organisational growth and adopt versions of the CPE to guide business improvement. This practice is aligned with the need for service organisations to contribute to GDP but is at odds with international researchers who question the ability of BEFs to guide improvement. Ongoing New Zealand-based research that examines how we approach the BE journey has the potential to contribute further to the BE in services knowledge base.

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# Appendix A

## STRAND 1:

### RESEARCH PROTOCOL (CONTENTS & QUESTIONS)

---

#### CONTENTS

1. Introduction
  - Background
  - Aims & objectives
  - Key terms
  - Research design
2. Conceptual Framework
  - Initial framework
  - Research & investigative questions
3. Sampling strategy
  - Case organisations
  - Research participants
4. Case recruitment & relationship building
  - Recruit / select case organisations
  - Relationship building
5. Individual Case: Data Collection
  - Record of progress
  - Data collection – key documents; interviews
6. Individual Cases: Data Analysis
  - Data reduction
  - Data display & coding
  - Data discounting & conclusion
7. Cross-Case study analysis
8. Attachments
  - Package: Potential Case Organisations; Introductory letter, Information Sheet & Consent Form, Selection questionnaire
  - Package: Individuals (CEO, key informant); Information Sheet & Consent Form, Question schedule & definitions, record of BE journey
  - Package: Focus Groups; Information Sheet & Confidentiality Form, Question schedule & definitions, record of BE journey
  - Masters: Case record, display masters, coding system, report format

## Starting the Business Excellence Journey

### QUESTIONS (CEO or Key informant)

---

#### Context

- Describe the organisation environment: external & internal
- Identify key organisation relationships
- Identify external / internal organisation challenges
- Identify past / present improvement strategies

#### Making the decision to start

- Identify significant practices over time
- What triggered the need to improve? When did this occur?
- How was the decision made?
- Why was business excellence / CPE selected?
- When did this occur? How was the decision made?

#### The transition

- Identify significant practices over time
- What was done?
- How was it done?

#### Results over time

- What were your expectations / over time?
- How did you define success?
- How do you measure the improvement journey?

#### What are your results over time?

- Key organisation results; CPE results; CPE score / time
- How well do the results meet the stated/desired state?
- To what extent would you attribute the results to BE?

#### Extent of influence of the “critical few” practices

- Identify the critical few practices that enabled / constrained the BE journey
- To what extent did the practices enable / constrain the BE journey?
- How? Why? did the practices enable / constrain the BE journey? Who was involved? Why?
- What would you do differently? What do you plan to do in the future?

## Starting the Business Excellence Journey

### QUESTIONS (Focus Group)

---

#### Significant Enabling & Constraining Practices

- Review the enabling & constraining practices identified to date
- Are there any additional significant practices you perceive influenced the BE journey?

#### Relative influence of the “critical few” practices

- From your perspective; identify the critical few practices that enabled / constrained the BE journey;
- To what extent did the practices enable / constrain the BE journey?

#### For those practices you perceive enabled / constrained the BE journey

- Why was it implemented?
- How was it implemented?
- Who was involved?
- How did the practice influence the BE journey?

#### Most significant change

- Review the most significant changes identified to date
- From your perspective; what has changed significantly at your organisation, since starting the BE journey – for better or worse?
- From your perspective; which of these changes is the most significant?
- Why did you select this change as the most significant?
- To what extent would you attribute the change to BE?

#### On reflection; Thinking about enabling the BE journey

- What would you do differently?
- What do you plan to do in the future?



## **Appendix B**

### **STRAND 1: INTRODUCTORY PACK FOR POTENTIAL CASE ORGANISATIONS**

---

Potential case organisations were identified via the public media and business excellence networks. These organisations were invited to participate in the study by the researcher phoning a key person (e.g. Chief Executive, BE champion). If the key person was interested, an introductory pack was sent out.

The Introductory Pack for Potential Organisations contained:

- A letter introducing the study
- A: Information for potential case organisations
- B: Criteria for selection
- C: Selection questionnaire
- D: Consent form



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and Engineering  
College of Sciences  
Massey University  
Private Bag 11 222,  
Palmerston North,  
New Zealand  
Telephone: 64 6 356 9099  
Facsimile: 64 6 350 5604

20 June 2002

Address  
Address  
Address

Dear Name

### **New Zealand research: Starting the Business Excellence Journey**

As an organisation committed to Business Excellence, I am writing to invite you to consider participation in PhD research. The purpose of the research is to identify and understand how critical events influence rate of improvement, when starting the business excellence journey.

The Information Sheet (Document A) provides an outline of the research, your involvement and my background. The intention is carry out the research with the selected case organisations over July to October 2002, the exact schedule is flexible and can be made to suit your availability. Be assured that all responses throughout the research are confidential to the research.

The results of each case study will contribute to a cross case report and guide the development of a questionnaire to be circulated to a wider group. As a case organisation, you will receive a copy of your case report and the cross case report.

If you are interested in being involved, please complete the enclosed questionnaire and consent form, and then return both in the addressed envelope (or return email) by 4 July 2002. I will use the results of this questionnaire to select at least five (5) organisations that best fit the selection criteria (Document B). The selections will be made and you advised by mid July 2002.

If you are not available to be considered for selection, or feel you do not fit the selection criteria at all, please complete the first section of the questionnaire and return in the addressed envelope (or by return email), by 4 July 2002.

In anticipation, thank you for your interest and support

A handwritten signature in black ink, appearing to read "Jo Innes".

Jo Innes  
PhD Researcher  
Massey University

If you would like further information please contact myself or either of my supervisors.

**Researcher: Jo Innes**

Tutaki Rd RD 10, Palmerston North

PH: 06 357 6790 Email: [joinnes@clear.net.nz](mailto:joinnes@clear.net.nz)

**Supervisor: Dr Robin Mann**

Business Improvement / Quality Management Lecturer,

Centre for organisational Excellence Research, Institute of Technology and Engineering,

Massey University, Private Bag 11 222, Palmerston North

PH: 06 350 5445 Email: [R.S.Mann@massey.ac.nz](mailto:R.S.Mann@massey.ac.nz)

**Supervisor: Dr Claire Massey**

Director

NZ Centre for SME Research, Massey University, Private Box 756, Wellington

PH: 04 801 2794 Email: [C.L.Massey@massey.ac.nz](mailto:C.L.Massey@massey.ac.nz)

Encl

Document A: Information for Potential Case Organisations

Document B: Criteria for Selection

Document C: Selection Questionnaire

Document D: Consent Form for Potential Case Organisations

## **A: INFORMATION FOR POTENTIAL CASE ORGANISATIONS**

---

The following describes the research, what is expected in terms of your involvement if selected, and the background of the researcher.

### **The Research**

The purpose of the research is to identify and understand how critical events influence the start of the business excellence journey. The approach is to study the start of the business excellence journey in depth, in a small number of New Zealand service organisations. The findings will contribute to our understanding as to how New Zealand organisations start the business excellence journey and guide those who are yet to start this approach to business improvement.

### **Your involvement, if selected**

During the research, I will request access to key people and key documents that are relevant to your business excellence journey. I would like a brief interview with the senior executive, an in depth interview with a person who is knowledgeable about your journey, a workshop with key managers and a separate workshop with selected staff who have been involved with your journey. Interviews and workshops will be at a mutually arranged venue and time. Key documents may include business excellence plans, award applications, self-assessment reports and presentations. Any further access will be based on mutual agreement.

Please be assured that all information will remain completely confidential to the research; it will only be used for the purpose of completing the research. Your organisation and the people within your organisation will not be identified. However, total anonymity cannot be guaranteed. It is possible that some readers of the final thesis will recognise the description of your organisation.

The result of the research with your organisation will be a case report. You will have the opportunity to review this report and make changes. As a case organisation you will receive a copy of your case report and the cross case report.

As a potential case organisation you and the individuals within the organisation have the right:

- To decline to participate
- To refuse to answer any particular questions
- To withdraw from any aspect of the research at any time
- To ask questions about the research at any time during participation
- To provide information on the understanding that your name will not be used unless you give permission to the researcher.

### **Background of the researcher**

I am doing this research for my PhD and intend to make the collective findings available through publication, and presentations. You are very welcome to contact my supervisors or myself if you would like further information

This project has been reviewed and approved by the Massey University Human Ethics Committee, PN Protocol 01/133. If you have any concerns about the conduct of this research, please contact Professor Sylvia V Rumball, Chair, Massey University Human Ethics Committee: Palmerston North, telephone 06 350 5249, email S.V Rumba

## **B: CRITERIA FOR SELECTION**

---

The following describes the criteria I am using for selecting case organisations.

### **Service organisations**

I plan to focus on organisations with a service orientation. For example utilities, accommodation, transport, communication, finance and insurance, property and business, government administration and defence, education, health and community, cultural and recreational, personal and other

### **Similar experience of the business excellence journey**

I am particularly interested in studying service organisations that have been engaged in business excellence for at least three years and can demonstrate a rate of improvement of at least 20 points at year as measured by the Criteria for Performance Excellence.

### **Evidence for the business excellence journey**

The study intends to examine strategies and events perceived to influence the BE journey over time. I will require access to evidence for the results you have achieved over time and how you started your business excellence journey. Evidence may be in the form of people's stories and documents eg business documents, proposals and progress reports, presentations and formal studies, award applications and self-assessment reports.

### **Consent to participate**

All case organisations need to consent to participate. If you consent to participate and perceive your organisation meets the selection criteria please complete the attached consent form and return it to myself in the addressed envelope.

## C: SELECTION QUESTIONNAIRE for POTENTIAL CASE ORGANISATIONS

The purpose of the questionnaire is to identify organisations available and suitable to participate in my PhD research. This research intends to examine how strategies and events influence the business excellence journey in New Zealand services organisations.

Please refer to the enclosed Information Sheet for more information (Document A). Based on the questionnaire responses I will select at least five organisations for in depth case study research. Selection will be based on "best fit" for the selection criteria (Document B).

Thank you for your interest and support  
Jo Innes, PhD Researcher

Centre for Organisational Excellence Research  
College of Sciences, Massey University  
Private Bag 11222, Palmerston North  
DD 06 357 6790 Email [joinnes@clear.net.nz](mailto:joinnes@clear.net.nz)

### Instructions:

Please answer the questions below. Only include information for the identified business. Exclude subsidiary, associated businesses and divisions that operate entirely outside New Zealand. It should take no more than 15 minutes to complete.

### Return date:

Please return your completed Selection Questionnaire and Consent Form, in the reply paid envelope by 4 July 2002.

Section One: Identification			
1.1	The questionnaire was completed by:		
	Name	Phone	
	Position	Email	
	Organisation	Date completed	
1.2	Our organisation is available to be considered for selection	yes	Go to 1.3 & then Section Two
		no	Return this page to the researcher
1.3	Please provide contact details for the person the researcher may contact to discuss your questionnaire results, if different from the above.		
	Name	Phone	
	Position	Email	

**Section Two: Organisation Information**

**2.1 Industry Sector**

Which of the following sector(s) best represents your organisation? Tick one response

- Agriculture, Forestry & Fishing
- Mining
- Manufacturing
- Electricity, Gas & Water Supply
- Construction
- Wholesale or Retail Trade
- Accommodation, Cafes & Restaurants
- Transport & Storage
- Communications Services
- Finance & or Insurance
- Property & Business Services
- Government Administration & Defence
- Education
- Health & Community Services
- Cultural & Recreational Services
- Personal and Other Services

**2.2 Experience of the business excellence journey**

How would you describe the maturity of your business excellence journey? Tick one response

- Conception
- Transition
- Integrated (i.e. progress award+)

**2.3 Evidence for results**

Indicate your rate of improvement, since you started your journey, by noting year, assessment approach (eg self-assessment, award) and Criteria for Performance Excellence score band, if available (eg 0-125, 126-250, 251-375, 376-500, 501-625, 626-750, 751-875, 876-1000)

Year	Assessment Approach	Score Band
2002		
2001		
2000		
1999		
1998		
1997		
1996		
1995		

**2.4 Evidence for how you have started the business excellence journey**

Critical events are defined as tasks, activities, strategies, and decisions believed to have influenced your business excellence journey.

Which of the following forms of evidence which capture critical events are available? Tick as relevant

- Business plans
- Progress reports
- Presentations and formal studies
- Award applications / self-assessment reports
- Other (please describe)

Thank you – please return the completed Questionnaire and Consent Form to the researcher

## D: CONSENT FORM – POTENTIAL CASE ORGANISATION

---

I have read the sheet Information for Potential Case Organisations and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I understand that the information collected in the selection questionnaire will remain confidential to the research.

If selected for the research:

- I understand that I (as the CEO) or any of my staff have the right to withdraw from the study at any time and to decline to answer any particular questions. Withdraw from the study means the whole organisation discontinues involvement with the research.
- I agree to provide information to the researcher on the understanding that my name, or the name of our organisation will not be used without my permission. I understand collective findings will be made available through publications and presentations

I agree to participate in this study under the conditions set out in the Information Sheet.

Signed:

Name:

Position:

Organisation:

Date:

## **Appendix C**

### **STRAND 1:**

#### **INFORMATION PACK FOR FOCUS GROUP PARTICIPANTS**

---

The researcher ensured the design of the case study method and supporting documentation addressed informed and voluntary consent, respect for privacy and confidentiality, minimisation of harm and avoidance of conflict of interest.

Focus groups did not proceed until the researcher had received full written consent for participants. The research participants were provided with written information prior to them providing their consent. In particular, the Information Sheet and the Consent Form addressed (a) confidentiality between focus group participants, (b) the role of the researcher, and (c) intellectual property ownership.

The Information Pack for Focus Group Participants contained:

- Information Sheet (attached)
- Confidentiality Agreement (attached)
- Question Schedule (not included in thesis)
- Key Definitions (not included in thesis)
- Record of their BE journey (not included in thesis)

## INFORMATION SHEET FOR RESEARCH PARTICIPANTS

(focus group participants)

---

The following information sheet describes the background of the researcher., contact details for the supervisors, the research, and your involvement.

### **Background of the researcher**

I am doing this research for my PhD and intend to make the collective findings available through publications and presentations.

### **The Research**

The purpose of the research is to identify and understand how critical events influence the start of the business excellence journey. The approach is to study the start of the business excellence journey in depth, in a small number of New Zealand service organisations. The findings will contribute to our understanding as to how New Zealand organisations start the business excellence journey and guide those who are yet to start this approach to business improvement.

### **Your involvement**

A liaison person within your organisation has identified you as a person who has contributed significantly to your organisation's business excellence journey. I invite you to participate in a focus group for the research. You will need to be present with me for no more than 2 hours. The focus group will be in a quiet room within your place of work. The focus group will follow a guideline which you will have access to prior to the interview. I will take notes during the interview; I will not be using a tape recorder.

All information is completely confidential to the research; it will only be used for the purpose of completing the research. Neither your organisation, nor yourself will be identified. Please note, that total anonymity cannot be guaranteed. It is possible that some readers of the final research report will recognise your organisation.

The result of the research with your organisation will be a case report. A selected person within your organisation will have the opportunity to review this report and make changes. Your organisation will have the opportunity to receive a copy of the final research report.

If you take part in the research, you have the right to:

- To decline to participate
- To refuse to answer any particular questions
- To withdraw from any aspect of the research at any time
- To ask questions about the research at any time during participation
- To provide information on the understanding that your name will not be used unless you give permission to the researcher.

If you would like further information please contact myself or either of my supervisors.

**Researcher: Jo Innes**

PhD Researcher  
177 Tutaki Rd RD 10  
Palmerston North  
PH: 06 357 6790  
Email:  
jo@stratum.co.nz

**Supervisor: Dr Robin Mann**

Business Improvement / Quality  
Management Lecturer  
Institute of Technology and Engineering  
Private Bag 11 222  
Palmerston North  
PH: 06 350 5445  
Email: R.S.Mann@massey.ac.nz

**Supervisor: Dr Claire Massey**

Director  
NZ Centre for SME Research  
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Private Box 756  
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[C.L.Massey@massey.ac.nz](mailto:C.L.Massey@massey.ac.nz)

This project has been reviewed and approved by the Massey University Human Ethics Committee, PN Protocol 01/133. If you have any concerns about the conduct of this research, please contact Professor Sylvia V Rumball, Chair, Massey University Human Ethics Committee: Palmerston North, telephone 06 350 5249, email S.V Rumball@massey.ac.nz

## **CONFIDENTIALITY AGREEMENT – RESEARCH PARTICIPANTS**

(focus group participants)

---

I have read the Information Sheet for Research Participants and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I understand I have the right to withdraw from the study at any time and to decline to answer any particular questions.

I agree to provide information to the researcher on the understanding that my name will not be used without my permission.

I agree to participate in this study under the conditions set out in the Information Sheet.

I agree to keep the content of focus group discussions confidential to safeguard the confidentiality of other participants.

**Signed:**

**Name:**

**Organisation:**

**Date:**

## **Appendix D**

### **STRAND 2: QUESTIONNAIRE PACK**

---

The target population for the survey was service organisations known to be actively using BE and a BE framework, such as the CPE. Within this target population the questionnaire was addressed to the individual most knowledgeable about how the organisation started the BE journey.

The Questionnaire Pack contained:

- A covering letter (attached)
- Request form (attached)
- Questionnaire booklet (attached)



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and Engineering  
College of Sciences  
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New Zealand  
Telephone: 64 6 356 9099  
Facsimile: 64 6 350 5604

Dear Name

### **STARTING THE BUSINESS EXCELLENCE (BE) JOURNEY: SURVEY 2003**

**I am writing to you, to invite you to complete and return the enclosed questionnaire.** The questionnaire is part of my doctoral programme, which focuses on furthering understanding for how New Zealand service organisations start their business excellence (BE) journey. The knowledge gained will then be available to organisations that wish to start the business excellence (BE) journey. The questionnaire is based on a review of the literature, experience and findings from case study research with seven high performing New Zealand service organisations.

**Service organisations** are organisations where the primary output is neither a product nor a construction; therefore it excludes organisations classified as agriculture, fishing, mining, construction, and manufacturing. The term **business excellence (BE) journey** is used in this research to refer to a business improvement journey that is being guided by a business excellence framework such as the Baldrige Criteria for Performance Excellence or equivalent.

**You have been selected to participate** in the survey, as a person involved in business excellence within your organisation. If there is someone else in your organisation who is more informed about your BE journey than yourself, please pass the questionnaire package to that person. If you do not consider this questionnaire to be relevant for your organisation please return the questionnaire in the envelope provided.

The questionnaire has been designed to minimise demands on respondents, as it mostly requires ticking options, based on your perceptions. It should take no more than 30 minutes to complete. When complete, **please return your questionnaire to the researcher in the addressed envelope provided, no later than 23 rd October 2003.**

**Returning the completed questionnaire is taken as your consent to participate.** Be assured that your responses will be treated in confidence and that no individual or organisation will be identified in any publications of the research. The code number on the first page of the questionnaire is only used to ensure I do not send you a reminder letter unnecessarily. If you require any further information you are welcome to contact me, by phone (06) 357 6790 or email [jo@stratum.co.nz](mailto:jo@stratum.co.nz).

**What's in it for you?** Participating in the survey gives you the opportunity to assist others and reflect on your own improvement journey. As a participant you have the option to receive a research paper, which will summarise the research, the findings and present the new framework (see enclosed 'Follow-Up Sheet').

Thank you, in advance for sharing your views.

Jo Innes  
Doctoral Student  
Centre for Organisational Excellence Research  
Massey University

## REQUEST FORM

---

Dear Colleague

It is possible that I would like to follow-up this questionnaire with a brief interview in person or over the telephone.

If you would be available for this follow-up research, please tick the appropriate box, fill in your contact details and return the completed form.

Yes, I would be available for a follow-up interview in person or over the telephone

Once the research is complete (mid 2004), a research paper will be prepared. This paper will summarise findings from the associated case study research and this survey.

If you would like a copy of the research paper, please tick the appropriate box, fill in your contact details and return the completed form.

Yes, I would like a copy of the research paper

Contact details:

Name .....  
Job title .....  
Organisation .....  
Postal address .....  
Phone number .....  
Email address .....

Return instructions:

Please return the completed form with the completed questionnaire, or if you prefer to maintain anonymity return the completed form separately to:

Freepost 114094

Jo Innes, PhD Researcher

Institute of Technology & Engineering PN 456

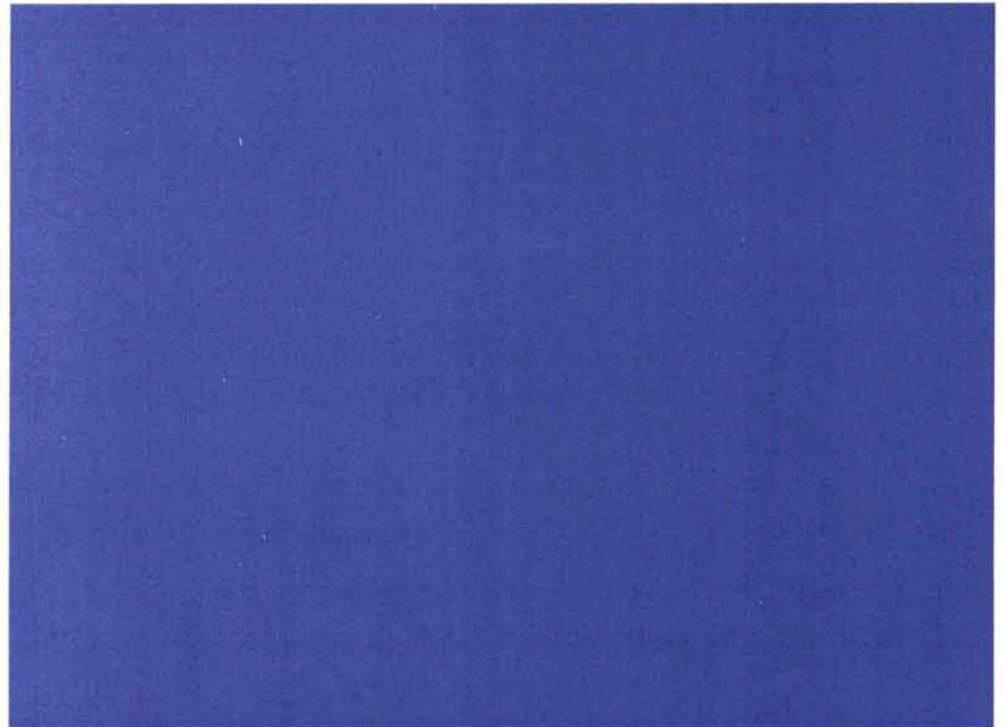
Massey University

Private Bag 11 222

Palmerston North

# STARTING THE BUSINESS EXCELLENCE (BE) JOURNEY

SURVEY 2003

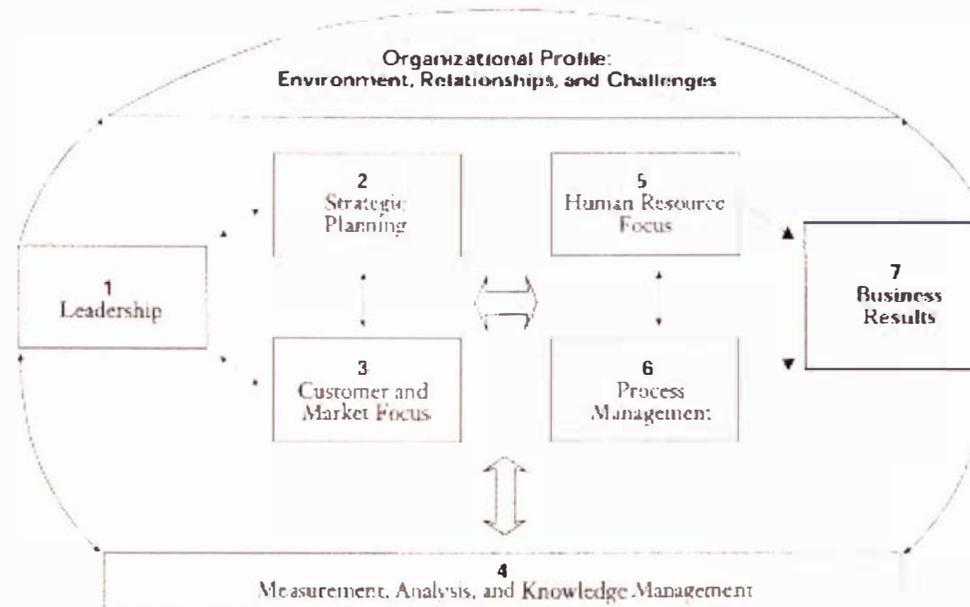


Te Kunenga  
ki Pūrehuroa

# PhD RESEARCH WITH MASSEY UNIVERSITY

With Support From New Zealand Business Excellence Foundation

## Baldrige Criteria for Performance Excellence Framework 2003



**Massey University**

CENTRE FOR  
ORGANISATIONAL  
EXCELLENCE  
RESEARCH



## INTRODUCTION AND INSTRUCTIONS

Thank you for giving this questionnaire your attention. The questionnaire is part of my doctoral programme, which focuses on furthering understanding for how New Zealand service organisations start their business excellence (BE) journey. The knowledge gained will then be available to organisations that wish to start their BE journey. The questionnaire has been developed from a review of the literature, experience and findings from case study research with seven high performing New Zealand service organisations.

Service organisations are organisations where the primary output is neither a product nor a construction; therefore it excludes organisations classified as agriculture, fishing, mining, construction, and manufacturing. For this research the BE journey is defined "as a business improvement process which is being guided by a business excellence framework such as the Baldrige Criteria for Performance Excellence (CPE) or equivalent. Starting the BE journey is concerned with organisation transition; defined as the state between 'decision to start' and achieving 'BE is embedded as the way of working'.

You have been selected to participate in the research, as a person involved in business excellence within your organisation. If there is someone else in your organisation who is more informed about your business excellence journey than yourself, please pass the questionnaire package to that person. If you do not consider this questionnaire to be relevant for your organisation please return the questionnaire in the envelope provided. Otherwise, please complete the questionnaire as fully as possible.

## RETURN INSTRUCTIONS

When complete, please return your questionnaire to the researcher, in the addressed envelope provided, **no later than 30th September 2003** or send to:

Freepost 114094  
Jo Innes, PhD Researcher  
Institute of Technology & Engineering PN 456  
Massey University  
Private Bag 11 222  
Palmerston North

## FOR FURTHER INFORMATION

Contact the researcher:

Jo Innes, PH 06 357 6790, EMAIL [jo@stratum.co.nz](mailto:jo@stratum.co.nz)

Or either supervisor:

Dr Robin Mann, Centre for Organisational Excellence Research,  
PH: 06 350 5445, EMAIL [R.S.Mann@massey.ac.nz](mailto:R.S.Mann@massey.ac.nz)

Dr Claire Massey, New Zealand Centre for SME Research,  
PH: 04 801 2794, EMAIL [C.L.Massey@massey.ac.nz](mailto:C.L.Massey@massey.ac.nz)

**Thank you for sharing your views**

## SECTION 1: BACKGROUND

### 1.1 Thinking about your predominant economic activity, which of the following best describes your industry? Please tick one

Electricity, Gas, & Water Supply	<input type="checkbox"/>	Transport and Storage	<input type="checkbox"/>	Education	<input type="checkbox"/>
Personal & Other Services	<input type="checkbox"/>	Communication Services	<input type="checkbox"/>	Health & Community Services	<input type="checkbox"/>
Wholesale Trade	<input type="checkbox"/>	Finance and Insurance	<input type="checkbox"/>	Cultural & Recreational Services	<input checked="" type="checkbox"/>
Retail Trade	<input type="checkbox"/>	Property & Business Services	<input type="checkbox"/>	Other (describe)	<input type="checkbox"/>
Accommodation, Cafes, Restaurants	<input type="checkbox"/>	Government Administration & Defence	<input type="checkbox"/>	_____	

### 1.2 Thinking about the legal character of your organisation, which of the following best describes your business type? Please tick one

Individual Proprietorship	<input type="checkbox"/>	Consulate or Foreign Embassy	<input type="checkbox"/>	Registered Limited Liability Company (non-Co-op)	<input type="checkbox"/>
Partnership	<input type="checkbox"/>	Government Owned Trading entity	<input type="checkbox"/>	Local Authority Trading Enterprise (LATE)	<input type="checkbox"/>
Charitable Trust	<input type="checkbox"/>	Central Government	<input type="checkbox"/>	Branch of Company Incorporated Overseas	<input type="checkbox"/>
Co-operative Company	<input type="checkbox"/>	Local Government	<input type="checkbox"/>	Other (describe)	<input type="checkbox"/>
Joint Venture or Consortium	<input type="checkbox"/>	Incorporated or Unincorporated Society or Association	<input type="checkbox"/>	_____	

### 1.3 How many years has your organisation been using the Baldrige Criteria for Performance Excellence (or equivalent) to guide organisation improvement? Please complete / circle as relevant

# Years ..... Don't know

### 1.4 As you complete this questionnaire are you thinking about the whole organisation or a unit within an organisation? Please circle the one you will consider throughout the questionnaire

Whole                      Unit within

### 1.5 How many people does your organisation employ (fulltime or equivalent)? Please circle one

Up to 5      6 to 49      50 to 99      100 +

### 1.6 What is your role in the organisation? Please circle as relevant

CEO      Executive      <sup>1</sup>BE -Champion      Middle Manager      Senior Staff      Front line      Other \_\_\_\_\_

### 1.7 Thinking about your experience with the BE journey, which stage of the journey, do you perceive, offers the greatest benefit for research effort? Please circle one

Decision to start                      <sup>2</sup> Starting the journey                      <sup>3</sup> BE is embedded

<sup>1</sup> A BE champion is someone who leads or facilitates BE within the organisation  
<sup>2</sup> Starting the BE journey is concerned with organisation transition, it is defined as the state between 'decision to start' and achieving 'BE is embedded'  
<sup>3</sup> BE is embedded, is defined as the state when BE is no longer new - it is the way of working

## SECTION 2: DECISION TO START

2.1 Thinking about the decision to start your BE journey, to what extent did the following influence the decision? Please tick one box for each item

	Not at all 1	A little amount 2	A moderate amount 3	A great deal 4	Don't know / Not applicable
Organisational growth					
Need to be more competitive					
Stakeholder influence eg Board, supplier					
Government influence eg legislation					
Customer influence					
Crisis					
New CEO					
New organisation / green fields					
Restructure					
Key other (describe & rate)					

2.2 Thinking about the decision to adopt the Baldrige Criteria for Performance Excellence (or similar framework) to guide your BE journey, to what extent did the following influence the decision? Please tick one box for each item

	Not at all 1	A little amount 2	A moderate amount 3	A great deal 4	Don't know / Not applicable
Desire to be 'world class'					
Internationally proven to work					
External recognition & credibility					
External measure of performance					
Needed a business framework to co-ordinate a range of initiatives					
Guide continuous improvement					
Benchmark within & across industries					
Access to established BE networks					
Key other (describe & rate)					

## SECTION 3: STARTING THE BE JOURNEY

This section is about the events & strategies, you perceive have influenced (or are influencing) the start of your organisation's BE journey. For this questionnaire events occur at a distinct point in time; strategies are ongoing.

The section is split into 4 parts: 3.1 External Focus, 3.2 Organisation Wide Focus, 3.3 BE Focus, 3.4 People Focus. *Please complete all 4 parts. Answer Column A & Column B for each event / strategy statement. Complete Column C only for those events / strategies rated as highly constraining (1) or highly enabling (5).*

Thinking about the start of your organisation's BE journey:	A. Did this event/strategy occur? <i>For each event/strategy tick one box using the scale</i>			B: To what extent did this event / strategy influence (or is influencing) your rate of improvement? <i>For each event / strategy tick one box, using the scale:</i>						C: For the events/strategies you have rated as 1 or 5 <i>Note which year of your journey it occurred eg Ongoing, Pre, Year 1 etc</i> <i>Briefly explain how the event / strategy influenced (or is influencing) your BE journey</i>	
	Yes Y	No N	Don't Know DK	Highly constraining 1	Slightly constraining 2	No influence 3	Slightly enabling 4	Highly enabling 5	Don't know DK	Year of journey	Influence
<b>3.1 EXTERNAL FOCUS</b>											
Organisational growth	Y	N	DK	1	2	3	4	5	DK		
Industry challenges	Y	N	DK	1	2	3	4	5	DK		
Governors increase expectations re accountability & results	Y	N	DK	1	2	3	4	5	DK		
CEO's individual performance measures include BE	Y	N	DK	1	2	3	4	5	DK		
Governance & organisational priorities align	Y	N	DK	1	2	3	4	5	DK		
Governance & executive roles are distinct	Y	N	DK	1	2	3	4	5	DK		
Key stakeholders change	Y	N	DK	1	2	3	4	5	DK		
Financial resources are available for growth	Y	N	DK	1	2	3	4	5	DK		
The organisation is able to attract talented people	Y	N	DK	1	2	3	4	5	DK		
Key other (describe & rate)	Y	N	DK	1	2	3	4	5	DK		

3.2 ORGANISATION WIDE FOCUS	Yes	No	Don't Know	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	Don't know	Year of journey	Influence
	Y	N	DK	1	2	3	4	5	DK		
Strategic plan has a customer & results focus	Y	N	DK	1	2	3	4	5	DK		
Strategic plan & operational plans (eg HR Plan) align	Y	N	DK	1	2	3	4	5	DK		
Focus is on business improvement not awards or points	Y	N	DK	1	2	3	4	5	DK		
Organisation values are integrated	Y	N	DK	1	2	3	4	5	DK		
Plans are deployed	Y	N	DK	1	2	3	4	5	DK		
Communication is 2 way	Y	N	DK	1	2	3	4	5	DK		
Restructuring	Y	N	DK	1	2	3	4	5	DK		
Organisation design facilitates working as 'one organisation'	Y	N	DK	1	2	3	4	5	DK		
Strong support processes eg IT, HR, financial	Y	N	DK	1	2	3	4	5	DK		
Invest in new resources for the frontline	Y	N	DK	1	2	3	4	5	DK		
Capability in project work & project team work	Y	N	DK	1	2	3	4	5	DK		
Conflicting priorities between 'urgent' work & improvement work	Y	N	DK	1	2	3	4	5	DK		
Recruit & retain key people	Y	N	DK	1	2	3	4	5	DK		
Develop leaders throughout the organisation	Y	N	DK	1	2	3	4	5	DK		
Managers address performance issues	Y	N	DK	1	2	3	4	5	DK		
Staff are involved in initiatives that impact on them	Y	N	DK	1	2	3	4	5	DK		
Staff see improvement ideas actioned	Y	N	DK	1	2	3	4	5	DK		
Key other (describe & rate)	Y	N	DK	1	2	3	4	5	DK		

## SECTION 3: STARTING THE BE JOURNEY (continued)

Thinking about the start of your organisation's BE journey:

### 3.3 BUSINESS EXCELLENCE (BE) FOCUS

	A. Did this event/strategy occur? For each event/strategy tick one box using the scale			B: To what extent did this event / strategy influence (or is influencing) your rate of improvement? For each event / strategy tick one box, using the scale:						C: For the events/strategies you have rated as 1 or 5 Note which year of your journey it occurred eg Ongoing, Pre, Year 1 etc Briefly explain how the event / strategy influenced (or is influencing) your BE journey	
	Yes	No	Don't Know	Highly constraining	Slightly constraining	No influence	Slightly enabling	Highly enabling	Don't know	Year of journey	Influence
	Y	N	DK	1	2	3	4	5	DK		
BE is adopted as a long term improvement strategy	Y	N	DK	1	2	3	4	5	DK		
BE is aligned with organisation purpose & culture	Y	N	DK	1	2	3	4	5	DK		
BE & organisation planning are integrated	Y	N	DK	1	2	3	4	5	DK		
BE is introduced throughout the organisation	Y	N	DK	1	2	3	4	5	DK		
Communications address BE relevance & benefits	Y	N	DK	1	2	3	4	5	DK		
Self assessment report identifies opportunities for improvement	Y	N	DK	1	2	3	4	5	DK		
BE expectations & consequences are clear	Y	N	DK	1	2	3	4	5	DK		
BE journey is monitored & reviewed	Y	N	DK	1	2	3	4	5	DK		
Improvement effort is sustainable	Y	N	DK	1	2	3	4	5	DK		
The 'critical few' improvement projects are resourced	Y	N	DK	1	2	3	4	5	DK		
BE improvement project groups are cross functional	Y	N	DK	1	2	3	4	5	DK		
Early improvement projects are organisation wide	Y	N	DK	1	2	3	4	5	DK		
Prepare an award or self assessment application	Y	N	DK	1	2	3	4	5	DK		
Participate as a BE evaluator	Y	N	DK	1	2	3	4	5	DK		
Training for BE understanding & 'tools'	Y	N	DK	1	2	3	4	5	DK		
Won a national BE award	Y	N	DK	1	2	3	4	5	DK		
Key other (describe & rate)	Y	N	DK	1	2	3	4	5	DK		

### 3.4 PEOPLE FOCUS

	Yes Y	No N	Don't Know DK	Highly constraining 1	Slightly constraining 2	No influence 3	Slightly enabling 4	Highly enabling 5	Don't know DK	Year of journey	Influence
CEO focuses on both leadership & strategy	Y	N	DK	1	2	3	4	5	DK		
CEO sponsors BE	Y	N	DK	1	2	3	4	5	DK		
Executive work together as a cohesive group	Y	N	DK	1	2	3	4	5	DK		
Executive are actively involved eg apply BE to their unit, participate in BE initiatives	Y	N	DK	1	2	3	4	5	DK		
Key people have access to a BE specialist, eg. consultant	Y	N	DK	1	2	3	4	5	DK		
Managers are actively involved eg apply BE to their unit, participate in BE initiatives	Y	N	DK	1	2	3	4	5	DK		
Managers have access to a BE advisor /coach	Y	N	DK	1	2	3	4	5	DK		
Key people experience 'world class' organisations eg study visits, networking	Y	N	DK	1	2	3	4	5	DK		
People experience a 'quality' initiative prior to BE	Y	N	DK	1	2	3	4	5	DK		
Steering group has influence with the executive	Y	N	DK	1	2	3	4	5	DK		
Steering group is cross functional	Y	N	DK	1	2	3	4	5	DK		
There is a BE champion or facilitator	Y	N	DK	1	2	3	4	5	DK		
The BE champion has influence with executive & with staff	Y	N	DK	1	2	3	4	5	DK		
There is a network of BE champions throughout the organisation	Y	N	DK	1	2	3	4	5	DK		
Staff are involved in BE initiatives eg self-assessment	Y	N	DK	1	2	3	4	5	DK		
Staff have a choice re their level of involvement in improvement initiatives	Y	N	DK	1	2	3	4	5	DK		
Staff are reluctant to 'go the extra mile'	Y	N	DK	1	2	3	4	5	DK		
Key other (describe & rate)	Y	N	DK	1	2	3	4	5	DK		

## SECTION 4: RATE OF IMPROVEMENT

If you have measured your progress with the Baldrige Criteria for Performance Excellence and are happy to share your score.

Please note your assessment approach (eg self assessment, Award) and score for each year of your journey

YEAR	ASSESSMENT APPROACH	SCORE	YEAR	ASSESSMENT APPROACH	SCORE
Year 1			Year 5		
Year 2			Year 6		
Year 3			Year 7		
Year 4			Year 8		

## SECTION 5: SIGNIFICANT CHANGE

This section is about your perception of any significant changes in your organisation. Please answer Column A & Column B for each statement.

Thinking about the start of your organisation's BE journey:

	<b>A: How would you describe the trend in the following?</b> For each statement tick one box, using the scale:						<b>B: To what extent did BE influence the change?</b> For each statement tick one box, using the scale:				
	Significantly decreased	Slightly decreased	No change	Slightly increased	Significantly increased	Don't know	Not at all	A little amount	A moderate amount	A great deal	Don't know
	1	2	3	4	5	DK	1	2	3	4	DK
Business results eg customer, service, financial, market, human resource, operational effectiveness	1	2	3	4	5	DK	1	2	3	4	DK
Clarity of direction eg clear organisation strategy, focused approach to improvement	1	2	3	4	5	DK	1	2	3	4	DK
Stakeholder & customer relationships eg considering each others needs, gaining credibility	1	2	3	4	5	DK	1	2	3	4	DK
Organisation wide capacity eg infrastructure, capacity to be involved in improvement initiatives	1	2	3	4	5	DK	1	2	3	4	DK
Expertise eg business & management maturity, BE champions throughout the organisation	1	2	3	4	5	DK	1	2	3	4	DK
Confidence & trust in the organisation eg staff are proud to work for the organisation, challenging is OK	1	2	3	4	5	DK	1	2	3	4	DK
Energy & interest in improvement eg people are energised, there is a 'buzz' about the place	1	2	3	4	5	DK	1	2	3	4	DK
Voluntary involvement in improvement eg people think & act improvement, they volunteer for projects	1	2	3	4	5	DK	1	2	3	4	DK
Key other (describe & rate)	1	2	3	4	5	DK	1	2	3	4	DK

# QUESTIONNAIRE BOOKLET

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## Appendix E

### STATISTICAL ANALYSIS & DATA TABLES FOR THE SURVEY

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Appendix E provides further detail for the statistical analysis approach that was used to analyse the data from each section within the questionnaire.

Section 1 of the questionnaire was used to collect background data about the respondent, their organisation and their approach to the BE journey. The data was analysed using SPSS software and then exported from SPSS to Microsoft Excel for charting and further analysis of the distribution patterns.

Section 2 of the questionnaire included questions about the decision to start the BE journey and the decision to adopt the CPE (or similar framework). Within SPSS, the researcher applied analysis of central tendency to examine distribution patterns. The mean was used as the measure of central tendency in preference to the median (although the median is recommended for small numbers) as all the medians were the same and the mean provided greater distinction. Nonparametric measures of statistical significance (e.g. univariate chi square) were applied to analyse patterns in the data further. The data was then exported from SPSS to Microsoft Excel for charting and further analysis of the distribution patterns. In addition, respondents were invited to add to the provided list of drivers. Any added items were analysed and patterns noted.

Section 3 of the questionnaire included questions about the practices and people perceived to influence the start of the BE journey. Respondents were asked to identify those practices and people they perceived were present or absent in their organisation, and based on this response identify to what extent they perceived the practice or people had influenced (or was influencing) the BE journey. For those practices identified as highly constraining or highly enabling, the respondent was asked to explain how they perceived the practice or people had influenced the BE journey. In addition, respondents were invited to add to the provided list of practices and people. Any added items were analysed and patterns noted.

For Section 3, cross tabulation tables were used to examine the data for patterns. The researcher also applied statistical analysis techniques to identify the extent to which each individual response (highly constraining, slightly constraining, no influence, slightly enabling, highly enabling) contributed to the overall association between the variables. The confidence

level (level of probability) was set at 95%. Three different coefficients were used relative to the extent of data and the level of measurement. The chi-square test was applied in most situations. Where there were fewer than five cases in each cell, which meant the numbers were too low to construct reliable responses, the researcher applied the Cramer's V test (when at least one variable was at the nominal level of measurement) or the Gamma test (when both variables were at the ordinal level of measurement).

Section 4 of the questionnaire was relevant for those respondents who measured their progress with the CPE. Respondents were requested to record their approach to self-assessment and the score achieved for each year of their BE journey. The data was analysed using the SPSS software and then exported from SPSS to Microsoft Excel for charting and further analysis of the distribution patterns. Leading organisations were identified and selected by the researcher, as those who had reported an improvement in the CPE score of at least 30 points a year over the first four years. Although all organisations indicated they used the CPE to assess performance, the approach used varied, hence the collated results provided an indication of trends for each organisation and can not be used to compare performance.

Section 5 required respondents to note their perception of any significant change since the start of the BE journey and also their perception for the extent BE had influenced the change. The approach to analysis and the techniques used were the same as those discussed for Section 2. In addition, the approach to analysis discussed for Section 3 was applied to examine the relationship between highly influential practices and the change items. As for Section 2 and 3, respondents were invited to add to the provided list of change items. Any added items were analysed and patterns noted.

The remainder of Appendix E provides schedule for the statistical analysis and the statistical analysis tables for the survey. Both the analysis schedule and the analysis tables are numbered to align with questionnaire.

## OVERVIEW STATISTICAL ANALYSIS SCHEDULE

QUESTIONNAIRE: Purpose			
To explore – add to the initial description / understanding of how organisations start their BE journey – develop broader insights eg the extent of influence			
To confirm (or disconfirm) case study findings – frequency / relationships for key characteristics & patterns for the start of the BE journey			
OBJECTIVES	QUESTIONS	DATA COLLECTION	DATA ANALYSIS
To confirm the key drivers & people that influence the decision to start the BE journey	To what extent are the identified drivers & people perceived to influence the decision to start the BE journey? the decision to adopt the Baldrige CPE?	Questionnaire – 2.1 & 2.2 Ordinal data List other practices	Descriptive – mean; univariate chi sq Describe patterns of distribution from charts List key others
To confirm when key practices are perceived to influence the BE journey	When do key practices & people influence the BE journey?	Too few data	
To confirm the key practices & people, perceived to influence the start of the BE journey	To what extent are the identified key practices & people perceived to influence the start of the BE journey?	Questionnaire – 3.1 to 3.4 a & b Yes/no (3.1 to 3.4 a) = nominal data X Ext of influence (3.1 to 3.4 b) = ordinal data List other practices Key practices = > 25% rate practice as highly enabling or highly constraining	Describe patterns of distribution - cross tabulation Cramer's V (chi NA as few data points & at least variable is nominal) List key others
To explore how key practices & people influence the BE journey	How are key practices & people perceived to influence the BE journey?	Questionnaire – 3.1 to 3.4 (a&b/d&e) Influence (d) = post coded (e) = nominal data	Describe themes
To identify the approach used for SA	How do org approach SA; when do they SA?	Questionnaire - 4	Graph distribution for approach & year of journey
To identify trends in rate of improvement	What is the change in CPE score over time?	Questionnaire – Q4	CPE score over time
To confirm the MSC items	To what extent have the identified changes in results, culture & climate occurred?	Questionnaire – Q5a Ordinal data; Key others	Descriptive – mean Describe patterns of distribution from charts Univariate chi sq List key others
	To what extent, is BE perceived to influence the change	Questionnaire – Q5b Ordinal	Descriptive – mean Describe patterns of distribution from charts
To explore the relationship between organisational profile items & MSC items	To what extent do the key organisational profile items relate to the MSC items	Too few data	
To explore the relationship between key practices & people and MSC items	To what extent do the key practice & people items relate to the MSC items	Questionnaire 3a (yes/no) x 5a (MSC) Nominal x ordinal	Descriptive – relationship - cross tabulation Bivariate chi sq – Cramer's V
To explore the relationship between MSC items & extent of BE influence	To what extent do MSC items relate to BE?	Questionnaire – 5a x 5b Ordinal x ordinal	Descriptive – relationship - cross tabulation Bivariate chi sq – Gamma

## SECTION 2: DECISION TO START

### To what extent are the identified drivers & people perceived to influence the decision to start?

#### 2.1 Thinking about the decision to start your BE journey, to what extent did the following influence the decision?

##### 2.1.1 Decision to start; org growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	4	10.5	10.5	10.5
	A little amount	5	13.2	13.2	23.7
	A moderate amount	9	23.7	23.7	47.4
	A great deal	20	52.6	52.6	100.0
	Total	38	100.0	100.0	

##### 2.1.2 Decision to start; be competitive

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	6	15.8	15.8	15.8
	A little amount	9	23.7	23.7	39.5
	A moderate amount	9	23.7	23.7	63.2
	A great deal	14	36.8	36.8	100.0
	Total	38	100.0	100.0	

##### 2.1.3 Decision to start; stakeholder influence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	15	39.5	39.5	39.5
	A little amount	7	18.4	18.4	57.9
	A moderate amount	11	28.9	28.9	86.8
	A great deal	5	13.2	13.2	100.0
	Total	38	100.0	100.0	

##### 2.1.4 Decision to start; Govt influence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	26	68.4	68.4	68.4
	A little amount	8	21.1	21.1	89.5
	A moderate amount	2	5.3	5.3	94.7
	A great deal	2	5.3	5.3	100.0
	Total	38	100.0	100.0	

##### 2.1.5 Decision to start; customer influence

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	4	10.5	10.5	10.5
	A little amount	8	21.1	21.1	31.6
	A moderate amount	15	39.5	39.5	71.1
	A great deal	11	28.9	28.9	100.0
	Total	38	100.0	100.0	

##### 2.1.6 Decision to start; crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	18	47.4	48.6	48.6
	A little amount	12	31.6	32.4	81.1
	A moderate amount	6	15.8	16.2	97.3
	A great deal	1	2.6	2.7	100.0
	Total	37	97.4	100.0	
Missing	System	1	2.6		
Total		38	100.0		

2.1.7 Decision to start; new CEO

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	22	57.9	62.9	62.9
	A little amount	2	5.3	5.7	68.6
	A moderate amount	3	7.9	8.6	77.1
	A great deal	8	21.1	22.9	100.0
	Total	35	92.1	100.0	
Missing	System	3	7.9		
Total		38	100.0		

2.1.8 Decision to start; new organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	23	60.5	65.7	65.7
	A little amount	2	5.3	5.7	71.4
	A moderate amount	7	18.4	20.0	91.4
	A great deal	3	7.9	8.6	100.0
	Total	35	92.1	100.0	
Missing	System	3	7.9		
Total		38	100.0		

2.1.9 Decision to start; restructure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	17	44.7	51.5	51.5
	A little amount	7	18.4	21.2	72.7
	A moderate amount	7	18.4	21.2	93.9
	A great deal	2	5.3	6.1	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

Statistics		Decision to start; org growth	Decision to start; be competitive	Decision to start; stakeholder influence	Decision to start; Govt influence	Decision to start; customer influence crisis	Decision to start; new CEO	Decision to start; new organisation	Decision to start; restructure
N	Valid	38	38	38	38	38	37	35	35
	Missing	0	0	0	0	0	1	3	5
Mean		3.18	2.82	2.16	1.47	2.87	1.73	1.91	1.71
Median		4.00	3.00	2.00	1.00	3.00	2.00	1.00	1.00

Test statistics		Decision to start; org growth	Decision to start; be competitive	Decision to start; stakeholder influence	Decision to start; Govt influence	Decision to start; customer influence crisis	Decision to start; new CEO	Decision to start; new organisation	Decision to start; restructure
Chi-Square		16.947	3.474	6.211	40.737	6.842	17.595	29.114	32.543
df		3	3	3	3	3	3	3	3
Asymp. Sig.		.001	.324	.102	.000	.077	.001	.000	.002

**2.2 To what extent are the identified drivers & people perceived to influence the decision to adopt the CPE?**

**2.2 Thinking about the decision to adopt the Baldrige Criteria for Performance Excellence, to what extent did the following influence the decision?**

2.2.1 Decision to adopt CPE; world class

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	3	7.9	7.9	7.9
	A little amount	7	18.4	18.4	26.3
	A moderate amount	12	31.6	31.6	57.9
	A great deal	16	42.1	42.1	100.0
	Total	38	100.0	100.0	

2.2.2 Decision to adopt CPE; proven

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	2.6	2.6	2.6
	A little amount	3	7.9	7.9	10.5
	A moderate amount	16	42.1	42.1	52.6
	A great deal	18	47.4	47.4	100.0
	Total	38	100.0	100.0	

2.2.3 Decision to adopt CPE; ext recognition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	5.3	5.3	5.3
	A little amount	10	26.3	26.3	31.6
	A moderate amount	11	28.9	28.9	60.5
	A great deal	15	39.5	39.5	100.0
	Total	38	100.0	100.0	

2.2.4 Decision to adopt CPE; ext measure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	2.6	2.6	2.6
	A little amount	5	13.2	13.2	15.8
	A moderate amount	12	31.6	31.6	47.4
	A great deal	20	52.6	52.6	100.0
	Total	38	100.0	100.0	

2.2.4 Decision to adopt CPE; framework to co-ord

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	2	5.3	5.4	5.4
	A little amount	3	7.9	8.1	13.5
	A moderate amount	12	31.6	32.4	45.9
	A great deal	20	52.6	54.1	100.0
	Total	37	97.4	100.0	
Missing	System	1	2.6		
Total		38	100.0		

2.2.5 Decision to adopt CPE; guide improvement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A little amount	2	5.3	5.3	5.3
	A moderate amount	7	18.4	18.4	23.7
	A great deal	29	76.3	76.3	100.0
	Total	38	100.0	100.0	

2.2.7 Decision to adopt CPE; access BE networks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	5	13.2	13.5	13.5
	A little amount	15	39.5	40.5	54.1
	A moderate amount	12	31.6	32.4	86.5
	A great deal	5	13.2	13.5	100.0
	Total	37	97.4	100.0	
Missing	System	1	2.6		
Total		38	100.0		

2.2.8 Decision to adopt CPE; benchmark

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	2.6	2.6	2.6
	A little amount	12	31.6	31.6	34.2
	A moderate amount	11	28.9	28.9	63.2
	A great deal	14	36.8	36.8	100.0
	Total	38	100.0	100.0	

Statistics		Decision to adopt CPE; world class	Decision to adopt CPE; proven	Decision to adopt CPE; ext recognition	Decision to adopt CPE; ext measure	Decision to adopt CPE; framework to co-ord	Decision to adopt CPE; guide improvement	Decision to adopt CPE; benchmark	Decision to adopt CPE; access BE networks
N	Valid	38	38	38	38	37	38	38	37
	Missing	0	0	0	0	1	0	0	1
Mean		3.08	3.34	3.03	3.34	3.35	3.71	3.00	2.46
Median		3.00	3.00	3.00	4.00	4.00	4.00	3.00	2.00

Test Statistics		Decision to adopt CPE; world class	Decision to adopt CPE; proven	Decision to adopt CPE; ext recognition	Decision to adopt CPE; ext measure	Decision to adopt CPE; framework to co-ord	Decision to adopt CPE; guide improvement	Decision to adopt CPE; benchmark	Decision to adopt CPE; access BE networks
Chi-Square		10.211	24.105	9.368	22.000	23.216	32.579	.378	8.297
df		3	3	3	3	3	2	2	3
Asymp. Sig.		.017	.000	.025	.000	.000	.000	.828	.040

## SECTION 3: STARTING THE BE JOURNEY

### 3.1 To what extent are the key external practices perceived to influence the BE journey

#### 3.1 Thinking about the start of your organisation's BE journey a) did this event / strategy occur b) to what extent did the event / strategy influence (or is influencing) your rate of improvement?

3.1.1 Ext event;organisational growth \*Ext event;organisational growth Crosstabulation

		Ext event; organisational growth					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event; organisational growth	yes		3		13	4	20
	no	2	3	9	2		16
Total		2	6	9	15	4	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.798	.000
	Cramer's V	.798	.000
N of Valid Cases		36	

3.1.2 Ext event; industry challenges \*Ext event;industry challenges Crosstabulation

		Ext event; industry challenges					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event; industry challenges	yes	2	6	3	3	6	20
	no		2	7	3	1	13
	DK			1			1
Total		2	8	11	6	7	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.544	.259
	Cramer's V	.385	.259
N of Valid Cases		34	

3.1.3 Ext event; governors increase in expectations \*Ext event;governors increase in expectations Crosstabulation

		Ext event; governors increase in expectations					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event; governors increase in expectations	yes		1	2	13	4	20
	no	1		9	3	1	14
Total		1	1	11	16	5	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.639	.008
	Cramer's V	.639	.008
N of Valid Cases		34	

3.1.4 Ext event; key stakeholders change \*Ext event; key stakeholders change Crosstabulation

		Ext event; key stakeholders change				Total
		highly constraining	slightly constraining	no influence	slightly enabling	
Ext event; key stakeholders change	yes	1	4	2	2	9
	no		1	22		23
	DK			1		1
Total		1	5	25	2	33

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.773	.003
	Cramer's V	.546	.003
N of Valid Cases		33	

3.1.5 Ext event; CEO's perf measures include BE \*Ext event;CEO's perf measures include BE Crosstabulation

		Ext event; CEO's perf measures include BE				Total	
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event;CEO's perf measures include BE	yes		1	1	6	5	13
	no	2		16	1		19
	DK		1				1
Total		2	2	17	7	5	33

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.108	.000
	Cramer's V	.784	.000
N of Valid Cases		33	

3.1.6 Ext event;governance & org priorities align \*Ext event;governance & org priorities align Crosstabulation

		Ext event; governance & org priorities align				Total	
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event;governance & org priorities align	yes			2	11	2	15
	no	4	2	9	1		16
	DK			1	1		2
Total		4	2	12	13	2	33

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.811	.005
	Cramer's V	.574	.005
N of Valid Cases		33	

3.1.7 Ext event;financial resources for growth \* Ext event;financial resources for growth Crosstabulation

		Ext event; financial resources for growth					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event;financial resources for growth	yes		1	2	9	3	15
	no	4	8	7			19
	DK			1			1
Total		4	9	10	9	3	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.881	.001
	Cramer's V	.623	.001
N of Valid Cases		35	

3.1.8 Ext event; able to attract talented people \* Ext event;able to attract talented people Crosstabulation

		Ext event; able to attract talented people					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event;able to attract talented people	yes		1	1	14	8	24
	no	2	4	4			10
	DK				1		1
Total		2	5	5	15	8	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.895	.000
	Cramer's V	.633	.000
N of Valid Cases		35	

3.1.9 Ext event; governance & org roles distinct \* Ext event;governacne & org roles distinct Crosstabulation

		Ext event; governance & org roles distinct					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Ext event;governacne & org roles distinct	yes		1	11	11	3	26
	no	1	1	6			8
	DK						
Total		1	2	17	11	3	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.533	.047
	Cramer's V	.533	.047
N of Valid Cases		34	

3.1.10 Ext / BE event; won a BE award \* BE event; won a BE award Crosstabulation

		BE event; won a BE award				Total
		highly constraining	no influence	slightly enabling	high enabling	
BE event; won a BE award	yes		1	2	7	10
	no	1	19			20
Total		1	20	2	7	30

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.926	.000
	Cramer's V	.926	.000
N of Valid Cases		30	

3.1.11 Ext / BE events; participate as an evaluator \* BE event; participate as an evaluator Crosstabulation

		BE events; participate an evaluator				Total	
		highly constraining	slightly constraining	no influence	slightly enabling		high enabling
BE events; participate as an evaluator	yes		1		8	5	14
	no	3		13			16
Total		4		13	8	5	30

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.948	.000
	Cramer's V	.948	.000
N of Valid Cases		30	

### 3.2 To what extent are the key organization-wide practices perceived to influence the BE journey?

#### 3.2 Thinking about the start of your organisation's BE journey a) did this event / strategy occur b) to what extent did the event / strategy influence (or is influencing) your rate of improvement?

3.2.1. Org wide event; strategic plan \* Org wide event;strategic plan Crosstabulation

		Org wide event;strategic plan					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; strategic plan	yes		1		15	16	32
	no	2	1	2			5
Total		2	2	2	15	16	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.940	.000
	Cramer's V	.940	.000
N of Valid Cases		37	

3.2.2. Org wide event; plans align \* Org wide event; plans align Crosstabulation

		Org wide event; plans align					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; plans align	yes		1	2	17	7	27
	no	3	4	2	1		10
Total		3	5	4	18	7	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.790	.000
	Cramer's V	.790	.000
N of Valid Cases		37	

3.2.3 Org wide event; focus on improvement not BE \* Org wide event; focus on improvement not BE Crosstabulation

		Org wide event; focus on improvement not BE					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; focus on improvement not BE	yes			6	18	7	31
	no	1	2		1		4
	DK					1	1
Total		1	2	6	19	8	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.911	.000
	Cramer's V	.644	.000
N of Valid Cases		36	

3.2.4 Org wide event; values are integrated \* Org wide event; values are integrated Crosstabulation

		Org wide event; values are integrated				Total
		highly constraining	slightly constraining	slightly enabling	high enabling	
Org wide event; values are integrated	yes		1	17	11	29
	no	2	5			7
Total		2	6	17	11	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.923	.000
	Cramer's V	.923	.000
N of Valid Cases		36	

3.2.5 Org wide event; plans are deployed \* Org wide event; plans are deployed Crosstabulation

		Org wide event; plans are deployed					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; plans are deployed	yes			3	18	9	30
	no	2	2				4
	DK			1			1
Total		2	2	4	18	9	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.107	.000
	Cramer's V	.783	.000
N of Valid Cases		35	

3.2.6 Org wide event; communication is 2 way \* Org wide event; communication is 2 way Crosstabulation

		Org wide event; communication is 2 way					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; communication is 2 way	yes			2	19	9	30
	no	2	4				6
	DK			1			1
Total		2	4	3	19	9	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.145	.000
	Cramer's V	.810	.000
N of Valid Cases		37	

### 3.2 To what extent are the key organization-wide practices perceived to influence the BE journey?

#### 3.2 Thinking about the start of your organisation's BE journey a) did this event / strategy occur b) to what extent did the event / strategy influence (or is influencing) your rate of improvement?

3.2.1. Org wide event; strategic plan \* Org wide event;strategic plan Crosstabulation

		Org wide event;strategic plan					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; strategic plan	yes		1		15	16	32
	no	2	1	2			5
Total		2	2	2	15	16	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.940	.000
	Cramer's V	.940	.000
N of Valid Cases		37	

3.2.2. Org wide event; plans align \* Org wide event; plans align Crosstabulation

		Org wide event; plans align					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; plans align	yes		1	2	17	7	27
	no	3	4	2	1		10
Total		3	5	4	18	7	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.790	.000
	Cramer's V	.790	.000
N of Valid Cases		37	

3.2.3 Org wide event; focus on improvement not BE \* Org wide event; focus on improvement not BE Crosstabulation

		Org wide event; focus on improvement not BE					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; focus on improvement not BE	yes			6	18	7	31
	no	1	2		1		4
	DK					1	1
Total		1	2	6	19	8	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.911	.000
	Cramer's V	.644	.000
N of Valid Cases		36	

3.2.4 Org wide event; values are integrated \* Org wide event; values are integrated Crosstabulation

		Org wide event; values are integrated				Total
		highly constraining	slightly constraining	slightly enabling	high enabling	
Org wide event; values are integrated	yes		1	17	11	29
	no	2	5			7
Total		2	6	17	11	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.923	.000
	Cramer's V	.923	.000
N of Valid Cases		36	

3.2.5 Org wide event; plans are deployed \* Org wide event; plans are deployed Crosstabulation

		Org wide event; plans are deployed				Total	
		highly constraining	slightly constraining	no influence	slightly enabling		high enabling
Org wide event; plans are deployed	yes			3	18	9	30
	no	2	2				4
	DK			1			1
Total		2	2	4	18	9	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.107	.000
	Cramer's V	.783	.000
N of Valid Cases		35	

3.2.6 Org wide event; communication is 2 way \* Org wide event; communication is 2 way Crosstabulation

		Org wide event; communication is 2 way				Total	
		highly constraining	slightly constraining	no influence	slightly enabling		high enabling
Org wide event; communication is 2 way	yes			2	19	9	30
	no	2	4				6
	DK			1			1
Total		2	4	3	19	9	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.145	.000
	Cramer's V	.810	.000
N of Valid Cases		37	

3.2.7 Org wide event; recruit & retain key people \* Org wide event; recruit & retain key people Crosstabulation

		Org wide event; recruit & retain key people					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; recruit & retain key people	yes	1	2	1	16	8	28
	no	2	4	2	1		9
Total		3	6	3	17	8	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.686	.002
	Cramer's V	.686	.002
N of Valid Cases		37	

3.2.8 Org wide event; restructuring \* Org wide event; restructuring Crosstabulation

		Org wide event; restructuring					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; restructuring	yes	3	4	1	9	2	19
	no		1	15			16
Total		3	5	16	9	2	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.894	.000
	Cramer's V	.894	.000
N of Valid Cases		35	

3.2.9 Org wide event; working as one organisation \* Org wide event; working as one organisation Crosstabulation

		Org wide event; working as one organisation					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; working as one organisation	yes		2	2	6	6	16
	no DK	5	9	4			18
Total		5	11	8	6	6	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.923	.000
	Cramer's V	.653	.000
N of Valid Cases		36	

3.2.10 Org wide event; strong support processes \*\*Org wide event; strong support processes Crosstabulation

		Org wide event; strong support processes					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; strong support processes	yes		2	2	12	12	28
	no	1	4	2	1		8
Total		1	6	4	13	12	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.690	.002
	Cramer's V	.690	.002
N of Valid Cases		36	

3.2.11 Org wide event; new resources for frontline \*\*Org wide event; new resources for frontline Crosstabulation

		Org wide event; new resources for frontline				Total
		slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; new resources for frontline	yes	2	2	12	2	18
	no	2	9	1		12
	DK		2			2
Total		4	13	13	2	32

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.750	.006
	Cramer's V	.530	.006
N of Valid Cases		32	

3.2.12 Org wide event; capability in project work \*\*Org wide event; capability in project work Crosstabulation

		Org wide event; capability in project work					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; capability in project work	yes		1	2	12	12	27
	no	1	3	3	1		8
	DK			1			1
Total		1	4	6	13	12	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.812	.003
	Cramer's V	.574	.003
N of Valid Cases		36	

3.2.13 Org wide event; conflicting priorities \* Org wide event; conflicting priorities Crosstabulation

		Org wide event; conflicting priorities					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; conflicting priorities	yes	10	20		1	2	33
	no		1	3			4
Total		10	21	3	1	2	37

3.2.14 Org wide event; develop leaders throughout \* Org wide event; develop leaders throughout Crosstabulation

		Org wide event; develop leaders throughout					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; develop leaders throughout	yes		1		18	7	26
	no	2	4	2			8
	DK			2			2
Total		2	5	4	18	7	36

3.2.15 Org wide event; staff are involved \* Org wide event; staff are involved Crosstabulation

		Org wide event; staff are involved				Total
		highly constraining	no influence	slightly enabling	high enabling	
Org wide event; staff are involved	yes		2	19	11	32
	no	2				2
	DK		1			1
Total		2	3	19	11	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.856	.000
	Cramer's V	.856	.000
N of Valid Cases		37	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.115	.000
	Cramer's V	.789	.000
N of Valid Cases		36	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.146	.000
	Cramer's V	.810	.000
N of Valid Cases		35	

3.2.16 Org wide event; improvement ideas actioned \* Org wide event; improvement ideas actioned Crosstabulation

		Org wide event; improvement ideas actioned					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; improvement ideas actioned	yes			1	18	9	28
	no	3	4				7
	DK			2			2
Total		3	4	3	18	9	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.282	.000
N of Valid Cases	Cramer's V	.906	.000
		37	

3.2.17 Org wide event; address performance issues \* Org wide event; address performance issues Crosstabulation

		Org wide event; address performance issues					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
Org wide event; address performance issues	yes		1	1	13	8	23
	no	2	9				11
	DK			2			2
Total		2	10	3	13	8	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.232	.000
N of Valid Cases	Cramer's V	.871	.000
		36	

### 3.3 To what extent are the key BE practices perceived to influence the BE journey?

3.3 Thinking about the start of your organisation's BE journey a) did this event / strategy occur b) to what extent did the event / strategy influence (or is influencing) your rate of improvement?

3.3.1 BE event; adopted as LT imp strategy \* BE event; adopted as LT imp strategy Crosstabulation

		BE event; adopted as LT imp strategy				Total
		slightly constraining	no influence	slightly enabling	high enabling	
BE event; adopted as LT imp strategy	yes	1	1	16	16	34
	no		1			1
Total		1	2	16	16	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.697	.001
	Cramer's V	.697	.001
N of Valid Cases		35	

3.3.2 BE event; aligned with org purpose & culture \* BE event; aligned with org purpose & culture Crosstabulation  
Count

		BE event; aligned with org purpose & culture				Total
		slightly constraining	no influence	slightly enabling	high enabling	
BE event; aligned with org purpose & culture	yes	1		16	12	29
	no	2	2			4
	DK		2			2
Total		3	4	16	12	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.030	.000
	Cramer's V	.728	.000
N of Valid Cases		35	

3.3.3 BE event; integrated with org planning \* BE event; integrated with org planning Crosstabulation

		BE event; integrated with org planning					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; integrated with org planning	yes				18	8	26
	no	2	3		2		7
	DK			2			2
Total		2	3	2	20	8	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.294	.000
	Cramer's V	.915	.000
N of Valid Cases		35	

3.3.4 BE event; introduced throughout org \* BE event; introduced throughout org Crosstabulation

		BE event; introduced throughout org					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; introduced throughout org	yes		3	3	10	7	23
	no	2	6	2	2		12
Total		2	9	5	12	7	35

3.3.5 BE event; communications address relevance \* BE event; communications address relevance Crosstabulation

		BE event; communications address relevance					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; communications address relevance	yes	1		2	16	4	23
	no	3	4	4			11
	DK			1			1
Total		4	4	7	16	4	35

3.3.6 BE event; SA report identifies OFIs \* BE event; SA report identifies OFIs Crosstabulation

		BE event; SA report identifies OFIs			Total
		no influence	slightly enabling	high enabling	
BE event; SA report identifies OFIs	yes		13	20	33
	no	3			3
Total		3	13	20	36

3.3.7 BE event; expectations & consequences are clear \* BE event; expectations & consequences are clear Crosstabulation

		BE event; expectations & consequences are clear					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; expectations & consequences are clear	yes			1	14	2	17
	no	2	7	5			14
	DK			2			2
Total		2	7	8	14	2	33

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.619	.009
	Cramer's V	.619	.009
N of Valid Cases		35	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.908	.000
	Cramer's V	.642	.000
N of Valid Cases		35	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	1.000	.000
N of Valid Cases		36	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.032	.000
	Cramer's V	.730	.000
N of Valid Cases		33	

3.3.8 BE event; journey is monitored & reviewed \*BE event; journey is monitored & reviewed Crosstabulation

		BE event; journey is monitored & reviewed					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; journey is yes monitored reviewed	no	1	1	2	2	9	4
	DK						2
Total		1	1	2	22	9	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.218	.000
	Cramer's V	.861	.000
N of Valid Cases		35	

3.3.9 BE event; improvement effort is sustainable \*BE event; improvement effort is sustainable Crosstabulation

		BE improvement event; effort is sustainable					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; improvement effort is sustainable	yes		1	1	15	5	22
	no	2	3	1	2		8
	DK			4			4
Total		2	4	6	17	5	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.047	.000
	Cramer's V	.740	.000
N of Valid Cases		34	

3.3.10 BE event; improvement projects are resourced \*BE event; improvement projects are resourced Crosstabulation

		BE event; improvement projects are resourced					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; improvement projects resourced	yes	1	1	1	14	9	26
	no	3	3	1	1		8
Total		4	4	2	15	9	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.721	.001
	Cramer's V	.721	.001
N of Valid Cases		34	

3.3.11 BE event; groups are cross functional \* BE event; groups are cross functional Crosstabulation

		BE event; groups are cross functional					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE event; groups are yes cross functional			1	3	20	6	30
	no	1					1
	DK			3			3
Total		1	1	6	20	6	34

3.3.12 BE events; early projects are org wide \* BE events; early projects are org wide Crosstabulation

		BE events; early projects are org wide					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE events; early projects are org wide	yes		2		14	5	21
	no	2	4	5			11
	DK			3			3
Total		2	6	8	14	5	35

3.3.13 BE events; prepare a BE application \* BE event; prepare a BE application Crosstabulation

		BE events; prepare a BE application					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
BE events; prepare a yes BE application				3	9	8	20
	no	2	2	8			12
Total		2	2	11	9	8	32

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.204	.000
	Cramer's V	.851	.000
N of Valid Cases		34	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.010	.000
	Cramer's V	.714	.000
N of Valid Cases		35	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.842	.000
	Cramer's V	.842	.000
N of Valid Cases		32	

3.3.14 BE event; training for understanding & tools \* BE event; training for understanding & tools Crosstabulation

		BE event; training for understanding & tools				Total
		slightly constraining	no influence	slightly enabling	high enabling	
BE event; training for yes understanding & tools		1		17	6	24
	no	3	5		1	9
	DK		1			1
Total		4	6	17	7	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.910	.000
	Cramer's V	.644	.000
N of Valid Cases		34	

### 3.4 To what extent are the key people practices perceived to influence the BE journey?

3.4 Thinking about the start of your organisation's BE journey a) did this event / strategy occur b) to what extent did the event / strategy influence (or is influencing) your rate of improvement?

3.4.1 PF; CEO focus on leadership & strategy \* PF; CEO focus on leadership & strategy Crosstabulation

		PF; CEO focus on leadership & strategy					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; CEO focus on leadership & strategy	yes		1	1	11	16	29
	no	3	1	2			6
	DK			1			1
Total		3	2	4	11	16	36

3.4.2 PF; CEO sponsors BE \* PF; CEO sponsors BE Crosstabulation

		PF; CEO sponsors BE					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; CEO sponsors BE	yes		1	2	8	21	32
	no	3	1	1			5
Total		3	2	3	8	21	37

3.4.3 PF;exec work as cohesive group \* PF;exec work as cohesive group Crosstabulation

		PF;exec work as cohesive group					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF;exec work as cohesive group	yes		3	1	8	10	22
	no	6	3	2			11
	DK			2			2
Total		6	6	5	8	10	35

#### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.978	.000
	Cramer's V	.692	.000
N of Valid Cases		36	

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

#### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.855	.000
	Cramer's V	.855	.000
N of Valid Cases		37	

#### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.025	.000
	Cramer's V	.725	.000
N of Valid Cases		35	

3.4.4 PF;exec actively involved in BE \* PF;exec actively involved in BE Crosstabulation

		PF;exec actively involved in BE					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF;exec actively involved in BE	yes		3		8	9	20
	no	3	7	2			12
	DK			2			2
Total		3	10	4	8	9	34

3.4.5 PF; key people access BE specialist \* PF; key people access BE specialist Crosstabulation

		PF; key people access BE specialist				Total
		slightly constraining	no influence	slightly enabling	high enabling	
PF; key people access BE specialist	yes		2	14	12	28
	no	2	5			7
	DK		1			1
Total		2	8	14	12	36

3.4.6 PF; managers actively involved in BE \* PF; managers actively involved in BE Crosstabulation

		PF; managers actively involved in BE					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; managers yes actively involved in BE	yes	1	4	2	9	5	21
	no		10	1			11
	DK			4			4
Total		1	14	7	9	5	36

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.066	.000
	Cramer's V	.754	.000
N of Valid Cases		34	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.896	.000
	Cramer's V	.634	.000
N of Valid Cases		36	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.015	.000
	Cramer's V	.718	.000
N of Valid Cases		36	

3.4.7 PF; managers access BE advisor / coach \*PF; managers access BE advisor / coach Crosstabulation

		PF; managers access BE advisor / coach				Total
		slightly constraining	no influence	slightly enabling	high enabling	
PF; managers access BE advisor / coach	yes	2	2	14	5	23
	no	3	7			10
	DK		2			2
Total		5	11	14	5	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.827	.001
	Cramer's V	.585	.001
N of Valid Cases		35	

3.4.8 PF; key people experience world class org's \*PF; key people experience world class org's Crosstabulation

		PF; key people experience world class org's					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; key people experience world class org's	yes	1		2	6	8	17
	no		8	10			18
Total		1	8	12	6	8	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.900	.000
	Cramer's V	.900	.000
N of Valid Cases		35	

3.4.9 PF; prior experience of a quality initiative \*PF; prior experience of a quality initiative Crosstabulation

		PF; prior experience of a quality initiative					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; prior experience of a quality initiative	yes		4	2	6	5	17
	no	1	2	8	1		12
	DK			1			1
Total		1	6	11	7	5	30

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.708	.058
	Cramer's V	.501	.058
N of Valid Cases		30	

3.4.10 PF; BE steering group has influence with exec \*PF; BE steering group has influence with exec Crosstabulation

		PF; BE steering group has influence with exec					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; BE steering group has influence with exec	yes		1		17	7	25
	no	1	2	1			4
	DK			6			6
Total		1	3	7	17	7	35

3.4.11 PF; BE champion or facilitator \* PF; BE champion or facilitator Crosstabulation

		PF; BE champion or facilitator			Total
		no influence	slightly enabling	high enabling	
PF; BE champion or facilitator	yes		16	14	30
	no	2			2
	DK	3			3
Total		5	16	14	35

3.4.12 PF; BE champion has influence with exec & staff \*PF; BE champion has influence with exec & staff Crosstabulation

		PF; BE champion has influence with exec & staff					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; BE champion has influence with exec & staff	yes		1		13	14	28
	no		3	1	1		5
	DK	1		1			2
Total		1	4	2	14	14	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.204	.000
	Cramer's V	.851	.000
N of Valid Cases		35	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	.707	.000
N of Valid Cases		35	

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.120	.000
	Cramer's V	.792	.000
N of Valid Cases		35	

3.4.13 PF; network of BE champions throughout \* PF; network of BE champions throughout Crosstabulation

		PF; network of BE champions throughout					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; network of BE champions throughout	yes		1	1	11	4	17
	no	1	7	4	1		13
	DK			3			3
<b>Total</b>		1	8	8	12	4	33

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.963	.000
	Cramer's V	.681	.000
N of Valid Cases		33	

3.4.14 PF; staff are involved in BE initiatives \* PF; staff are involved in BE initiatives Crosstabulation

		PF; staff are involved in BE initiatives				Total
		slightly constraining	no influence	slightly enabling	high enabling	
PF; staff are involved in BE initiatives	yes		1	13	14	28
	no	5	3			8
	DK		1			1
<b>Total</b>		5	5	13	14	37

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.011	.000
	Cramer's V	.715	.000
N of Valid Cases		37	

3.4.15 PF; staff have a choice re level of involvement \* PF; staff have a choice re level of involvement Crosstabulation

		PF; staff have a choice re level of involvement					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; staff have a choice re level of involvement	yes		4	2	14	2	22
	no	1	2	5	1		9
	DK			3			3
<b>Total</b>		1	6	10	15	2	34

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.771	.010
	Cramer's V	.545	.010
N of Valid Cases		34	

3.4.16 PF; staff are reluctant to 'go extra mile' \* PF; staff are reluctant to 'go extra mile' Crosstabulation

		PF; staff are reluctant to 'go extra mile'					Total
		highly constraining	slightly constraining	no influence	slightly enabling	high enabling	
PF; staff are reluctant to 'go extra mile'	yes	3	9			1	12
	no		1	13	5	1	20
	DK			1			1
Total		3	10	14	5	2	33

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.916	.001
	Cramer's V	.647	.001
N of Valid Cases		33	

3.4.17 PF; BE steering group is cross functional \* PF; BE steering group is cross functional Crosstabulation

		PF; BE steering group is cross functional				Total
		slightly constraining	no influence	slightly enabling	high enabling	
PF; BE steering group is cross functional	yes	1		16	5	22
	no	2	5	1		8
	DK		5			5
Total		3	10	17	5	35

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.956	.000
	Cramer's V	.676	.000
N of Valid Cases		35	

## SECTION 5: SIGNIFICANT CHANGE

### 5.1 To what extent are the changes in business results, culture and climate perceived to have occurred?

#### 5.1 Thinking about the start of your organisations BE journey how would you describe the trend in the following?

##### 5.1.1 MSC; business results

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	slightly decreased	2	5.3	6.1	6.1
	no change	6	15.8	18.2	24.2
	slightly increased	16	42.1	48.5	72.7
	significantly increased	9	23.7	27.3	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

##### 5.1.2. MSC; clarity of direction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	significantly decreased	1	2.6	2.9	2.9
	no change	2	5.3	5.9	8.8
	slightly increased	18	47.4	52.9	61.8
	significantly increased	13	34.2	38.2	100.0
	Total	34	89.5	100.0	
Missing	System	4	10.5		
Total		38	100.0		

##### 5.1.3 MSC; relationships

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	slightly decreased	1	2.6	3.0	3.0
	no change	7	18.4	21.2	24.2
	slightly increased	16	42.1	48.5	72.7
	significantly increased	9	23.7	27.3	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

##### 5.1.4 MSC; org wide capacity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	slightly decreased	1	2.6	2.9	2.9
	no change	7	18.4	20.6	23.5
	slightly increased	18	47.4	52.9	76.5
	significantly increased	8	21.1	23.5	100.0
	Total	34	89.5	100.0	
Missing	System	4	10.5		
Total		38	100.0		

5.1.5 MSC; expertise

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	slightly decreased	2	5.3	6.1	6.1
	no change	6	15.8	18.2	24.2
	slightly increased	19	50.0	57.6	81.8
	significantly increased	6	15.8	18.2	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

5.1.6 MSC; confidence & trust

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	significantly decreased	2	5.3	6.1	6.1
	no change	5	13.2	15.2	21.2
	slightly increased	20	52.6	60.6	81.8
	significantly increased	6	15.8	18.2	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

5.1.7 MSC; energy & interest

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	significantly decreased	1	2.6	2.9	2.9
	slightly decreased	1	2.6	2.9	5.9
	no change	4	10.5	11.8	17.6
	slightly increased	20	52.6	58.8	76.5
	significantly increased	8	21.1	23.5	100.0
	Total	34	89.5	100.0	
Missing	System	4	10.5		
Total		38	100.0		

5.1.8 MSC; voluntary involvement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	slightly decreased	2	5.3	5.9	5.9
	no change	7	18.4	20.6	26.5
	slightly increased	23	60.5	67.6	94.1
	significantly increased	2	5.3	5.9	100.0
	Total	34	89.5	100.0	
Missing	System	4	10.5		
Total		38	100.0		

Statistics		MSC; business results	MSC; clarity of direction	MSC; relationships	MSC; org wide capacity	MSC; expertise	MSC; confidence & trust	MSC; energy & interest	MSC; voluntary involvement
N	Valid	33	34	33	34	33	33	34	34
	Missing	5	4	5	4	5	5	4	4
Mean		3.97	4.24	4.00	3.97	3.88	3.85	3.97	3.74
Median		4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Std. Deviation		.847	.819	.791	.758	.781	.939	.870	.666

Test Statistics

	MSC; business results	MSC; clarity of direction	MSC; relationships	MSC; org wide capacity	MSC; expertise	MSC; confidence & trust	MSC; energy & interest	MSC; voluntary involvement
Chi-Square	12.697	24.588	3.455	17.529	19.970	23.364	36.882	34.941
df	3	3	2	3	3	3	4	3
Asymp. Sig.	.005	.000	.178	.001	.000	.000	.000	.000

## 5.2 To what extent is BE perceived to have influenced the change in business results, culture & climate?

### 5.2 Thinking about the start of your organisations BE journey to what extent did BE influence the change?

5.2.1 MSC; business results; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	6	15.8	18.2	18.2
	a little amount	9	23.7	27.3	45.5
	a moderate amount	14	36.8	42.4	87.9
	a great deal	4	10.5	12.1	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

5.2.2 MSC; clarity of direction; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	1	2.6	3.0	3.0
	a little amount	5	13.2	15.2	18.2
	a moderate amount	16	42.1	48.5	66.7
	a great deal	11	28.9	33.3	100.0
	Total	33	86.8	100.0	
Missing	System	5	13.2		
Total		38	100.0		

5.2.3 MSC; relationships; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	6	15.8	18.8	18.8
	a little amount	8	21.1	25.0	43.8
	a moderate amount	7	18.4	21.9	65.6
	a great deal	11	28.9	34.4	100.0
	Total	32	84.2	100.0	
Missing	System	6	15.8		
Total		38	100.0		

5.2.4 MSC; org wide capacity; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	6	15.8	17.6	17.6
	a little amount	11	28.9	32.4	50.0
	a moderate amount	10	26.3	29.4	79.4
	a great deal	7	18.4	20.6	100.0
	Total	34	89.5	100.0	
Missing	System	4	10.5		
Total		38	100.0		

5.2.5 MSC; expertise; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	4	10.5	12.5	12.5
	a little amount	7	18.4	21.9	34.4
	a moderate amount	11	28.9	34.4	68.8
	a great deal	10	26.3	31.3	100.0
	Total	32	84.2	100.0	
Missing	System	6	15.8		
Total		38	100.0		

5.2.7 MSC; energy & interest; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	5	13.2	15.6	15.6
	a little amount	10	26.3	31.3	46.9
	a moderate amount	11	28.9	34.4	81.3
	a great deal	6	15.8	18.8	100.0
	Total	32	84.2	100.0	
Missing	System	6	15.8		
Total		38	100.0		

5.2.6 MSC; confidence & trust; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	8	21.1	25.8	25.8
	a little amount	10	26.3	32.3	58.1
	a moderate amount	5	13.2	16.1	74.2
	a great deal	8	21.1	25.8	100.0
	Total	31	81.6	100.0	
Missing	System	7	18.4		
Total		38	100.0		

5.2.8 MSC; voluntary involvement; extent of influence of BE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	not at all	9	23.7	28.1	28.1
	a little amount	7	18.4	21.9	50.0
	a moderate amount	12	31.6	37.5	87.5
	a great deal	4	10.5	12.5	100.0
	Total	32	84.2	100.0	
Missing	System	6	15.8		
Total		38	100.0		

Statistics		MSC; business results; extent of influence of BE	MSC; clarity of direction; extent of influence of BE	MSC; relationships; extent of influence of BE	MSC; org wide capacity; extent of influence of BE	MSC; expertise; extent of influence of BE	MSC; confidence & trust; extent of influence of BE	MSC; energy & interest; extent of influence of BE	MSC; voluntary involvement; extent of influence of BE
N	Valid	33	33	32	34	32	31	32	32
	Missing	5	5	6	4	6	7	6	6
Mean		2.48	3.12	2.72	2.53	2.84	2.42	2.56	2.34
Median		3.00	3.00	3.00	2.50	3.00	2.00	3.00	2.50

Test Statistics

	MSC; business results; extent of influence of BE	MSC; clarity of direction; extent of influence of BE	MSC; relationships; extent of influence of BE	MSC; org wide capacity; extent of influence of BE	MSC; expertise; extent of influence of BE	MSC; confidence & trust; extent of influence of BE	MSC; energy & interest; extent of influence of BE	MSC; voluntary involvement; extent of influence of BE
Chi-Square	6.879	15.848	1.750	2.000	3.750	1.645	3.250	4.250
df	3	3	3	3	3	3	3	3
Asymp. Sig.	.076	.001	.626	.572	.290	.649	.355	.236

### 5.3 Is there a significant relationship between the perceived change and the perceived influence of BE?

5.3.1 MSC; business results \* MSC; business results; extent of influence of BE Crosstabulation

		MSC; business results; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC; business results	slightly decreased	2				2
	no change	4	2			6
	slightly increased		6	8	2	16
	significantly increased		1	6	2	9
Total		6	9	14	4	33

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.841	.100	5.311	.000
N of Valid Cases		33			

5.3.2 MSC; clarity of direction \* MSC; clarity of direction; extent of influence of BE Crosstabulation

		MSC; clarity of direction; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC; clarity of direction	significantly decreased				1	1
	no change		1			1
	slightly increased	1	4	10	3	18
	significantly increased			6	7	13
Total		1	5	16	11	33

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.594	.222	2.453	.014
N of Valid Cases		33			

5.3.3. MSC; expertise \* MSC; expertise; extent of influence of BE Crosstabulation

		MSC; expertise; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC; expertise	slightly decreased	1				1
	no change	3	2		1	6
	slightly increased		5	10	4	19
	significantly increased			1	5	6
Total		4	7	11	10	32

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.835	.134	4.178	.000
N of Valid Cases		32			

5.3.4 MSC; confidence & trust \* MSC; confidence & trust; extent of influence of BE Crosstabulation

		MSC; confidence & trust; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC; confidence & trust	significantly decreased	2				2
	no change	3	1			4
	slightly increased	3	9	4	3	19
	significantly increased			1	5	6
Total		8	10	5	8	31

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.946	.041	5.904	.000
N of Valid Cases		31			

5.3.5. MSC; energy & interest \* MSC; energy & interest; extent of influence of BE Crosstabulation

		MSC; energy & interest; extent of influence of BE					Total
		not at all	a little amount	a moderate amount	a great deal	5	
MSC; energy & interest	significantly decreased	1					1
	slightly decreased	1					1
	no change	2		1			3
	slightly increased	1	10	7		1	19
	significantly increased			3	5		8
<b>Total</b>		5	10	11	5	1	32

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.850	.101	5.049	.000
N of Valid Cases		32			

5.3.6 MSC; voluntary involvement \* MSC; voluntary involvement; extent of influence of BE

		MSC; voluntary involvement; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC; voluntary involvement	significantly decreased	1		1		2
	slightly decreased	6				6
	no change				2	2
	slightly increased					
<b>Total</b>		9	7	12	4	32

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.859	.135	3.992	.000
N of Valid Cases		32			

5.3.7 MSC; relationships \* MSC; relationships; extent of influence of BE Crosstabulation

		MSC; relationships; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC; relationships	no change	5	2			7
	slightly increased	1	5	6	4	16
	significantly increased		1	1	7	9
Total		6	8	7	11	32

5.3.8. MSC;; org wide capacity \* MSC; org wide capacity; extent of influence of BE Crosstabulation

		MSC; org wide capacity; extent of influence of BE				Total
		not at all	a little amount	a moderate amount	a great deal	
MSC;; org wide capacity	slightly decreased	1				1
	no change	5	1		1	7
	slightly increased		9	6	3	18
	significantly increased		1	4	3	8
Total		6	11	10	7	34

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.878	.085	6.130	.000
N of Valid Cases		32			

Symmetric Measures

		Value	Asymp. Std. Error	Approx. T	Approx. Sig.
Ordinal by Ordinal	Gamma	.723	.153	3.806	.000
N of Valid Cases		34			