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### **Minding your own business: can a business excellence framework translate to the education sector?**

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## **Minding your own business: can a business excellence framework translate to the education sector?**

### **Abstract**

As the first education and training organisation to be recognised with an Australian Business Excellence Award in the Award's 14 year history, the University of Wollongong Library has demonstrated how the principles of excellence can readily be translated to the education and service sector.

Many higher education institutions are planning or preparing for the audit process developed by the Australian Universities Quality Agency (AUQA). The audit process, particularly the internal self assessment will be firmly focussed on practices and processes aligned with the stated vision and mission of the institution; how plans and objectives are translated into operational activities; how performance indicators are determined and evaluated; and how improvements have been identified through a structured review process.

Identifying the relationships between stated goals or objectives and outcomes can be challenging, yet this is a critical component of a rigorous self evaluation process. Quality frameworks such as the Australian Business Excellence Framework provide a firm foundation on which all organisations, including those within the higher education sector, can effectively plan and carry out the internal assessment process.

Despite differences in goals or objectives, stakeholder expectations and deployment strategies and practices, organisations can benefit from assessment against business excellence principles by using a key dimensions model such as ADRI (Approach, Deployment, Results and Improvement).

The University of Wollongong Library's experience of conducting structured reviews premised on the ADRI model has resulted in: improved clarity of goals and purpose; active involvement and participation of staff at all levels in achieving the mission of the organisation; innovative problem-solving; innovative services and programs; increased client and stakeholder satisfaction with Library services; and a collective responsibility and passion for ongoing success.

### **Keywords**

Excellence, Evaluation, Quality

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# **Minding your own business – can a business excellence framework translate to the education sector?**

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***Abstract:** As the first education and training organisation to be recognised with an Australian Business Excellence Award in the Award's 14 year history, the University of Wollongong Library has demonstrated how the principles of excellence can readily be translated to the education and service sector.*

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**Keywords:** Excellence, Evaluation, Quality

## **A focus on quality and excellence**

Higher education institutions in Australia are planning or preparing for the audit process developed by the Australian Universities Quality Agency (AUQA). The audit process,

particularly the internal self assessment will be firmly focussed on examining the practices and processes of an institution to test alignment with the stated vision and mission of that institution; how plans and objectives are translated into operational activities; how performance indicators are determined and evaluated; and how improvements have been identified through a structured review process (Woodhouse, 2001). The key aims of the audit process are to examine how effective an institution's processes are in achieving stated goals (Woodhouse, 2001) and how these processes are regularly scrutinised to identify performance gaps and improvement opportunities. In essence, the audit process examines the learning cycle of an institution; the practices that encourage reflection and review and how these learnings are applied to improve the institution's approach to its key activities and functions.(AQC, 2002). These aims are similar in intent to those articulated in the ABEF.

### ***Why the Australian Business Excellence Framework?***

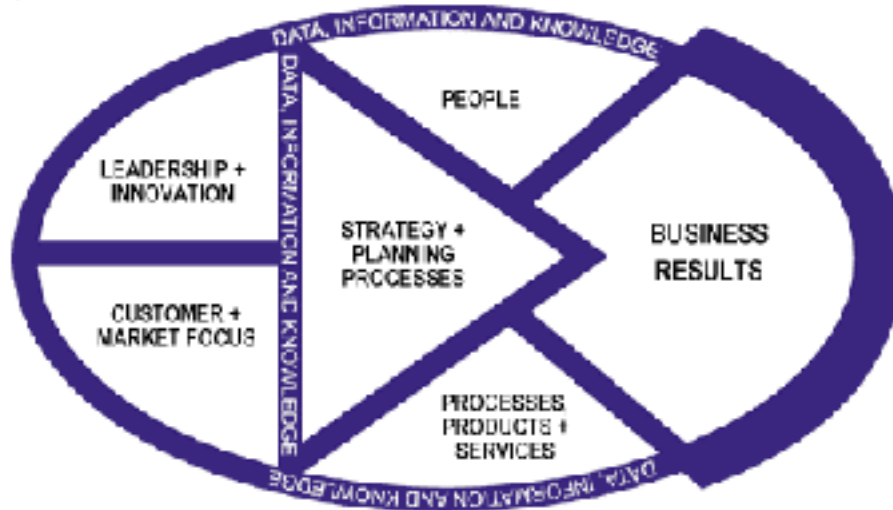
As the pace of technological change accelerated, funding to institutions decreased and expectations of Library services increased, it became apparent that change would be a constant, but often unpredictable factor in our environment. The identification of an appropriate framework in which to manage constant change in all aspects of the Library's business would be critical to future success and sustainability.

The Australian Quality Council's (AQC) Framework was selected in 1994 as the Library's change management framework. Now known as the Australian Business Excellence Framework (ABEF), this framework provided a structured and integrated management system as well as providing descriptions of the essential features, characteristics and approaches of organisational systems that promote sustainable and excellent performance (AQC, 2002).

The Australian Quality Council (2001) in describing the Australian Business Excellence Framework states "the Framework is a non-prescriptive leadership and management system that describes the essential elements of organisational systems in seven categories: Leadership and Innovation; Strategy and Planning Processes; Data, Information and Knowledge; People; Customer and Market Focus; Processes, Products and Services; and Business Results. Since the Framework represents a systems approach to management, all categories link to one another and organisations cannot achieve sustained success without sound systems and processes in place for all seven". (See Figure 1).

While descriptions are provided for the seven categories and 22 items underpinning the categories, it is up to each organisation to define its own goals, intent and methods of achieving that intent for each item. This framework has been used with success by many different businesses including: Honeywell, ING Funds Management, The Wesley Hospital, Australia New-Zealand Direct Line.

**Figure 1.**



**Source: The Australian Business Excellence Framework 2002.**

We felt we were able to commit fully to the principles (see Table 1) underpinning the framework as they accorded with our own values and business philosophy. The systems approach offered by the ABEF linked a focus on people and clients, leadership and planning - areas which we had systematically addressed and improved over time - with data and information systems, process management and improvement, and an emphasis on business results, areas which had been addressed somewhat less rigorously. The principles are applicable to all organisations interested in high performance, they are not directed to businesses alone.

At the University of Wollongong Library we have used the ABEF to:

- become more business-like and to focus on changes in the higher education and business environment
- reposition ourselves rapidly in a dynamic global environment
- systematise planning, project management and improvement at all levels
- ensure we do not *leave things to chance*.

Specific improvement actions that have resulted from self and external examination against the ABEF include:

- A comprehensive review of all plans to improve the linkages between the Strategic Plan and the Business Plan (comprising Operational, Financial, IT, Marketing and Human Resource Management)
- Scenario development has been enhanced, widely discussed and clearly linked to the planning process
- The Performance Indicator Framework has been re-engineered and aligned with goals and objectives throughout the Library. Through the process of working with staff to refine

internal models and frameworks, and by communicating stakeholder expectations, staff have indicated that the process of evaluating our success in achieving goals and adding value for stakeholders is much more transparent.

**Table 1: 12 principles of Business Excellence**

1	• Clear direction allows organisational alignment and a focus on achievement of goals
2	• Mutually agreed plans translate organisational direction into actions
3	• Understanding what customers value, now and in the future, influences organisational direction, strategy and action
4	• To improve the outcome, improve the system and its associated processes
5	• The potential of an organisation is realised through its people's enthusiasm, resourcefulness and participation
6	• Continual improvement and innovation depend on continual learning
7	• All people work in a system; outcomes are improved when people work on the system
8	• Effective use of facts, data and knowledge leads to improved decisions
9	• All systems and processes exhibit variability, which impacts on predictability and performance
10	• Organisations provide value to the community through their actions to ensure a clean, safe, fair and prosperous society
11	• Sustainability is determined by an organisation's ability to create and deliver value for all stakeholders
12	• Senior leadership's constant role modelling of these principles and their creation of a supportive environment to live these principles, are necessary for the organisation to reach its true potential

**Source: The Australian Business Excellence Framework 2002**

### ***Barriers to the acceptance of business excellence frameworks***

Ensby and Mahmoodi (1997) have identified several barriers to the acceptance and use of business excellence frameworks within the higher education sector. Their findings have shown that many educators believe the process of delivering knowledge is not similar to running a business and therefore, cannot be assessed by evaluation models originally designed for non-educational operations. Other common barriers identified by the AQC (2002), not exclusive to the education sector include:

- The attitude that 'our business is different'
- Wide variations in perception of quality and business excellence
- Priorities and policies in conflict with the proven Framework approach
- Lack of internal capabilities for managing cultural change
- Environments where quality and business excellence are seen as an imposed program that is separate and additional to essential work rather than integrated as 'the way we do business'.

Higher education is different in that its primary purpose is not profit, however, indicators of financial sustainability and effective use of resources can be of great benefit to institutions who are regarded, at least by the present Government, to be insufficiently efficient and accountable (Nelson, 2002). Many different types of organisations including higher education institutions, are grappling with issues such as: demonstrating value, managing scarce resources, client relationship management, changing client and stakeholder needs and expectations, competition, market differentiation, partner and supplier relationships, and future viability.

In overcoming the barriers in the implementation of a business excellence framework and to raise awareness and understanding of its application to our business, the Library invested in:

- training and development for all staff in the use and application of the principles
- developing tailored training programs in the use of performance indicators and data collection
- encouraging the use of cross-functional quality improvement teams
- supporting change champions
- celebrating and recognising success.

A deliberate effort was made to embed the principles of business excellence in everything the Library did. This was done to reinforce the executive's commitment in adopting and modelling the principles of excellence and to demonstrate that this is how we were going to operate as an organisation, that it was not a fad, or an add-on that somehow had to be resourced. For example, reporting of organisational performance outcomes is against the Library's Critical Success Factors and Performance Indicators (this includes, monthly, quarterly and annual reports), the principles of excellence underpin strategic planning, policy and procedural documentation, training and development activities, client and supplier relationship management strategies, and staff recognition opportunities.

### ***Structured self assessment***

The Australian Business Excellence Framework and other internationally recognised frameworks such as the US Malcolm Baldrige National Quality Award criteria (MBNQA) and the European Foundation for Quality Management (EFQM) criteria provide organisations with a comprehensive list of criteria and descriptors against which to evaluate their organisations. An organisation can use self assessment activities as a diagnostic exercise to evaluate the health and vitality of its internal processes and practices (Osseo-Asare Jr., and Longbottom, 2002). It is an activity that encourages critical introspection aimed at identifying performance gaps and opportunities which will facilitate continuous improvement and continual learning. Self assessment allows an organisation to examine how well it mobilises all of its resources and integrates and directs all of its activities towards achieving its stated goals.

To test the breadth and depth of acceptance and integration of quality as described in the ABEF, the evaluation process is modelled on four key dimensions: approach, deployment, results and improvement (ADRI, see Table 2). This model has been designed to identify the relationships between stated goals or objectives and outcomes by encouraging the following questions: what do you intend achieve from the stated goal? What resources are required? How and when will it be done? What outcomes were achieved? Were these outcomes a direct result of deploying the approach? What needs to be done better or differently to improve the approach?

A structured evaluation or self assessment process encourages organisations to ask the right questions, and the ADRI model can provide organisations with a catalyst to explore the relationships between goals and activities and to evaluate their overall effectiveness.

**Table 2: ADRI Model**

<b>Approach</b>	<b>Thinking and planning</b> <ul style="list-style-type: none"> <li>• What are you trying to achieve for the Item – what is your intent?</li> <li>• What goals have been established?</li> <li>• What strategies, structures and processes have been developed to achieve your intent, and why did you choose these?</li> <li>• What quantitative and qualitative performance indicators have been designed to track progress?</li> <li>• How does your approach align with the Business Excellence Principles?</li> </ul>
<b>Deployment</b>	<b>Implementing and doing</b> <ul style="list-style-type: none"> <li>• How have those strategies, structures and processes been put into practice?</li> <li>• What is the depth and breadth of their implementation throughout the organisation?</li> <li>• To what extent have they been accepted and integrated as part of normal operations?</li> </ul>
<b>Results</b>	<b>Monitoring and evaluating</b> <ul style="list-style-type: none"> <li>• What are the trends in the performance indicators for this Item?</li> <li>• How do these results compare with best known performance? Give examples</li> <li>• To what extent are these results indicative of the entire organisation's performance?</li> <li>• How do you know that these results flow from the Approach and its Deployment?</li> <li>• How do you communicate, interpret and use these results?</li> </ul>
<b>Improvement</b>	<b>Learning and adapting</b> <ul style="list-style-type: none"> <li>• What is the process to review the appropriateness and effectiveness of the Approach and its Deployment for the Item? How do you use the Results for the Item to do this?</li> <li>• What have you learned, how have you captured this learning, and how have you used the learning to improve the Approach and its Deployment?</li> </ul>

**Source: The Australian Business Excellence Framework 2002.**

This model is not dissimilar to the continuous learning loop identified by Woodhouse (2001) in the Australian Universities Quality Agency Audit Manual. Within the manual, Woodhouse (2001) describes quality assurance as a continuous, active and responsive process. The audit process links objectives, plans, actions and outcomes. Critical evaluation of performance and the actions that flow from this should be a regular and progressive feature of academic work. Application of the model in the design and development phase of organisational systems can also better ensure the likelihood of success of such systems as all components of the system are addressed.

In conducting a structured self assessment using the ABEF, the assumption is that the ADRI model will be applied to the 22 items underpinning the seven assessment categories. For example, category 1 Leadership and Innovation, consists of four items:

#### 1.1 Strategic Direction



## 1.2 Organisational Culture

## 1.3 Leadership throughout the organisation

## 1.4 Environmental and Community Contribution

Descriptors for item 1.1 Strategic Direction include:

- Organisational purpose
- Indicators of success
- Values
- Strategic positioning
- Responsibilities to all stakeholders
- Organisational alignment
- Strategic alliances
- Strategic risk management
- Influencing the future
- Innovation strategies

The descriptors provide an assessment team with a list of the issues a best practice organisation would be addressing. They provide the foundation of what should be sought and, the ADRI model will measure the level of integration and acceptance of relevant principles and practices. All categories are broken down in this way with brief explanations of each descriptor, all parts of the framework are linked and interdependent (see Figure 1).

### ***The benefits of structured evaluation***

Assessment using ADRI encourages organisations to highlight and record their strengths, those things they are doing well and should continue doing as well as highlighting opportunities for improvement. The language used here underpins a continuous improvement philosophy, rather than using the label “weaknesses” as in traditional SWOT analyses. The emphasis here is on seeking *opportunities* to enhance an organisation’s existing business position. The use of the label “strengths” encourages the documentation of milestones and other organisational achievements, providing a legitimate log of progress as part of an organisation’s approach to knowledge management and corporate memory.

As structured self assessment enables evaluation of the integration and acceptance of the business excellence principles, it is an inclusive exercise and all components and members of the organisational system are considered. This includes support units and support staff, supplier and strategic partner relationships as well as key stakeholders. Through the involvement of all key stakeholders, not just the executive or management teams, the organisation can evaluate the depth of understanding and deployment of strategies which have been developed to move the organisation forward. Therefore, self assessment outcomes can be a valuable input into the annual business planning cycle (McAdam and Welsh, 2000), ensuring opportunities are prioritised, actioned and resourced as a structured approach to organisational development and growth. It can also be a powerful catalyst for a change agenda, as the self assessment provides evidence of what needs to be improved at all levels of the organisation (McAdam and Welsh, 2000).

The AQC (2002) believes the key benefits of regular self assessment to organisations are: establishing a focus on improving and increasing competitiveness; establishing a planned approach to setting and communicating business goals; and making effective use of scarce

resources and improving an organisation's performance through its people. Outcomes can also be used as benchmarking tools – a means for organisations to see how they measure up to other organisations at a national and international level, particularly against those considered *best practice*.

How has the ABEF worked for us? Through regular self assessment, improvement opportunities were identified, for example, the collection, interpretation and presentation of process performance data. Even things we were good at were made more systematic or structured, eg the planning process. We may not be focussed on profit, however, by becoming more “business-like” in managing available resources, we have been able to introduce new services, and manage the transition from print to electronic information resources.

Most importantly, use of the framework has been reflected in feedback from Library users and other key stakeholders:

*Many set out to achieve best practice, however, very few succeed, or develop the systems they need to succeed. The Library's commitment to excellence and best practice and the recognition it has achieved against a number of standards will continue to set this University apart.* (Vice-Chancellor, Gerard Sutton)

*I have been consistently impressed, amazed, delighted by the staff ... they are a model of professionalism and a rock of consistency in a world of ever declining standards. I have been to many libraries around Australia ... yet the quality of the service at the University of Wollongong Library has been unsurpassed.* (unsolicited client testimonial)

*The Library's strategy to deal with this turbulent period of its development is firmly based on quality principles and well-honed planning and scenario development process. Staff, suppliers and clients are included in the process despite the constant rush of change in the Library's environment. Its focus on its people, their management and involvement is a central thrust of this strategy and it may be argued that it is one of the major reasons for its success in dealing with its environment.* (feedback from auditors from the Investors In People accreditation process. Investors In People is an internationally recognised standard of best practice)

## **Results**

The Library has been conducting regular and structured reviews using the ABEF and the ADRI model since 1994. Key benefits include: improved clarity of goals and a sense of purpose; active involvement and participation of staff at all levels in delivering the mission of the organisation; innovative problem solving; innovative services and programs; increased client and stakeholder satisfaction with Library services; and a collective responsibility and passion for ongoing success.

Through the implementation of improvement strategies, we have also achieved the following measurable performance improvements:

20% reduction in overall processing costs since 1997

Staff turnover reduced from 15% in 1994 to 5% in 2001

17% increase in staff satisfaction since 1994

85% reduction in processing times for newly acquired materials

26% increase in client satisfaction with access to information resources  
8% improvement in overall satisfaction with the quality of Library services since 1994

Staff have indicated their sense of involvement and responsibility for organisational success has improved. The following results have been recorded from the Library's Staff Perceptions Survey:

16% improvement since 1994 in continuously improving the things we do  
14% improvement in goal clarity since 1996  
12% improvement in taking pride in work and achievements since 1996  
15% improvement in working with suppliers to improve the quality of incoming goods since 1996

For an organisation to be recognised as a winner of the Australian Business Excellence Awards the AQC (2001) states "organisations at this level should be able to demonstrate not only performance against the Framework, but a philosophy of management that reflects the principles that underpin it and other frameworks around the globe". As the first education and training organisation to be recognised with an Australian Business Excellence Award in the Award's 14 year history, the University of Wollongong Library has demonstrated how effectively the principles of excellence can readily be translated to the education and service sector.

## **Conclusion**

Demonstrating relationships between goals, deployment and outcomes and subsequent improvements can be challenging for any organisation. The ADRI model as described in the Australian Business Excellence Framework, provides one model for organisations, including those within the education sector, to explore the linkages between policy, practice and outcomes and to demonstrate progress towards the achievement of their vision and goals.

A key argument in assessing the relevance of a model developed initially for the business sector is that the education sector is *different* and the principles of business are not as readily applied. Yet, universities are increasingly being asked to be more business-like through increased accountability and their ability to demonstrate their efficiency and effectiveness. The key feature of the ADRI model is its relative simplicity and capacity to be applied within a multitude of organisational contexts. Despite its simplicity, the model is a powerful evaluation tool. Used in conjunction with the ABEF and the principles of business excellence, the potential for overall improvement in all organisational systems, processes and people is vast.

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