



Pursuit Excellence in Organizations

Murali Chemuturi

What exactly is excellence?

Unless we define excellence and measure it, we would never know if we achieved excellence. Excellence is often touted in organizations, to exhort employees for achieving higher quality and productivity. These two terms are well defined and there are units of measure to measure them. Therefore, can we equate excellence with productivity and quality?

I think not – excellence is not to be equated with mere higher productivity and quality. It is something more - in my humble opinion.

Before I attempt to define “Excellence”, I would like to take a look at those organizations that are called “Excellent Organizations” and do deserve that objective – I specifically looked at Infosys in India, IBM, General Motors, KPMG and Dupont of USA, Honda of Japan and Banks in Switzerland and organizations of that ilk elsewhere. Some of the common attributes of these Excellent Organizations are –

1. They **inspire trust** in –
 - a. General Public
 - b. Customers
 - c. Vendors
 - d. Employees
 - e. Governments
 - f. Media
2. They keep a very **low profile**
 - a. Low key advertising
 - b. Never castigate a competitor
 - c. Minimal advertising
3. **Quality**
 - a. Their products and services normally exceed the required quality norms
 - b. They are also usually in the forefront – in terms of design of products or delivery of services
 - c. They are frontrunners in using technology
4. **Reliability**
 - a. Their products do what they are supposed to for the length of time they are supposed to be operational
 - b. Their services are predictable
 - c. They respond to complaints – and resolve them – one doesn’t hear of legal action on these organizations due to faulty product / service
 - d. Their products/services are usually among the best – having been subjected to rigorous in-house testing before release
5. **Productivity**
 - a. Productivity is usually comparable with the best productivity in their respective domains
 - b. Safety, quality and processes are never compromised for attaining higher productivity
6. Their **people**
 - a. One word describes them – Integrity
 - b. They are Knowledgeable in their respective domains
 - c. They are ready to acknowledge their own short-comings and are willing to learn
 - d. Not necessarily from the best institutes but certainly are decent persons in their own right



7. Management

- a. Committed to “Excellence” and demonstrates their commitment time and again
- b. Management Personnel always act with Integrity
- c. Normally professionals manage these organizations – a person is in management because he is a professional - not because he is part of family or as a quid-pro-quo
- d. It is a process-driven organization – never a person-driven organization
- e. Organization has “written-down processes” and implements those processes in “letter and spirit”. Any permitted violations of the process are approved / disapproved in adherence with the process. There are processes right from granting leave to making decisions by the Board of Directors
- f. Process itself facilitates deviations – but in a controlled manner
- g. Reward or punishments are decided based on measured data than on subjective decisions
- h. They normally remain silent to provocative / unfair criticism from media or activists – than enter into a controversy

8. Financial integrity

- a. It is no news that they make profit
- b. They always pay their vendors on time
- c. They provide reasonable returns to their shareholders
- d. They fulfill all their obligations to their employees – present or past
- e. They willingly accept loss than use their strength to inflict loss in a disputed scenario
- f. Their current assets always exceed current liabilities

Summarizing all the above, we can say that Excellence is a multi-faceted adjective. If organizations desire to attach the tag of Excellence to their name, they need to match the above list.

Summarizing the attributes, we may define thus -

Excellence is a continuously moving target that can be reached thru actions of integrity, being frontrunner in terms of products / services provided that are reliable and safe for the intended users, meeting all obligations and continuously learning and improving in all spheres to meet the moving target.

The key words are –

1. **Continuously moving target** – what is excellent today would not be excellent after some time.
2. **That can be reached** – Excellence is attainable – but as the target moves, one needs to work to stay Excellent
3. **Actions** – the path to excellence is thru the specified actions / deeds – not thru empty words. Rhetoric does not achieve excellence – actions achieve excellence
4. **Integrity** – keeping far away from any thing that can even remotely be called “dishonest”
5. **Continuously learning** – one needs to continuously upgrade – to remain excellent
6. **Improve** – it is not enough to attain excellence, not enough to continuously learn – but to improve continuously to remain excellent

I now hope that we have defined Excellence satisfactorily.

The journey of Excellence



It starts at the very top - Few things percolate from bottom to top – say, Quality. All others follow gravity – they percolate from top to bottom. The journey of Excellence starts at the very top of the organization and percolates towards the bottom. Therefore the first step is to be taken by management – CEO (Chief Executive Officer) who needs to –

1. Commit him/herself to Excellence
2. Demonstrate this commitment in visible manner
3. Never compromise – even in the face of urgencies / emergencies / probable losses
4. Provide resources and funding for activities focused on achieving excellence
5. Develop and document processes and set up a mechanism for their continuous improvement
6. Implement the processes and demonstrate adherence to process in visible manner
7. Educate the staff about the importance of adhering to such process and monitor the adherence
8. Recognize and reward “real” excellence – not like the rewards given by the Government of India on Republic Day

The Packing in the sandwich – a sandwich gets its name by the packing used, even though it is not readily visible to outside view – a sandwich is called vegetarian sandwich if the packing is vegetarian in nature. The upper or the lower layers do not have any impact on the name of the sandwich. Thus it is the Middle Management that determines the organization. It is the Middle Management, which is in physical and continuous contact with top management and the people delivering product or service. These are the people who develop processes, implement them, receive feedback and improve them. Therefore, it is vital that this layer is filled with people who believe in the Journey of Excellence and are continuously motivated and upgraded to keep their faith burning bright.

Frontline – this is what is visible to outsiders. This layer of persons is the one, which ultimately delivers Excellence. This layer needs to be filled with motivated people, qualified and trained people and the organization implements mechanisms to keep this layer motivated to deliver Excellence.

Infrastructure – Infrastructure facilitates delivering excellence. Poor infrastructure hinders otherwise excellent organization from delivering Excellence. Setting up infrastructure is a strategic decision. More often than not, it is simply not possible to replace the infrastructure. It is easier to replace human beings – not so with infrastructure like buildings, machinery and so on. Therefore, it is extremely important to provide excellent infrastructure in order to achieve and retain organizational Excellence. Excellent infrastructure does not necessarily mean latest equipment – but it is robust like a workhorse and delivers what is expected of it without any concerns.

Processes – a professional organization is one which is process driven – it has processes for all facets of organizational functioning. Processes empower people to act independently and sets limits of authority while specifying the workflow. It is easy to make the processes too rigid or too flexible. The art of having the “right processes” that allow right amount of flexibility as well as provide the right amount of checks and balances is mastered by Excellent Organizations.

Quality – Quality assumes paramount importance in the organization. Organization recognizes that quality has to be built-in and that it cannot be appended by inspection and testing. Inspections and testing are carried out to confirm that quality had been built-in. Variances – either chance or special – are seriously analyzed and findings are implemented. Quality issues are never overruled owing to expediency of delivery pressures or target pressures. Quality is seen as a friendly-brake – not as an engine-jammer. In Excellent organizations, Quality department is given the same importance as that of revenue-earning departments in the rank of its head as well as in decision-making.



Research & Development – this is the hallmark of an Excellent Organization. R& D is continuously conducted – honestly – to ensure continuous improvement in the products / services provided by the organization. R&D is conducted usually in the areas of -

1. Product / Service innovation
2. Develop new technologies and new products / services
3. Methods of production and delivery of products / services
4. Customer perception of the product / service
5. Investor perception of the organization
6. Perception of the General Public

Customer Interface – Trust replaces suspicion. The interaction begins with trusting the customer and the interactions ends with improvement in the customer's trust in the organization. When there is a conflicting situation, the benefit of doubt is always given to the customer.

Employee Handling – This is a scenario of mutual trust. Both treat each other with trust and there is no place for suspicion. When there is conflict, both parties are ready to give benefit of doubt to each other but it is usually the organization that ensures that the employee benefits at the cost of the organization and not the organization at the cost of the employee.

We are an existing organization – how do we set ourselves on the Journey of Excellence?

Good question – asking this question is the first step on the Journey of Excellence. The following are the steps necessary to get on to the Journey of Excellence –

1. **Carry out a Gap Analysis**
 - a. Record present scenario
 - b. Contrast the present scenario with the desired / necessary scenario
 - c. Record all the Gaps between existing and desired scenarios
2. **Draw up action plans**
 - a. Identification of alternative solutions for bridging the gaps
 - b. Critical Examination of alternative solutions and finalizing the preferred solution
 - c. Draw up and allocate budgets
 - d. Finalize measures that indicate success of the endeavor
 - e. Finalize monitoring mechanisms
 - f. Develop schedule of implementation
 - g. Review and document the plans
3. **Hire a mentor / consultant** – it is usually the outsiders who can find our faults. This is the philosophy behind independent Quality Control Mechanism. It is outsiders who can perceive the improvement better than insiders.
4. **Implement / execute plans** and measure and monitor their success
5. **Measure** and determine the level of achievement in the Journey of Excellence
6. Once the desired state is achieved, **start all over again** – this to retain excellence!

How do we measure our progress?

We need to measure Excellence – without a measurement, it is only our subjective conjecture and may reflect the true picture or probably not. It is usual that the Chief Executives are surrounded by sycophants, it is more often than not the true picture.



Chemuturi Consultants – Do it well or not at all

We need to use a composite measure for Organizational Excellence. We need to measure the eight traits of Excellent Organizations described at the beginning of this particle and derive a composite metric. To be called an Excellent Organization, the metric needs to be above 90% level.

About the Author – Murali Chemuturi is a Fellow of Industrial Engineering and an MBA and has over 30 years of corporate experience and about 8 years of consulting experience. He can be reached on murali@chemuturi.com or thru his web site <http://www.chemuturi.com> . Your feedback is welcome and appreciated.