

# FRAMEWORK FOR SUSTAINABLE ORGANISATIONAL BEST PRACTICE

**Prof. John PARKER, Chair of FIG Commission 1, Australia**

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## INTRODUCTION

Today every organisation operates in an environment, which demands close attention to today's issues and results.

Successful leaders, however, constantly look to the future and seek to strengthen their organisation's capability to meet tomorrow's challenges.

CEOs and Boards seek answers to questions such as:

- Do our people and processes match our organisation's needs to compete in this decade?
- Is there a unity of purpose and urgency for continuous improvement?
- How do we rate against international standards of Quality Management?

It is no longer adequate to get subjective answers to these questions or to put them on next year's action agenda. A process to stand back and objectively assess sustainable organisational capabilities is needed. For this, however, it is not easy to establish a clear, manageable process capable of delivering objective measurement and comparability, enhancing communication and morale, and with external credibility.

However around the world through design, development and building of experience has been built a package of assessment criteria and processes, which are increasingly relevant to organisations.

This now provides the forward-looking organisation with a valuable tool with which to take stock, to involve its people and to communicate.

## A DEFINITION OF TOTAL QUALITY

'Quality' is not just a feature of a finished product or a service but involves focusing on internal processes and outputs and includes the reduction of waste and the improvement of productivity. Quality management requires the organisation to look beyond the present and focus on things which will increase the value of the organisation for all of its stakeholders, generate future competitiveness and lead to more effective use of resources and sustainability of the organisation. The development of a shared purpose and trust between all stakeholders, (including shareholders or owners, employees, customers, suppliers and the broader community) and an understanding of the need to bring sustained benefits to all stakeholders, is seen as critical to success.

In this broad concept of Quality, the customer plays a key role. Value is created, and competitiveness achieved, by understanding, anticipating and satisfying customers' needs. Quality is about relationships. People who work within a Quality driven enterprise show unity of purpose. They are empowered to use their individual and combined skills and experience to improve processes and their outputs. 'Quality' in this sense is often referred to as 'Total Quality'.

The Total Quality approach is often referred to as best management practice.

## **THE QUALITY PRINCIPLES**

The role of management is to provide the environment and resources to support ongoing organisational improvement. The key aspects of this role identified through the experience of many organisations, include but are not restricted to:

- Leadership that creates and deploys clear values to the organisation;
- A level of community and environmental responsibility appropriate to the organisation's activities;
- A planned and structured approach to setting and achieving goals and objectives;
- An understanding of variation and management by appropriate facts and data;
- The full involvement and development of the organisation's people;
- Customers who play the central role in the definition of product and service quality;
- The organisation, its suppliers and its customers all working in partnership;
- Quality derived from well planned and managed processes;
- Standardisation as part of process management;
- Continual improvement as part of the management of all processes;
- Innovation recognised as an essential driver of continual improvement;
- Management emphasis on prevention and improvement rather than reaction.

## **THE FRAMEWORK**

A generic framework for defining sustainable organisational best practice has been developed that reflects these principles and assists you to move from principles to plans and action through seven independent categories. The seven categories form a basis from which people in the organisation can ask questions and gain a deeper understanding about their whole leadership and management system. The framework challenges leaders to communicate a vision for the future and to provide linkages and support needed for long term successful, sustainable organisational outcomes. The framework promotes a systems approach by exploring how the organisation works to achieve its goals, and leaves the specifics of addressing each facet of management up to the people within the organisation.

Since the framework and the model represent a systems approach to management, all categories and sub categories or items (22 of them) within the categories link to one another. This relationship model is shown in Figure 1.

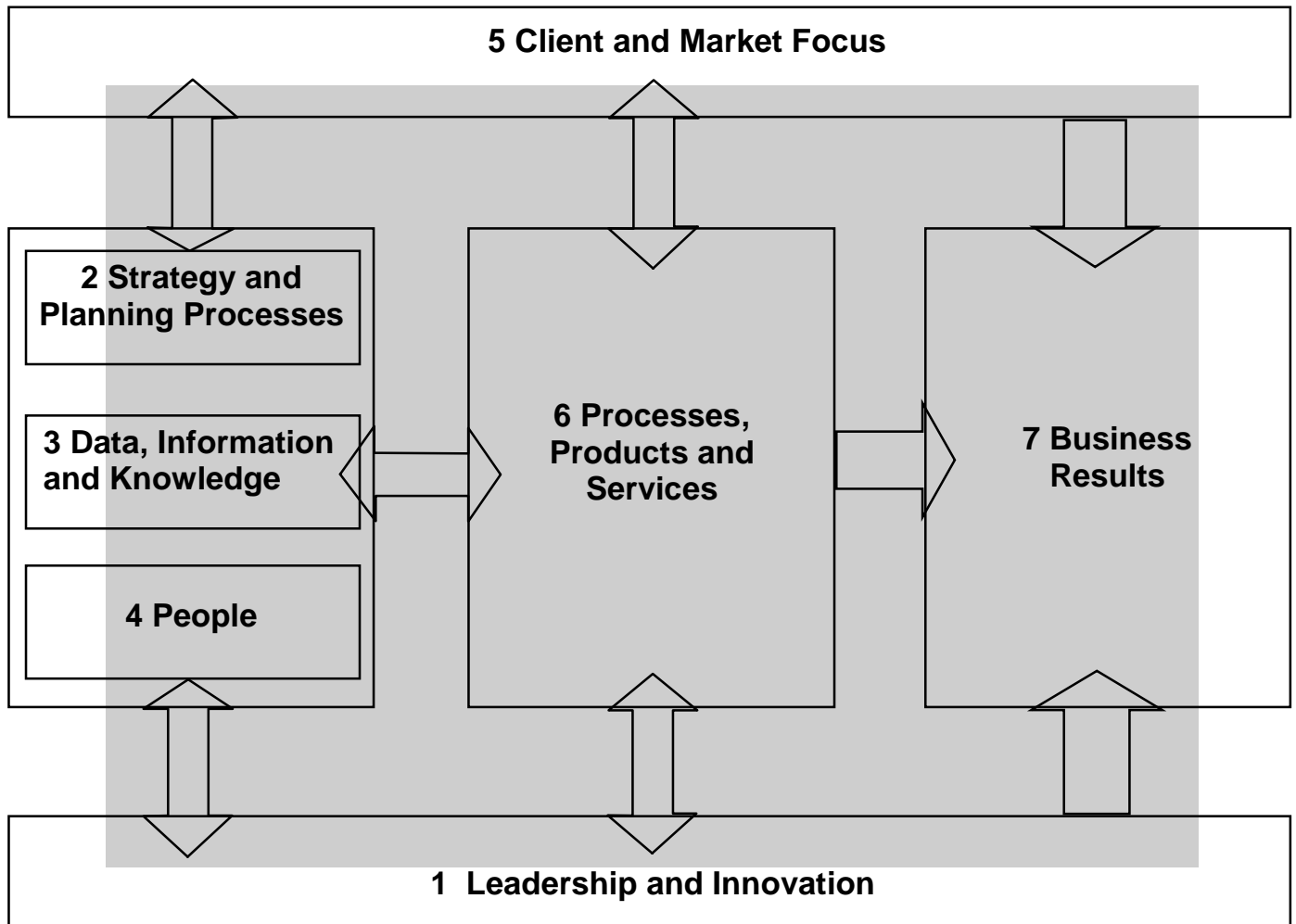


Figure 1. A Framework for Defining Sustainable Organisational Best Practice

- Strategy and Planning Processes, Data Information and Knowledge and People are seen as the enablers that mobilise the full potential of the organisation to achieve its objectives.
- Leadership and Innovation and Client and Market Focus are seen as both drivers of the management system and enablers of performance.
- Processes, Products and Services is focused on how the work is done to achieve business and operational results and obtain improvement.
- Business Results is the outcome of the system and seeks to demonstrate the effectiveness of the processes put in place to achieve key organisational objectives.

While this framework is already in place in many organisations and is being used by an increasing number of organisations to drive continual improvement, there is a growing demand for the widespread adoption of this approach, across the entire spectrum of industries within the private and public sector.

The criteria within the categories and sub-categories are useful for self-assessment by an organisation to discern its strengths and its opportunities for improvement of operations and results, as well as being used for external evaluation through an award application.

The criteria describe in generic and non-prescriptive terms aspects of management practice which must be considered and how they link together to create a holistic management framework.

In brief the criteria are:

## **Category 1. Leadership and Innovation**

This Category explores how leadership uses the principles underpinning the framework. It examines how management practice and behaviour are linked to those principles, and how their application has become part of daily life in the organisation. It also addresses how effective leadership creates an innovative climate.

### **1.1 Strategic Direction**

Assesses how the organisation establishes and communicates its purpose, vision and goals; how it prepares itself for sustainable organisational success; how it determines core business strategies and how it creates alignment to its purpose.

### **1.2 Organisational Culture**

Assesses how the organisation develops a culture and supports behaviours which are consistent with its values, and which encourage achievement of organisational objectives.

### **1.3 Leadership throughout the Organisation**

Assesses how leadership concepts and management systems are developed and used at all levels for maximum effectiveness; how the management system supports the organisation's purpose, vision and goals; how the system allows and encourages decisions to be made at appropriate levels.

### **1.4 Environmental and Community Contribution**

Assesses how the organisation contributes to the community (beyond its core business) and how the intended outcomes of contribution link to the organisation's purpose and values. This includes awareness of the implications of its decisions on the communities in which it operates as well as its impact on the natural environment; and how the organisation supports a clean, safe, fair and prosperous society.

## **Category 2. Strategy and Planning Processes**

This Category explores the way the organisation develops its strategies and plans, and how it communicates and deploys them.

### **2.1 Understanding the Business Environment**

Assesses how the organisation selects, gathers and uses information to decide which markets to pursue.

## **2.2 The Planning Process**

Assesses the way in which the organisation turns strategic decisions and imperatives into actionable plans. This item covers the development of strategies, plans and activities to achieve the overall strategic direction set by the organisation in item 1.1.

## **2.3 Resources and Assets**

Assesses how the organisation uses its resources and assets to maintain and increase its value into the future. (This includes those assets not traditionally listed on a balance sheet, e.g. intellectual capital, people.)

### **Category 3. Data, Information and Knowledge**

This Category examines how the organisation obtains and uses data, information and knowledge to support decision-making at all levels of the enterprise.

#### **3.1 Collection and Interpretation of Data and Information**

Assesses how the organisation determines what data should be collected as well as how data is handled, stored, analysed and interpreted to create information which enhances understanding of the environment in which the organisation operates (internal and external).

#### **3.2 Integration and use of Information for Decision-making**

Addresses how the organisation integrates a variety of information from various sources and uses that information in decision-making which supports achievement of the organisation's overall objectives.

#### **3.3 Creation and Management of Knowledge**

Assesses how the organisation uses knowledge in its activities and to improve organisational performance; how knowledge adds to the organisation's value; how the organisation capitalises on innovative thinking and information gained from internal and external sources.

### **Category 4. People**

This category explores the way in which all people are encouraged and enabled to make a personally satisfying contribution to the achievement of the organisation's goals.

#### **4.1 Involvement and Commitment**

Assesses how all people are encouraged and enabled to contribute to achieving organisational goals and continually improving the organisation.

#### **4.2 Effectiveness and Development**

Assesses how the organisation maximises its effectiveness through the contribution of its people. It includes performance management, people development and the fit between people and their work.

#### **4.3 Health, Safety and Well-being**

Assesses how the organisation provides a work environment conducive to maximising the potential of its people, and which recognises well being as a critical component of business success.

### **Category 5. Customer and Market Focus**

This Category addresses the way in which the organisation analyses its customers and markets, and how it reflects the needs of its current and future external customers in all its activities.

**5.1 Knowledge of Customers and Markets**

Assesses how the organisation ensures an ongoing understanding of the needs and expectations of present and potential customers and markets.

**5.2 Customer Relationship Management**

Shows how the organisation manages and evaluates relationships with its customers with respect to the value it creates for them; the processes it uses to make it easy for customers to do business with the organisation; the processes for gathering customer feedback on its customer relationship management practices; and the processes to use information for improvement.

**5.3 Customer Perception of Value**

Assesses how the organisation measures perception of value and achievement of its goals for customer satisfaction.

**Category 6. Processes, Products and Services**

This category examines the processes the organisation uses to supply quality products and services to its customers, and the processes used to improve those products and services.

**6.1 Innovation Process**

Assesses how the organisation acquires, evaluates and implements creative ideas to accelerate business performance.

**6.2 Supplier Relationships**

Assesses how the organisation manages its relationships with its suppliers in order to continuously improve the quality of incoming goods and services.

**6.3 Management and Improvement of Processes**

Assesses how the organisation manages and improves processes for operational efficiency and effectiveness.

**6.4 Quality of Products and Services**

Assesses quality indicators for the organisation's products and services, and to describe how products and services perform against required standards, customer expectations, and against the offerings of competitors.

**Category 7. Business Results**

The intent of Category 7 is to demonstrate the performance of the organisation to date and, by using appropriate measures, to envision its success into the future.

**7.1 Indicators of Success**

Will provide results that demonstrate how well the organisation is performing as shown by its key performance indicators and other measures. Results should be presented in terms of trends and comparisons with targets, competitors or best in class organisations.

**7.2 Indicators of Sustainability**

Shows the indicators and other information the organisation has, to predict the sustainability of its success into the future.

The above criteria provide an indication of what activities an organisation needs to focus on and be successful with, to ensure the organisation can be sustainable and at the same time undertaking best practice.

However what are some of the practical observations that have actually been observed and identified that make organisations prosper and what are the clear indicators of failure.

## **PRACTICAL OBSERVATIONS**

The Framework for Sustainable Organisational Best Practice is based on a set of principles that makes excellent business practice. If properly understood and implemented this can be your recipe for success. It is essentially what makes an organisation stay or go out of business.

For each of the 22 items a short list of dot points have been observed that show what excellent organisations do with respect to the item under the heading “Doing it well – Examples of best practice include”. Also shown for each item – under the heading “Not doing it – Examples of contradictions of best practices” – is a short list of dot points showing poor practices that have been observed that contradict the Principles – clearly showing the organisation is on the wrong track. As an example **Appendix 1** lists some of these observations for Category 1 - Leadership and Innovation. For each of Categories 2 to 7, similar “Doing it well – Examples of Best Practice” and “Not doing it – Examples of Contradictions of Best Practice” have been made, which are available from the author.

The dot points can be used as a platform for improving an organisation. Identify what you can do and especially what you should not do. Build plans around each of the items. Begin today. Do something.

## **WHERE TO, FROM HERE**

Every survey organisation is encouraged to use the framework, to question and define its own interpretation for each item.

Every item can be assessed against dimensions that reflect the organisation’s activities with respect to that item. The dimensions are Approach, Deployment, Results and Improvement.

The questions that need to be asked for each item are:

### **Approach**

What is your vision of excellence for this item?

How does your vision align with the description in the framework and its underlying principles?

What goals have been established for this item?

What quantitative and qualitative performance indicators have been designed to track progress towards these goals?

What strategies, structures and processes have been developed to achieve this vision and what was the rationale for these?

What makes your Approach planned, systematic and holistic, focused on improvement, innovative and adaptable over time?

### **Deployment**

How have these strategies, structures and processes been put into practice?

What is the depth and breadth of their implementation throughout the organisation?

To what extent have they been accepted and integrated as part of normal operations?

### **Results**

What are the trends in the performance indicators for this item?

How do these results compare with best known performance? Give examples.

To what extent do the results apply across the organisation and its stakeholders?

How do you know that these results flow from the Approach and its Deployment?

How do you communicate, interpret and use these results?

### **Improvement**

How do you use the Results to learn about the effectiveness of the Approach and its Deployment?

What is the process to review the appropriateness and effectiveness of the Approach and Deployment for the item?

How are you learning from these reviews and the exploration of alternatives?

What have you learned and how have you captured this learning?

What improvements have been made as a result of this learning?

## **CONCLUSION**

We have moved into a new century, we can expect the fierce competition of recent years to continue. We have more choices to make than ever before in the history of mankind. Continual change comes at us at an ever-increasing rate. Every organisation is being challenged to operate more efficiently, innovate faster, provide more value to customers and society, and work on less margin than ever before.

We must help ourselves if we are to succeed. To succeed we must adopt sustainable organisational best practice. The framework that has been addressed in this paper has been found to work around the world and I urge all to wish to have a successful organisation to explore it further.

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8



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## **BIOGRAPHICAL NOTES**

Professor John Parker is an international land administration consultant specialising in quality management, professional practice and management and geographical names. He was Surveyor General of Victoria in Australia for nine years and had spent nineteen years in private practice in a multi disciplinary firm.

Currently he is actively involved in the International Federation of Surveyors and is chair of FIG Commission 1 (Professional Standards and Practice). Membership of professional associations includes the Institution of Surveyors Australia. Papers have been presented and published at a range of events, including international forums, on a wide range of subjects.

## **CONTACT**

Professor John Parker  
John R Parker Pty. Ltd.  
PO Box 110  
Brunswick East  
Victoria 3057  
AUSTRALIA  
Tel. + 61 3 9387 1964  
Fax + 61 3 9381 1378  
Email: park106@attglobal.net

## APPENDIX 1

### Category 1. Leadership and Innovation

#### 1.1 Strategic Direction (Doing it well – Examples of Best Practice include)

- The survey firm and everyone in it has a clear sense of purpose – why it exists, what it is trying to achieve, what its “cause” is, what success is, what value it adds.
- Clearly stated mission, vision, values and objectives which really do describe what the survey firm is trying to achieve to be successful and are not just lip service or a “planning exercise”.
- Clear understanding of what success means for the survey firm.
- Measurements in place to measure success in achieving the mission, vision and objectives and behaving in accord with the values.
- Improving the survey firm is an objective with strategies that are given high priority and acted upon.
- Alliance partnerships are developed with major suppliers and clients.
- Everyone in the survey firm has a clear idea of who the survey firm’s stakeholders are, and what value the survey firm creates for each stakeholder group.

#### 1.1 Strategic Direction (Not doing it – Examples of contradictions of Best Practice)

- Not measuring the success of the survey firm (at all) and not measuring achievement of Mission, Vision and Strategic Objectives.
- Failure to make time to work to improve the business (at all).
- Directors/Partners delegate the “business improvement stuff” to technician surveyors and secretaries.
- “Business Improvement” is separate from the “real business” of the firm.
- Not recognising and building on business excellence strengths.

#### 1.2 Organisational Culture (Doing it well – Example of Best Practices include)

- People at the top of the survey firm personally demonstrate their commitment to the vision, mission, objectives and values.
- Steadfast personal commitment and involvement of the managing director/partner and other directors/partners in everything they do shows deep-felt belief in the principles of business excellence. Directors/partners encourage behaviour in line with the principles. Directors/partners are role models of appropriate behaviour to manage change.
- A feeling of “trust” throughout the survey firm.
- Employee opinion survey results show that the employees think that the directors/partners are – trustworthy, believable, of high integrity, committed to and are a consistent role model for the principles.
- People have pride in what the survey firm stands for.
- Results from employee surveys are published and distributed throughout the survey firm.
- High degree of ownership of survey firm’s image and activities.
- Directors/partners pay explicit attention to ethical issues pertinent to the firm.
- There is a clear framework of ethics for decision making.

- Work is refused if accepting it would compromise the survey firm's ethics or values, even if the work would be very lucrative. There is a clear framework for such decisions that is understood by all.
- Employees are prepared to try new ideas, experiment, innovate and take reasonable risks. People are encouraged to be proactive at taking initiatives.
- People delight in telling how things have improved – and the stories demonstrate they are discerning about ethics and innovation. A shared vision throughout the survey firm for cultural change and business performance.
- Regular celebration.

### **1.2 Organisational Culture (Not doing it – Examples of Contradictions of Best Practice)**

- Directors/partners presume that saying “good words” discharges their responsibility to participation.
- Fake participation. Involving people to determine their goals, but within constraints decided elsewhere in the firm.
- Untrustworthy behaviour by directors/partners.
- Back biting, white-anting and put downs of others and their efforts. Divisiveness rather than cooperation.
- Punishment of those who raise problems and questions. These people are called negative, sidelined and ostracised.
- A token attempt to ‘listen’ to employee opinion – no action is taken.

### **1.3 Leadership throughout the Survey Firm (Doing it well – Examples of Best Practice include)**

- People at all levels throughout the survey firm are expected to take a leadership role regardless of formal position.
- All people throughout the survey firm who show an aptitude for leadership are given leadership skills and development so that can perform better as leaders.
- Leadership throughout the survey firm is encouraged and developed by the managing director/partner.
- Alignment processes exist so that people do not lead off in different directions.
- An attitude of trust from the directors/partners. People are trusted to work towards the benefit of the survey firm. “Keep going until I tell you to stop”. Few approvals are necessary.
- Directors/partners see themselves as team members. They participate in a number of teams – demonstrating commitment by participation. As a team member, they usually work to build the team's capability to make their own decisions – gradually increasing the other team members authority.
- Confidence that employees will take actions that fit the survey firm's needs in unusual circumstances.
- People can decide things and work with few rules.
- Employees at all levels believe they are empowered and enabled. Leadership is encouraged at all levels.
- Learning from reviews is shared throughout the survey firm.
- A flat management structure is in place by removing layers that do not add value. The knowledge of the removed layers is retained.

### **1.3 Leadership throughout the Survey Firm (Not doing it – Examples of contradictions of Best Practice)**

- ‘Leadership’ is confined to Directors/Partners.
- A director/partner must make all decisions – even the most mundane.
- Directors/partners who do not delegate.
- Directors/partners who must always be in contact with the office.

### **1.4 Environmental and Community Contribution (Doing it well – Examples of Best Practice include)**

- Survey firm’s strategies make reference to environmental and community responsibility.
- Risk management is used for community and environmental impact and unintended side effects.
- Processes exist to examine and deal with the unintended side effects of activities and policies.
- The community knows and respects the survey firm and learns from the survey firm.
- The community gives feedback to the survey firm and this feedback is valued and acted upon.
- Employees are proud to talk about their company because of what it stands for.
- Employees are delighted by the idea of being an icon for others.
- Staff surveys indicate widespread support for the survey firm’s approach to the environment and the community.
- Community input to the strategic direction and strategies is actively solicited.
- Assisting other survey firms to adopt business excellence principles and practices. Providing a role model for other survey firms.
- There is an active sharing of knowledge and technology with suppliers, clients and trade allies. Leaders interface with other survey firms to expand and develop for the common good. They encourage participation in conferences and tours of facilities. Leaders establish workshops with dedicated facilitators to promote relationships.
- Accepting responsibility for (and involvement in) community related projects and activities. Activities such as community involvement and support beyond the normal business interests.

### **1.4 Environmental and Community Contribution (Not doing it – Example of Contradictions of Best Practice)**

- No concept that unintended side effects of actions can be harmful to stakeholders. No measurements of or strategies to address the unintended consequences of current strategy.
- Risk management strategies ignore risk to community.
- Leadership in the community or strategic corporate citizenship is not given priority. (This could encompass the survey firm’s specialty, environment, industry standards and community support of a more general nature).

For each of Categories 2 to 7, similar “Doing it well – Examples of Best Practice” and “Not doing it – Examples of Contradictions of Best Practice” have been made which are available from the author.