

Pathways to Management and Leadership

Level 5: Management and
Leadership

Unit 5005V1

Meeting Stakeholder and Quality Needs

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Unit 5005V1: Meeting Stakeholder and Quality Needs

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First edition 2006

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Second edition 2008

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Revised July 2013

British Library Cataloguing-in-Publication Data. A CIP catalogue record for this publication is available from the British Library.

ISBN 0-85946-507-1

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About this workbook

The unit

The main purpose of this workbook is to support you as you study for the Chartered Management Institute Level 5 in Management and Leadership qualifications, so it specifically focuses on the content of the syllabus for Unit 5005V1 *Meeting Stakeholder and Quality Needs*.

This workbook provides underpinning knowledge and develops understanding to improve your skills as well as to prepare you for future assessment. If you are studying for the Level 5 in Management and Leadership qualifications, then you will be assessed by your approved centre on 'your knowledge and understanding of' the following learning outcomes:

1. Understand how to identify stakeholders and their requirements.
2. Understand how to apply and improve quality standards.
3. Be able to conduct a quality audit.
4. Understand how to promote continuous improvement and change.

The aims of this workbook

This workbook aims to help you learn how to:

- plan to meet stakeholder requirements
- encourage a philosophy of quality and undertake a quality audit
- understand the concepts of change management and continuous improvement
- meet the requirements of your customers.

Syllabus coverage

The table below shows which sections of the workbook address each of the assessment criteria of the qualification syllabus.

Unit 5005V1 syllabus coverage	Addressed within section:
Meeting Stakeholder and Quality Needs	
1.1 Determine organisational stakeholders and their expectations	1
1.2 Discuss methods of meeting stakeholder expectations or requirements	1,4
1.3 Evaluate methods of communicating stakeholders' requirements with team members	4
1.4 Explain processes for updating information on stakeholder requirements	4
2.1 Evaluate the meaning of quality to an organisation	2
2.2 Establish how to apply organisational quality policies and procedures	2
2.3 Determine how to encourage staff to contribute ideas to improving quality	2
3.1 Conduct a quality audit and make recommendations for improvement	2
4.1 Discuss the concept of and need for continuous improvement	3
4.2 Evaluate work activities and identify areas for improvement	3
4.3 Determine a range of methods that can be used to encourage staff to contribute ideas for continual improvement	3

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Getting started

Most managers know quite well that management by 'flavour of the month' is never a good idea. If the holy grail of management existed, it would have been found by now. There is no universal panacea, but common sense dictates that any organisation has to deliver services and products that attract customers and then meet their evolving needs.

In order to make the offering to customers a reality you have to be aware of the demands placed on your team. Creating and maintaining an environment of continuous improvement means that the workplace is in a continuous state of change. Human nature dictates that you will need to manage this carefully, to ensure that your team remains motivated and committed to meeting the changing requirements placed upon it.

This workbook explores how the concepts of quality and continuous improvement can give an organisation a framework for meeting the requirements of customers and all other stakeholders.

How to use the workbooks

The workbooks provide ideas from writers and thinkers in the management and leadership field. They offer opportunities for you to investigate and apply these ideas within your working environment and job-role.

Structure

Each workbook is divided into sections that together cover the knowledge and understanding required for that unit of the Chartered Management Institute Level 5 in Management and Leadership. Each section starts with a clear set of objectives that identify the background knowledge to be covered, and the management skills in the workplace that enable you to demonstrate this knowledge. You do not have to complete the sections in the order they appear in the workbook, but you should try to cover them all to make sure that your work on the unit is complete. There are self-assessment questions at the end of each section that allow you to check your progress. You may want to discuss your answers to these questions with your line manager or a colleague.

Activities

Throughout the workbooks there are activities for you to complete. These activities are designed to help you to develop yourself as a manager. Space is provided within the activities for you to enter your own thoughts or findings. Feedback is then provided to confirm your input or to offer more ideas for you to consider.

To get the best from the workbooks, you should try to complete each activity fully before moving on. However, if the answer is obvious to you because the issue is one you have encountered

previously, then you might just note some bullet points that you can then compare quickly against the feedback. You may sometimes find it difficult to write your complete response to an activity in the space provided. Don't worry about this – just keep a separate notebook handy, which you can use and refer to as needed.

Try not to look at the feedback section before completing an activity. You might like to try covering up the feedback with a postcard or piece of paper while you are working through an activity.

Timings

Timings are suggested for each section and activity, although it is important that **you** decide how much time to spend on an activity. Some activities may occupy only a few moments' thought, while others may be of particular interest and so you might decide to spend half an hour or more exploring the issues. This is fine – the purpose of the activities is to help you reflect on what you are doing, and to help you identify ways of enhancing your effectiveness. It is always worth writing something though, even if it's brief – the act of writing will reinforce your learning much more effectively than just referring to the feedback.

Scenarios

There are scenarios and examples throughout each workbook to illustrate key points in real workplace settings. The scenarios cover a wide range of employment sectors. As you work through, you might like to think of similar examples from your own experience.

Planning your work

The reading and reflection, scenarios and activities in each section of the workbooks are designed to take around two hours to complete (although some may take longer). This is a useful indicator of the minimum length of time that you should aim to set aside for a study session. Try to find a quiet place where you will not be interrupted and where you can keep your workbooks, notes and papers reasonably tidy. You may also like to think about the time of day when you work best – are you a 'morning person' who likes to get things done at the start of the day, or do you work better in the evening when there may be fewer disturbances?

Preparing for assessment

Further information on assessment is available in the Student Guide produced as part of the *Pathways to Management and Leadership* series. If you have any further questions about assessment procedures, it is important that you resolve these with your tutor or centre co-ordinator as soon as possible.

Further reading

Suggestions for further reading and links to management information are available via ManagementDirect through the Study Support section of the Institute's website at <http://mde.managers.org.uk/members>. Alternatively, email ask@managers.org.uk or telephone 01536 207400. You will also find titles for further reading in the Bibliography at the end of this workbook.

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Section 1 Understanding your organisation and its stakeholders

Time required: about 2 hours

Learning outcomes

By the end of this section you should be able to:

- 1.1 Determine organisational stakeholders and their expectations
- 1.2 Discuss methods of meeting stakeholder expectations or requirements.

The value of understanding stakeholders

An implicit universal mission statement would read something like this:

To improve the economic well-being and quality of life of all stakeholders

Stephen Covey

The above quote is from *Measuring What Matters* (2006) by Rod Napier and Rich McDaniel. They identify three important stakeholder groups – owners, employees and customers – and discuss the exchange of value between the organisation and these groups. As you will see later, we can expand this list of stakeholders to include other groups. That may be important to your particular organisation, but the principle remains valid.

Napier and McDaniel go on to define a management process that can be used to ensure that an organisation understands its stakeholders. This is represented in the table below.

Step 1: Stakeholder data gathering	Gather baseline information describing the organisation's current performance in providing what customers, employees and owners value.
Step 2: Assessment	Use the stakeholder data to evaluate the team's operations. Where appropriate, obtain additional feedback from trusted outsiders to help review the team's operations. Define and prioritise needed changes.
Step 3: Implement priority changes	Implement changes, giving preference to those that can have the greatest impact on improving stakeholder value and can most easily and inexpensively be acted on.
Step 4: Internalise changes	Train the team in the use of measured feedback on stakeholder satisfaction on an ongoing basis. Help team members acquire any skills needed with new processes.
Step 5: Recognition	Pay attention to ongoing feedback from stakeholders. Recognise and reward measured improvements.

Adapted from Table 9, p182, Napier and McDaniel (2007)

Such an approach can be adopted by work teams within the organisation to ensure that stakeholder needs and requirements are being met and to also identify opportunities for improvement.

You will now consider an important group of stakeholders: customers.

The importance of customers

Organisations exist to serve their clients or customers. If these people aren't satisfied, then the organisation will cease to exist.

As shown in Fig. 1.1, the relationship between customer satisfaction and survival in the private sector is obvious: if customers aren't happy they'll go elsewhere. In public sector and not-for-profit organisations the relationship between customers and the organisation's existence is less direct, but equally strong when taxpayers or funders demand proof of the quality of services provided, and customers protest loudly if their needs are not met.

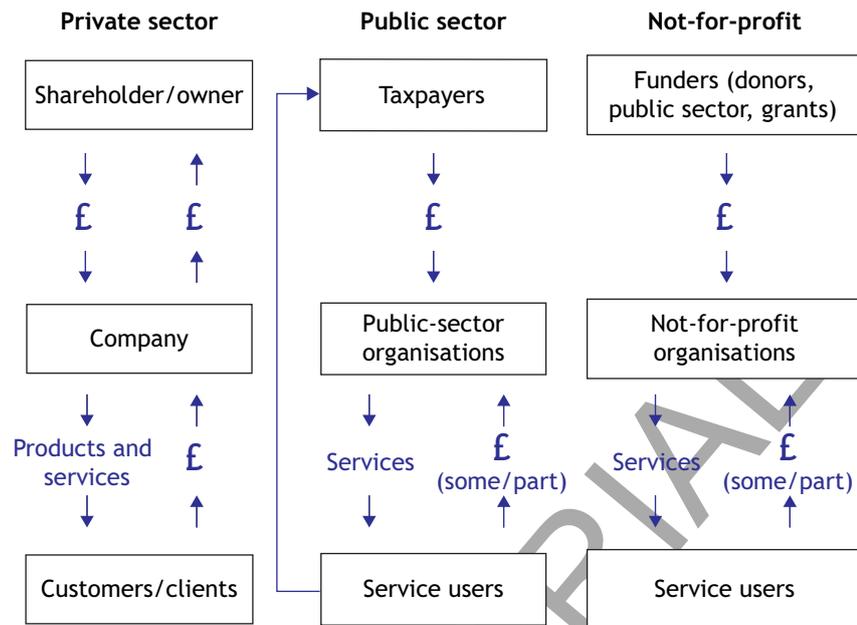


Fig. 1.1: Funding in the different sectors (adapted from Hudson, 1995, p. 35 and reproduced with permission from Elsevier, Pergamon Flexible Learning, *Creating a Customer Focus*, 2004)

However, before you can understand your customers and ensure their satisfaction, you need to understand your organisation and your place in it. Inevitably, this forms the foundation for how you and the rest of the organisation interact with customers.

Understanding the ‘bigger picture’ will enable you to make better informed decisions when planning day-to-day operations in your part of the business. It will also enable you to see your customers more clearly and interact with them more effectively.

What business are you in?

Traditionally, the answer to this question may have been business-specific – ‘the transport business’ or ‘food production’. Today, successful organisations are in the business of satisfying customers; anything else contributes to that overall aim.

So, what does your organisation offer to customers? All organisations take a series of resources (people, raw materials, equipment, knowledge about customers) and, through a series of processes, transform them into services and products.

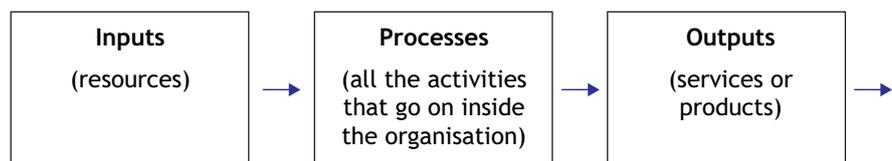


Fig. 1.2: The input/output model (reproduced with permission from Elsevier, Pergamon Flexible Learning, *Creating a Customer Focus*, 2004)

Outputs should always be defined as what is offered to the customer as a result of the process. Take, for example, a call centre responding to enquiries. The inputs would include the

building, equipment and people. The processes would include training, systems and procedures for making and responding to calls, personnel processes ... in fact, anything that contributes towards the output of responding to customer queries effectively and efficiently.

Activity

Activity 1.1 (about 5 minutes)

Define your organisation generally, in terms of inputs and outputs, as in the example in Fig. 1.1.

Inputs	==>	Processes	==>	Outputs

Feedback

This input/output model can be applied to any level of activity within an organisation. However, the outputs should always contribute towards customer satisfaction.

Customers can be internal or external

So far we've referred to customers as being external to the organisation. However, a broader view defines customers as being the 'recipient of an output or activity'. This definition therefore also includes internal customers.

An example of an internal customer for many managers is the finance department. There will be a number of outputs the finance department requires from a manager to approve payment for an external invoice to be paid. The finance department will need the manager to check the invoice and return the approval promptly.

If these requirements are not met, it causes the internal customer problems, frustration and time, as well as often having a direct impact on the external customer and increasing the organisation's costs.

Everyone in the organisation is linked in supplier–customer relationships, with all the responsibilities for customer satisfaction that this entails.

Activity

Activity 1.2 (about 5 minutes)

Who are the customers for the various types of output that you are responsible for in your organisation? Note down three and identify whether they are internal or external.

Customers	Internal	External
1.		
2.		
3.		

Feedback

The idea of the 'internal customer' is not new and you may already be aware of the principles that lie behind the concept of quality management, where 'everybody has a customer, everybody is a customer'. We look at the importance of customers in the next section when we explore the concept of quality.

Internal customers

Looking at organisational activities in terms of internal customers can have surprising results. If you view your colleagues as your customers, it will tend to reduce any sense you may have of divisions between departments or between colleagues at higher and lower levels in the organisation. In other words, it cuts across organisational structure both vertically and horizontally (as shown in Fig. 1.3).

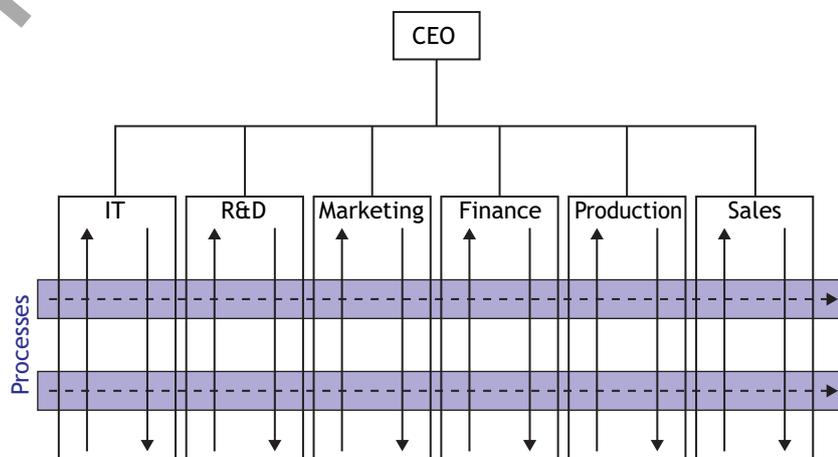


Fig. 1.3: Relationships between internal suppliers and customers can cut across both vertical and horizontal boundaries

For example, one internal customer of a senior manager may be an assistant who has a legitimate cause for complaint if the manager produces indecipherable handwriting to process. This would be an example of the supplier–customer relationship cutting across vertical levels of an organisation’s hierarchy.

Customer–supplier relationships can also cross functional (horizontal) boundaries. An example of this would be when the finance department receives financial information from a number of different budget-holding centres during its annual budget preparation. In this case, the finance department is the customer and the budget centres are the suppliers.

Activity

Activity 1.3 (about 5 minutes)

Now define your part of the organisation/department in terms of inputs and outputs. Your outputs may be for internal and/or external customers.

Inputs	==>	Processes	==>	Outputs

Feedback

Both external and internal customers are of equal importance and the same principles of ensuring customer satisfaction apply to both groups. Your primary focus should also be on the next group in the value chain – those who directly receive the products and services from you.

The mission and values of your business

Every organisation needs a clear sense of purpose or direction. It needs to look into the future and ask itself what it wants to achieve. The answer results in a statement that summarises the organisation’s long-term goal, purpose or mission. Here are two examples.

Oxfam’s purpose

Oxfam works with others to find lasting solutions to poverty and suffering.

Source: www.oxfam.org.uk

GlaxoSmithKline’s mission statement

To improve quality of human life by enabling people to do more, feel better and live longer.

Source: www.gsk.com