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Working with external quality standards and awards: strategic implications for human resource and quality management
Conference paper

Angela Mulvie
Corporate Elevation Coaching

Summary

The plethora of external quality standards and awards available in the marketplace, combined with strong competition for high-quality talent in the context of continuing commercial issues of globalisation, require organisations of any kind, large or small, public, private or not-for-profit, to make *informed* choices about which quality standard or award, if any, to work with. In a crowded marketplace of advice and consultancy support, it is important for organisations to think carefully about not only *why* they might wish to adhere to externally recognised quality standards in their operations, but also *what* such an approach might do to enhance organisational success. In other words, the perceived value of having such external accreditations should and could be factored into any planning of strategy, in the areas of both quality management (QM) and the management and development of people (HRM/HRD). This paper details the outcome of a research project undertaken to explore these issues and establish clear guidelines on how to prepare for undertaking a continuous improvement journey that includes working with external standards and awards.

Introduction and overview of research

People deal with quality issues on a continuous basis in practically all aspects of their lives, whether it is choosing goods to purchase, considering cost, or working in an organisation that places a high focus on quality management when providing goods and services to the customer base.[1] This strong focus on quality has become an integral part of many organisations' agendas, no matter the size of their operation or the sector. Alongside this growing focus on quality, we have seen an increasing development and application of external quality standards and awards. This growth has occurred not just in the UK but also in the global marketplace, where the appetite for external accreditations and recognitions appears to be strong.

However, there are such a large number of different standards to choose from that it can be confusing for an organisation as to how to make the right choice around which to work with, what the value will be of achieving such external recognitions, how such decisions might result in people management and development implications and issues, and what can be done with such information. By adopting a strategy of continuous improvement to guarantee business excellence, an organisation can ensure that best use is made of resources, including its people. That strategy should be aligned with one for the management and development of human resources to ensure that the two functions support and complement each other. Where externally accredited standards and awards are adopted, outcomes achieved can be measured and benchmarked against competitors. However, the extent to which such information is used thereafter to inform further decision-making is questionable. What is also not clear from existing literature is the extent to which these external standards are used as part of strategy formulation.

In the QM arena, the application of practical tools to enhance commercial success by reducing wastage, errors and duplication is common. Indeed, some of the QM literature does consider working specifically with external standards,[2] yet limited evidence is found in the HRM/HRD literature on this issue. Rather, in both fields the focus of much of the writing and research is on describing the practical tools that can be used internally to ensure commercial success. In the quality management arena, the application of such tools generally resides within operational (and often production/engineering-related) decision-making rather than within the people management and development area, other than when specific standards relating to that discipline are being considered, for example Investors in People. In the HR arena there will be people management and development implications of working with any aspect of quality in terms of the application of methodologies and the resulting potential changes to working practices, as well as the need to train and develop personnel in their application, whether or not external accreditations and recognitions are sought.[3]

A great deal of the writing about total quality management (TQM) considers how employees need to be encouraged to take responsibility for decisions around different ways of working and indeed consider what such changes might be. In other words, organisations are often looking towards their own staff to be innovative and able to solve problems.[4] While recognising the need for the search for efficiencies and improvements in changing economic, political and social times, they suggest that the *mechanisms* whereby such improvements can be achieved are less apparent. Many 'kaizen' or continuous improvement programmes are started but often not completed, nor are the outcomes always quantified. In the same way, the achievement of many external quality standards is not always evaluated fully from a *strategic* perspective. This may include how the people implications arising from working with such standards have been dealt with.

Wilkinson and Brown[5] cite Oakland[6] as suggesting that working with quality management shifts the focus of control from *outside* the individual to within – in other words, making all employees accountable for their own performance and getting them committed to quality. This has become a common theme within many external standards. For example, in the revised Investors in People Generation 6 Framework, organisations are measured on the extent to which they are working with continuous improvement and how well staff are engaged in that process. Yet historically many of the quality 'gurus' appear to place a different emphasis on the people management aspects of quality systems, focusing largely on the processes themselves rather than who will carry out such processes and in what ways.

For all these reasons, the research undertaken was considered both important and timely when considering the range of quality standards and awards available, their implications for HRM and HRD, the possible interface between these two areas in the execution of these standards, the routes to accreditation and recognition, and the strategic and operational implications of pursuing such an agenda. The development of a practical framework for checking what might need to be considered, both at the start of any quality initiative and throughout its progress, in terms of achieving an external award and/or standard, was a key outcome of the research process undertaken.

Terminology

In starting the research process, it was obvious that some clarity was required regarding definitions and terminology. A brief explanation of how terms were used is therefore provided below. While many practitioners and academics will use these interchangeably, it is important to differentiate between a standard, a model and an award:

An external quality standard – this term is used to describe an external set of rules or principles that an organisation must adhere to, to receive accreditation – it provides an accepted way of doing things relevant to the organisation operating in its sector/industry. An example of an external quality standard would be one sitting within the ISO 9000 family of standards.

An external quality model – this term is used to describe a way of operating that is based on a specific way of doing things, built on both best practices and ongoing research to ensure the currency of the model. Sometimes the term 'framework' is also used interchangeably. An example of an external quality model would be the European Foundation Quality Model (EFQM).

An external quality award – this term is used to describe an award that is given in recognition of an organisation achieving certain agreed levels of activity in its field of operation. The award is given by the organisation that 'owns' it, for example the Best Companies Award.

Accreditation – this term is often used interchangeably with 'recognition' but implies a more formal approach. Used in many different fields, accreditation is a process whereby formal approval and certification is given, usually by an awarding body, to demonstrate some authority or credibility in that area or sphere.

Key research questions

The following key research questions were considered:

- How are decisions made both strategically and operationally about which standards and awards to work with and what influences that choice?
- How is their value perceived?
- What are the people management and development implications of pursuing such an agenda?
- How is this information used for future decision-making?

Research methods

Based on my own consultancy experience of working internationally for several years on HR-related projects, my longstanding experience as an IiP Assessor, and my sense that employer choices around which standards and awards to pursue are made for a number of unrelated and varied reasons, research for the project was undertaken by adopting a social constructivist approach. While the focus of the study was very practical, an effort was made to remain impartial and objective during the analysis of data collected. Following an extensive literature review (secondary research), a series of semi-structured interviews were carried out with personnel chosen for their knowledge of the application of the different external standards and awards (primary research). These interviews were carried out face-to-face, by telephone, and by Skype to elicit as wide a range of viewpoints as possible. Interviewees were from both the HR function as well as some quality specialists and members of some awarding bodies. Where appropriate, some recommendations were made by the awarding bodies as to who might be willing to speak to the researcher. Data collection did prove extremely challenging, however, with some approaches for help declined.

A thematic analysis was undertaken to establish common themes emerging from the interviews and a series of case studies was written up to illustrate practices and applications. As a phenomenological methodology,[7] the case study approach has particular value where there are few theories or an accepted body of knowledge about the subject under consideration.

Research findings

Statistics gathered from awarding bodies, apart from ISO, on the numbers of organisations working with external quality standards and awards demonstrated surprisingly low levels of uptake. Where organisations pursued such an agenda, they generally worked with one or more standard, as this was part of their overall strategy on continuous improvement. By setting a strategy that incorporates quality improvement (including environmental sustainability and CSR) as a key direction in which the organisation wishes to go, senior managers needed evidence of the value of outcomes to be achieved before approving any initiative. Gaining external accreditations and awards in themselves may be the first step in that process, but the longer-term viability of continuing to work with such standards will usually be based on the knowledge that commercial and operational improvements have resulted. A key reason for organisations to pursue these standards and awards was found to be the assistance this provided to enhanced branding and marketing. However, the cost of achieving and maintaining accreditation appeared to be a key

factor in decisions to not continue with some of the standards and awards unless these were deemed to be required for that sector.

The world of work has changed enormously since the 1990s, when much of the effort and focus on quality improvement, TQM, and professional HRM started to gain ground. Many factors have impacted on working practices, both operationally and from a staffing perspective during this period, and the strategic planning process has become more complex as a result of this. These factors include digitalisation, the growth of mixed generational workforces, automation, robotics and AI, globalisation, changes in learning and development efforts via e-learning, and so on. The quality of people's working lives has also been given a higher priority, with an increasing concern around work–life balance, mental health problems, and a strong focus on occupational health and well-being. All of these areas that represent a developing agenda for most organisations can be considered when working with external standards and awards.

As an outcome from the research, three key arguments were evidenced when pursuing a CI agenda that included seeking external recognitions and accreditations:[8]

Argument(s)	Implication(s)
Benchmarking opportunities locally, nationally and globally	Can learn what competitors are doing and match against this; while consistency in the application of standards is required internationally, global practices may vary because of cultural differences and local employment laws, so care is needed in interpretation of results
The search for best practices	Seen as proving the competitive edge – staff will wish to join and stay with an organisation that is seen to be a good employer; customers will wish to do business with an organisation that demonstrates high-quality systems and processes
Compliance and regulatory requirements	These need to be checked regularly and evidence provided for relevant external bodies; guidance on same will be available from professional and industry-led bodies

What was less obvious from research findings was the degree to which a *joint* approach was considered between the HR and QM functions when decisions were being made as to which standard and/or award to work with. Several areas of HRM and HRD activity were identified as impacted when considering how best to work with continuous improvement and external quality standards and awards. These included:

- leadership and leadership development
- communications
- job design
- teamworking
- employee engagement
- employee empowerment
- knowledge management
- training, learning and development
- organisational culture.

The measurement of the value of working with these standards and awards did not appear to be well established as part of overall performance improvement metrics, however, other than where these needed to be provided within the assessment process, for example within the Generation 6 IiP Standard.

Practical applications

Some key practical issues were identified as requiring further consideration:

- Senior managers responsible for strategic planning should be encouraged to establish a rationale for working with such an agenda; if there is no support from the top team, any strategic focus is lost.
- Several decisions are required to prioritise which particular standards and awards to focus on, with inputs from a number of specialist personnel.
- Achieving accreditation is seen as enhancing employer brand through marketing activities, but more robust measurement of this will be required to provide hard data for future decision-making.
- Compliance and regulatory requirements plus legislation lay the foundation for the base-level argument for pursuing external recognitions; a second-level argument of the need to compare best practices via benchmarking externally is not always linked to HRM/HRD; a third-level argument to take care of staff and employ them in a fair and ethical way, taking account of relevant legislative frameworks, competitor practices, is a further justification.
- Where supportive but objective feedback is provided via the assessment process, this can be very helpful if deemed to be relevant.
- It is important that assessors who work both in the UK and globally have experience of the international marketplace they are assessing and understand the cultural differences that apply.
- Until this research agenda is given a higher priority by both employers and awarding bodies, the view that such standards and awards are a 'good thing to have' will continue without any really hard evidence to support that perspective; the awarding bodies have a role to play in particular in providing more detailed information about value and opportunity.

Framework for the implications of working with external quality standards and awards

As a result of research findings, the following framework has been developed to help organisations think about the issues/implications to be considered:

- How will the external accreditation process impact on existing working processes and practices and how might these have to be changed?
- How can organisational culture be taken into account in any initiative?
- How complex might the pursuit of the accreditation be in terms of internal and external resources required and the associated costs?
- How might technology applications drive improvements in quality standards and raise the bar, for example the use of automated data analytics, use of AI, standardisation of processes, and so on?
- What learning and development will be required for those involved in the process, for example internal awareness training, internal auditing, external development?
- What models and systems to enhance quality assurance might be used which can be off-the-shelf, in-house, and tailor-made? Where a wide range exists, what decisions will be needed on which approach to take?
- What sectoral or sub-sectoral systems exist that will have most applicability?

- What liaison will be needed with the different awarding bodies and how will this be maintained?

All of these need consideration and resolution to help formulate and execute a sound project plan.

Final thoughts

By working with external standards and awards, an opportunity is created to think about not only current management practices but also the future direction in which the organisation wishes to go. The organisation has an opportunity to match itself against what are seen to be the important requirements in that industry/sector/area, as well as what competitors are doing. Many of the case study organisations interviewed indicated that achieving the final award had not only provided a framework for action but also created more confidence in their approach and style. In other words, knowing that what had been assessed matched with 'best in class' was seen to be the most useful outcome. Where supportive but objective feedback is provided, this too can be very helpful if deemed to be relevant.

Notes

[1] Goetsch, D.L. and Davis, S. (2013) *Quality management for organizational excellence: introduction to total quality.* 7th edition. Harlow, Essex: Pearson Education.

[2] Porter, L.J. and Tanner, S.J. (2008) *Assessing business excellence: a guide to self-assessment.* 3rd edition. Oxford: Butterworth-Heinemann.

[3] Dale, B.G., van der Wiele, T. and van Iwaarden, J. (2007) *Managing quality.* 5th edition. Oxford: Blackwell Publishing.

[4] Bessant, J., Caffyn, S. and Gallacher, M. (2001) An evolutionary model of continuous improvement behaviour. *Technovation.* Vol 21, No 2. pp67–77.

[5] Wilkinson, A. and Brown, A. (2007) Managing people. In: Dale, B.G., van der Wiele, T. and van Iwaarden, J. (eds) *Managing quality*. 5th edition. London: Wiley-Blackwell.

[6] Oakland, J.S. (1993) *Total quality management: the route to improving performance.* 2nd edition. London: Butterworth-Heinemann.

[7] Collis, J. and Hussey, R. (2013) *Business research: a practical guide for undergraduate and postgraduate students.* 4th edition. Basingstoke: Palgrave MacMillan.

[8] Mulvie, A. (2018) *Working with external quality standards and awards: the strategic implications for human resource and quality management.* Abingdon: Routledge.