Organizational Excellence: The Desired Journey

By Paulo Sampaio

A series of factors has been influencing business environments, adding uncertainty. Globalization, technology, and political and social changes have shaken the markets, and the access to a wider variety of products and services has led customers to have higher expectations than ever before. In these turbulent markets, organizations need to continuously improve and perform at high levels in order to ensure quality and success. Organizational excellence thus has become one of the conditions for success, and closer attention is starting to be paid not only to the study and implementation of its models, but also to the concept *per se*. Excellence cannot be considered as a state that organizations will achieve in the short term, but rather as a management philosophy comprising a set of principles, criteria, and approaches that will produce the best results in the medium and long term, thereby providing support for a sustainable future and a focus upon continuous improvement.

Implementation of Excellence Models

Those that are now the main excellence models, programs, and associated prizes, from the European Foundation for Quality Management (EFQM) Excellence Award to the Malcolm Baldrige National Quality Award (MBNQA) or the Shingo Prize, have been tested against the core concepts and approaches of quality and improvement programs, with strong positive correlation (Curkovic, Melnyk, Calantone & Handfield, 2000; Calvo-Mora et al., 2005). However, at the same time, there has been an effort to tackle some of the limitations that many of these programs presented: a rigid approach too often based only on tools and standards and a prescriptive view that allowed for little adaptation to the context of each organization (McAdam, 2000; Adebanjo, 2001).

The effort that excellence programs have made to integrate this context, at cultural, social, and environmental levels, is one of its key success factors. Excellence mainly consists of what are frequently called "soft factors"—namely people, their group culture, and their values. But the hard reality is that these factors cannot be fully captured by a standard model, and any efforts to push an excellence program that is not fit to the cultural context of the organization will have a strong probability of failure.

Successful companies personalize the model and tailor it to their organizational culture. A standardized, prescriptive approach will have a limited reach because it will be unable to fully integrate the cultural side, raising resistance to its implementation. According to Araújo and Sampaio (2014), the real implementation of excellence models happens when they are fully integrated into regular practices of the organization. The integration of excellence models can be achieved through the combined use of comprehensive multi-level assessment that is capable of using it as part of the strategic planning, aligning its use with other systems, linking its use with management performance, and involving the whole organization.

No Best Model

Different business, process, and operational excellence models have been validated as powerful tools to enable managers to understand which (and how effectively) strategies and supported approaches are being implemented, and what results they are leading to. According to Sampaio et al. (2012), there is no best model. Plurality guarantees some competition and fosters improvement. While there are many areas where worldwide standards are helpful, or even necessary, in the area of organizational excellence, talking about standards is a contradiction. Standards are always a compromise, and by necessity they cannot follow the dynamics of progress in knowledge. If the models were to be used just for a specific award, they would not need to be at the leading edge. But the reality is that applying for an award is a voluntary choice and a step that only companies having achieved a certain maturity in their path along the excellence road can feel confident enough to take. The question is why such models are widely used by organizations from self-assessment and continuous improvement perspectives. For many of these businesses—especially small and medium-sized businesses in technical industries—competition is essential, and competition is about differentiation, not standards.

The Link Between Excellence and Organizational Culture

Increasing global competition stimulates organizations to improve their strategic initiatives to better serve both their customers (with higher quality products or services) and their overall group of stakeholders (with improved financial performances, better work conditions, or a clear social responsibility policy) in order to gain a competitive market advantage (Sampaio et al., 2009). This has led to an increase of interest in research towards the development of quality management and excellence frameworks and on their

sustainability within an organization. Curiously, this interest has met a strong and unusual parallel in the business literature market, with a few books on the topic of excellence becoming best sellers (Ouchi & Wilkins, 1985). Also, the link between excellence and organizational culture has gained broader attention, and since the 1980s there has been increased recognition of the importance of managing cultural change within groups (Lewis, 1996).

Balbastre-Benavent and Canet-Giner (2011) emphasize this connection and consider excellence models as reference frameworks that organizations use to develop a culture of excellence. But the truth is that literature is scarce concerning the ability of "excellent" companies, or the "best in class," to manage and implement changes in their culture in order to develop the necessary capacities to survive in today's unstable business environments. It was this pressing need for effective handling of change that helped uncover the limitations of many excellence programs. While the importance of fitting the existing corporate culture was addressed regularly, it was nevertheless performed most frequently in the context of limited and time-framed change, where it was common to set a date for concluding the program and reaping the results.

Adaptability to Changes

Due to this perspective, excellence enablers didn't become truly embedded in the culture of an organization, being seen instead as a set of tools to address specific issues rather than part of the cultural framework. Excellence programs by themselves cannot promote adaptability to changes in the long term and allow companies to develop an enduring capacity to adjust to the requirements of increasingly unstable business environments.

Iizuka and Kaneko (2014) define "adaptability to changes" as the ability to address alterations in the business environment. In today's unstable business

world, the capacity of an organization to adapt successfully and quickly is critical to achieving and maintaining a competitive advantage. In fact, there are a few "easy to remember" examples of companies branded as excellent that finally failed after years of outstanding success because of their inability to change and cope with the more recent demands of the marketplace. On the other hand, if an organization has taken the necessary steps to frame into its culture the principles of operational excellence, developing in a sustainable way the capabilities that support and promote a proficiency for change, the greater chance it will have to adapt to unpredictable alterations in the markets, even to a point of reinforcing its competitive advantage by drawing opportunities from them. To this purpose, companies need to understand the status and meaning of changes, their own characteristics, and their capabilities. Organizations that have sustained success will be more proficient in adapting to change and in anticipating and identifying sources of potential changes, deciding how to adapt and systematizing the "adaptation" process (Kaneko and Iizuka, 2014).

Conclusion

With the rapid changes taking place in the global market, it has become clear that companies seeking the path to organizational excellence can improve and achieve a certain amount of success. However, in order to be successful in the long term, it is necessary to avoid an "empty" content project, which the organizational excellence projects sometimes look like. Instead, organizations need to embrace the program into their culture and "live" it continuously. Only by doing so will the best results occur *and* be sustainable, allowing the organizations to be truly competitive at a global level.

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Paulo Sampaio is a professor in the Department of Production and Systems at the University of Minho (Portugal), where he is also vice-dean of the School of Engineering and a researcher at the ALGORITMI Research Centre. In addition, Paulo is a visiting scholar at the Massachusetts Institute of Technology in the United States. He can be reached at paulosampaio@dps.uminho.pt.