

# The culture of excellence. Challenges and opportunities during changing times

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**Abstract.** *The main goal of the paper is to highlight the importance of supporting the promotion of the culture of excellence among people involved in a way or another in contemporary business. In order to support business excellence, the culture of excellence have to empower and engage all the people within an organization to think out of the box in a modern vision suitable to the challenging and changing times we are facing now. All over the world, in the most competitive countries, regions and sectors of activities there is a paradigmatic change of business strategies and policies oriented more and more towards performance and excellence. The paper highlights the importance of promoting the culture of excellence in the contemporary changing business environment. It suggests an important shift from a perspective that focuses on the so called 'hero of excellence' towards promoting the culture of excellence among the whole organization. Within modern business, in order to face challenges of the changing times and to explore their opportunities all the people from an organization are considered to manifest as 'heroes of excellence' by co-creating and co-working together within creative and innovative teams. They have to contribute and to participate actively to assure, preserve and develop the competitiveness and well being of the whole organization. The paper supports a holistic, cross disciplinary and integrated vision. It is structured into three parts including: a brief literature review based on an overview of the current state of the literature dedicated to the topic of culture of excellence (part 1); presentation of the main steps of the process of building a sustainable high performance organization (part 2); a brief presentation of examples of best practice and case studied identified internationally (part 3); conclusions that highlight the importance of culture of excellence in changing and challenging times.*

**Keywords:** culture of excellence; business excellence; business champions; a sustainable high performance organization; long-run vision & long-run competitive advantage.

## Introduction

*Change is the only constant of the universe.* In order to face many of the challenges specific to our changing times, people and organizations have to promote a culture of excellence at all its levels.

Changing times ask for changing the rules of the game such as to induce a changing behavior based on supporting new mentalities and attitudes that can make the difference and contribute to the achievement of high performance and excellence.

Many of the organizations are at a turning point and there is a strong need to shift from a focus on short-term objectives (such as maximizing profits) towards a *long-run vision* dedicated to the achievements of a sustainable competitive advantage based on promoting the culture of excellence within high performances organizations. Business excellence asks for lasting and accelerated performances that go beyond immediate short-term results. However, even for the short term, companies do not want to achieve mediocre results.

A "culture of excellence" (CE) is, from a metaphoric point of view, out of the ordinary. As highlighted in the literature "creating such a culture requires a vision of what

*is possible, a plan to set it in motion, and the practices to generate it on an ongoing basis*" (www.effenv.com. p. 1). "Excellence" is a way of being, thinking and a commitment to activate and to go beyond mediocrity. CE is applied in different ways and in each case it means to find the most effective and efficient way to fulfill on the organization's vision and mission. As an organization changes over time, so will its culture of excellence. Fostering a culture of excellence allows organizations to be *forward-looking* and *anticipating*, rather than reacting. CE requires a willingness to invent future by involving everyone, not just part of the organization. CE supports teams to function together as *business champions of change & excellence*.

In order to promote *business excellence*, *business champions* are going far beyond the traditional business model based on the perspective of problem solving. CE looks for *the core problem* and correspondingly for *the core competences and skills* people need in order to address these more complex issues.

The most important purpose of the paper is to contribute to the development of a greater awareness, understanding and analysis around the concept of '*culture of excellence*' in the Romanian business environment. The paper refers mostly to some of the previous research by summarizing the concepts and trends identified within the literature and by presenting briefly some examples of best practices.

## Literature review

The culture of excellence (CE) is people oriented. It is focusing on employees and is highlighting the importance of empowering and actively engaging all the people from an organization in order to face the challenges induced by changes.

I relied initially on Schein's (1999) work dedicated to "*Levels of Culture and their interaction and manifestations through symbols, heroes, rituals and values.*"

Next I took into account Turnbull's (2008) work on the types of culture and the players who help people understand the leadership roles for the cultural changes.

The *Plan-Do-Study-Act model* is usually used in order to frame the CE strategy. Weisbord's (1978) work "*Organizational Readiness Assessment Model*" had identified as being critical for change: *Purpose, Structure, Rewards, Work Tools, Relationships, and Leadership*. Following-up on Kotter's (2007), article "*Leading Change. Why Transformational Change Efforts Fail,*" I had also looked for the model called the "*Experience Change Model*" developed by the *Experience point* (www.experiencepoint.com).

### Key characteristics of CE

I present briefly some of the main characteristics of a CE (Sharir, Lindesay, 2015).

- *Organization' vision* that has to be communicated clearly and to be understood by all the members. Every employee has to understand first the company's vision and each of the team members need to take its own actions in order to contribute actively to the achievement of a long-run competitive advantage.
- *Business excellence and CE are about a purpose-based story* where people are engaged and highly determined to work together focusing on a common purpose seen as a driving force for any of their actions.
- *CE is about meritocracy and high performances*. CE is not about mediocrity. On the contrary, employee are highly supported and encouraged to manage to achieve the

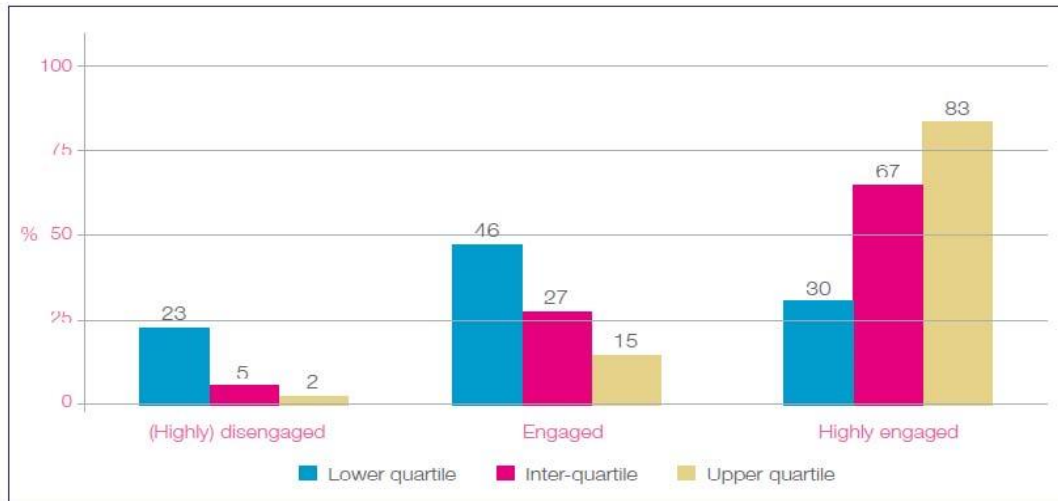
- highest performances within their area of expertise.
- *Employees have to be well prepared in order to face the changing times characterized by challenges, risks and uncertainty.* CE is exploring people' creativity, innovation and entrepreneurship spirit based on a flexible and anticipative way of thinking and acting.
  - *CE is about partnerships, networking and highly collaborative teams - both inside and outside the organization.* All *employee* and all *teams* have to co-create and co-operate in order to assure the prerequisite for achieving together the long-run organization's vision. CE supports collaboration among different teams belonging to the same organization or, in some cases, to different organizations like in the case of regional clusters. In the broader context of a creative economy, cultural and creative industries are encouraged to stimulate co-creation and co-working mostly within the regional creative and innovative clusters.
  - *CE supports pioneers.* These are innovative people who focus on creating something new that had not been created before. *Creative class* is the one who is considered to be the best pioneer of business excellence achieving excellent, unprecedented results.

*Is CE linked with competitive advantage for a high performance organization?*

Companies with the strongest corporate cultures tend to be market leaders and innovative pioneers. They create new products and reinvent the future. These companies are mostly acting within creative and innovative industries and they add significant value not only to the company but also to the region and local community to whom they are belonging.

They are making the differences in all the fields of activity where they are penetrating, changing the way people think, work, communicate and interact within smart cities and creative and innovative communities.

Previous research studies had demonstrated that organizations that promote CE achieve higher and more sustainable results over long term as compared to those organizations which are not based on CE. A study done by Kotter and Heskett, entitled "*Corporate Culture and Performance*" had been applied for eleven years and presents results collected from 207 large U.S. companies (Kotter, Heskett, 2015). Companies that managed their cultures well based on CE had obtained revenue increases of 682%, compared to 166% for the companies that did not manage their cultures well. In the same time the authors had revealed that companies based on CE had performed an increase of their net income of 756%, compared with 1% over the same period in the case of organizations based on a traditional culture.



**Figure 1. Employee engagement levels and organizational performance**

Source: CMI-Penna Report.

Employee engagement levels were 5% higher in organizations that had reported higher levels of management and leadership development activities. The perceived effectiveness of organizations was also related to higher engagement scores. There were, however, differences depending on the management level of individual respondents. It seems that there were more senior managers who had reported higher levels of engagement. CEOs and senior managers showed significantly higher levels of engagement compared to all the other levels. CEOs were scoring 46 out of 50, compared with 42 for senior managers and correspondingly 40 for middle and first line managers.

#### *The British Quality Formation (BQF)*

*The British Quality Formation (BQF)* is the community for business seeking excellent insights, tools and experiences to improve itself. It is offering a variety of performance improvement products and services, many of which are based on *the EFQM Excellence Model* ([www.bqf.org.uk](http://www.bqf.org.uk)). *The EFQM Excellence Model* provides a wide-range of benefits including increased employee engagement, improved productivity and organizational performance and increased customer satisfaction. It provides a holistic view of an organization and it can be used in conjunction with other management tools and techniques. This model briefly presented in figure 2 can be used by organizations of all sizes in all sectors of activity. It is based on nine criteria, five of which are concerning *Enablers* (showing what the organization does) and four of which are regarding *Results* (illustrating what it is achieved).

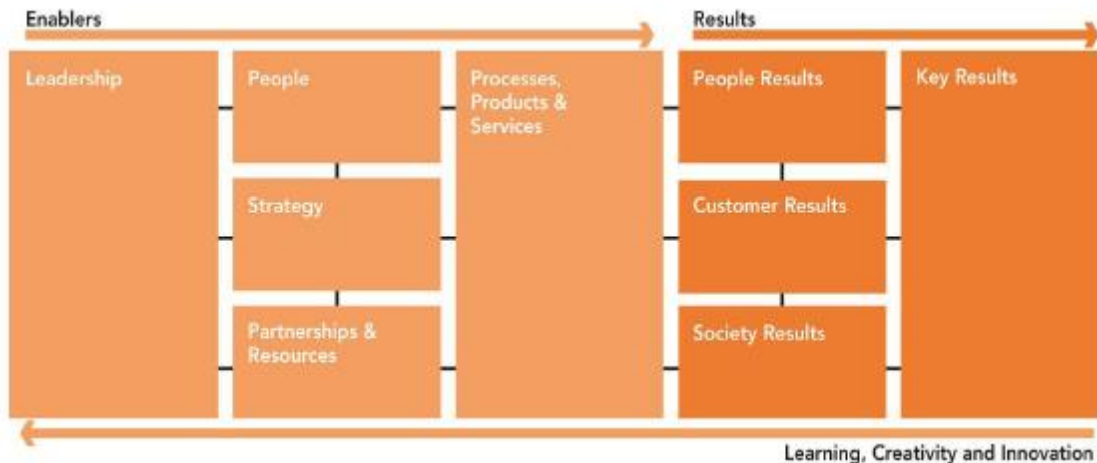


Figure 2. The EFQM Excellence Model

Source: www.bqf.org.uk.

Other BQF services include business school seminars, best practice showcases, training, workshops, networking groups and benchmarking services. High performing organizations assessing themselves against the BQF Model can apply to win *the UK Excellence Award*, a national prize offered annually by the BQF.

In 2012, *Forbes magazine* posted a paper declaring that, “*Training is the #1 reason leadership development fails.*” They had argued that skills-based leadership programs are not enough because many of the leadership teams may *lack confidence, willingness and focus*. A *Towers Perrin Global Workforce study* including 90,000 workers world-wide (from which 5,000 are in Canada) revealed that only 23% of the employees consider themselves to be highly engaged. It had been argued that, if one’s organization’s leaders and managers do not take responsibility for their own performance and for that of their teams, and if they don’t change their attitude, then skills training programs will not deliver the expected results.

*Team work* is also a very important part of CE, contributing to the process of building trust, improving communication and developing a culture of interdependence, rather than one of independence (figure 3).

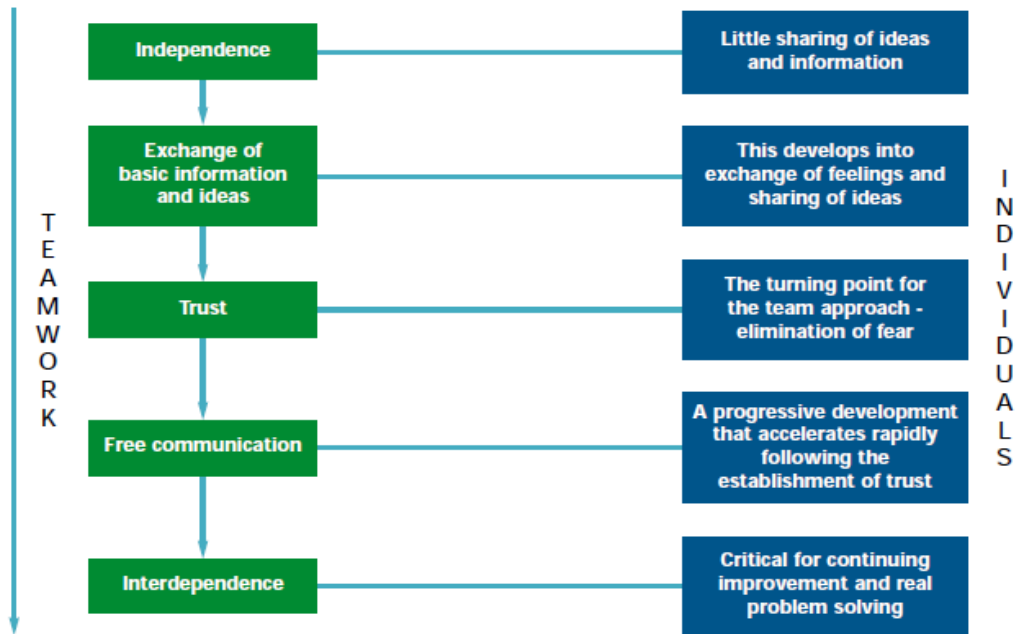


Figure 3. From quality to excellence. Teamwork versus individuals

Source: People development and team work

One of the most sustainable way to keep teams focused on one's organizational goals mostly during times of change is to create, preserve and develop a CE where every individual is motivated and determined to focus on the highest aspirations and objectives of the company according to its vision for the long-run.

### Step by step process of building a sustainable high performance organization

In order to build CE organizations facing changing and challenging times need to implement a three-phase process. This process is a complex one and within it the employees are more empowered, inspired and motivated.

- *Phase 1. Creating a mindset of excellence.* The first step in building CE is looking for the creation of a mindset that will engage every employee with the vision, mission and values of the organization. The majority of the employees tend to think in more creative and innovate ways and they will continue to move forward despite challenges.
- *Phase 2. Strategies for Excellence.* After step 1, the organization's teams will be ready to focus on achieving their specific goals and plans for obtaining performance and excellence. This phase is about building the core competencies required in order to support the business growth.
- *Phase 3. Sustaining excellence.* When the first two phases are complete, it's time to focus on developing strong leadership, to ensure that the new mindset and performance skills are sustainable. This is a critical step often missed in some organizations that might come back to old habits.

The most successful companies focus on building *a culture of excellence from a holistic*

*point of view considering a wide vision of the organization.* They understand that every part of the organization has an impact on the other parts, and that the most powerful results are created when every part is in synchronization like on a symphonic concert.

An organization that is focusing of CE needs to ensure that all its members are actively engaged such as to support success, competitiveness and sustainability over the long term. Once leaders have become competent at using different skills to improve the performance of their teams, they will be able to effectively coach their team members, to motivate and to improve trust and confidence of their team members. The leaders focus will move from solving small quite insignificant problems to coaching, leading and motivating their teams to stay aligned with the goals and vision of the company and to move the business forward toward excellence.

### **Case studies and examples of best practices**

Now I will present briefly the examples of local communities-Ottawa and Marion-who had applied CE approach in order to provide excellent services within their cities. Next, I will present two examples of best practices that highlight the importance of a paradigmatic change regarding education supporting excellence: the *Eberly Center, Teaching Excellence & Educational Innovation*, from *Carnegie Mellon* and, correspondingly, *the Center for American Progress Education Policy*. I consider that, local communities and education initiatives supporting excellence are of crucial importance for changing mentalities, attitudes and people's behaviour.

#### *The City of Ottawa's case study*

*The City of Ottawa's case study* describes how a team of organizational development (OD) and *human resource (HR) specialists* worked as partners with *the City of Ottawa's operational and shared services leaders* to change the way all the City employees provide excellent services (Patwell, Gray, Kanellakos, 2012). This case study demonstrates how a large-scale organizational culture shift can be successfully implemented, given that more than 70% of change initiatives had failed (Maurer, 2010). The change team achieved results quickly, accomplishing in three years what many organizations take five or in some cases even ten years to be finally completed. OD practitioners had developed new insights on how successfully partners can implement a major culture change. After a collaborative management consultation process, in 2008, the City's senior management team approved a *service excellence vision and guide* called, "*We See a City*". It established a goal of achieving a *service excellence culture* within five years (figure 4).

## The City of Ottawa's Service Excellence Framework

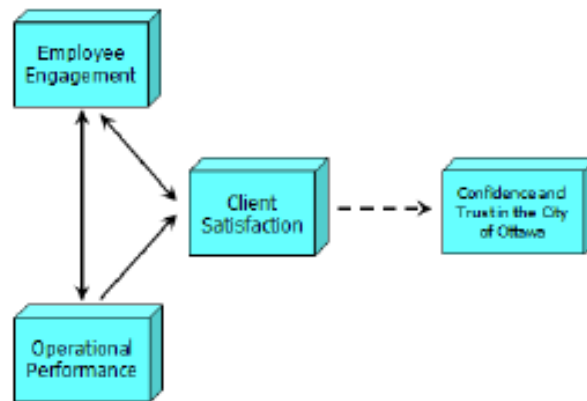


Figure 4. The City of Ottawa's Service Excellence Framework

Source: Patwell, Gray, Kanellakos, 2012, p. 3.

The Framework was based on *the public sector value chain* developed by Heintzman and Marson (2005).

The original model had incorporated three elements: employee engagement, client satisfaction, and building trust and confidence within the City. The team modified that model, by adding a fourth element, namely *operational excellence*. Effectively, the elements of the model reinforce each other. Improving any one factor creates a positive feedback loop lifting and is becoming a "virtuous circle." One of the goals was to help the building of a *Service Excellence Network*. It had also contributed to the creation of a learning community to support participants to collaborate within the City. In the course of three years, from 2007 to the end of 2010, there had been a profound transformation in the City services due to the implementation of CE. The CE has also empowered the employee engagement and the quality of decision making that had an important impact on customer's satisfaction. There had been more than 200 initiatives, based on the use of ITC, mostly mobile communication and Internet.

This case study explained the process and strategies that had been taken in order to understand the City of Ottawa's culture and to transform it into a Culture of Excellence.

### *The City of Marion case study*

*The City of Marion* had adopted *The Business Excellence Framework* in September 2004, based on the support of SAI Global. In 2007 *the City of Marion* was *Bronze Business Excellence Award Winner* (Bice, 2007).

*The vision* was inviting all the community to act together in order to ensure that Marion will become a City that "values people, provides opportunities and enhances quality of life for current and future generations" (Bice, 2007, p. 3). To ensure that local small businesses will have access to the advice and other services, the City has entered into a partnership with the *State Government* and two local authorities and they had created *the Inner Southern Business Enterprise Centre*.

*The Eberly Center, Teaching Excellence & Educational Innovation, Carnegie Mellon*

*The Eberly Center, Teaching Excellence & Educational Innovation* has collected teaching strategies and advice from experienced *Carnegie Mellon* instructors across the disciplines in *Collected Wisdom: Strategies and Resources*. This publication offers more than 200 teaching strategies, pedagogical tools for applying and adapting these strategies, and for finding proper answers to common questions about other resources for teaching and learning at *Carnegie Mellon*.

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*The Center for American Progress Education Policy*

*The Center for American Progress Education Policy* team had generated special dedicated report that includes new federal policy options for extending *the reach of excellent teachers* and the teams they lead to all the students ([www.americanprogress.org](http://www.americanprogress.org)).

I consider that the lessons learned throughout the examples of case studies and best practices might be applied to any organization that needs to be innovative in its attempt to learn and develop, as well as leading change. I strongly believe that Romania has to find its own way towards excellence. But these examples of best practices and many others that can be identified based on the international experience might be of real help acting like a guide of orientation for decision makers.

## **Conclusion**

During changing and challenging times, future success depends mostly on people. People have to prove their adaptability and willingness to change and to be prepared to face change. They have to realize the importance of their collaborative and partnering initiative based on joining more and diverse core competence, skills and knowledge. By co-creation, co-working people will contribute to trust and teams building that are considered to be of crucial importance for supporting CE based on a long-term vision. People and organizations in general have to make clear their commitment for CE.

The most important limitation I had faced was that being a quite new topic for Romania, I decided to focus on its understanding and learning process before trying to come with some own implementation results. CE is about team cooperation. The most important goal of the paper was to make people and organizations to develop awareness about the importance of CE mostly from the long run perspective.

With respect to *the expected future lines of research* I am determined to explore the opportunities for networking and *constructive dialogues* in order to develop also in Romania a greater awareness, understanding and analysis of the concept of '*excellence in teaching*' (Ramsden, 2008) that is very much connected to CE. I intend to take also into account the paradigmatic shift *from teaching to learning* that is recognized in general to be faced by the whole higher education system. According also to the *Investor in People* approach (Gilliland, 1997), "*while business skills and professional qualifications will continue to play an important role, the development of life-long learning skills will be the corner-stone of a business champion's ongoing success and capacity to adapt in a constantly changing business environment*" (Janti, 2000, p. 7).

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