

Trading Accreditation for Performance Excellence Model

New Zealand Not-for-Profit Hands Back 'Certification'

by Janet Jacobsen

At a Glance . . .

- To move forward on its journey to excellence, Spectrum Care searched for the right quality framework and discovered the New Zealand Business Excellence model.
- At the same time, the organization concluded that its accreditation process failed to provide a significant challenge, so it returned its "certification" to the auditing body.
- Using an organization-wide approach, Spectrum Care applied the new framework to all service areas and activities.
- The organization earned a Silver Award from the New Zealand Business Excellence Foundation in 2010.

In 2008, mourners gathered at Spectrum Care to say farewell to a recently departed, trusted, and respected "colleague" who had served them well for years. At the same time, they rejoiced in a recent arrival and looked forward a new beginning. No, this wasn't a funeral and a baby shower for staff and extended family, but rather a "wake" to say goodbye to their old quality framework and a welcome celebration for a new business excellence approach.

About Spectrum Care

Spectrum Care is an independent charitable trust that provides services for children, young people, and adults with disabilities and their families. The organization is headquartered in Onehunga, New Zealand, a historic suburb of the country's largest city, Auckland. Spectrum Care's services include 24-hour support for people living in residential small-group homes, as well as respite care for adults and children. The 900 employees of Spectrum Care team up to provide person-centered services and options that focus on the individual needs of the organization's 800 clients, who are referred to as "service users."

The organization's vision is: "People with disabilities living great lives," and five core values support this vision:

- *Person centered*: Responsive to the person; individualized services and support.
- *Innovation*: Pioneering and looking for better ways.
- *Commitment and passion*: Creating and maintaining a high-performance culture, where we are passionate about what we do.
- *Partnership*: Working successfully together with others, valuing each other's contribution.
- *Excellence*: Leading the way.



A Spectrum Care service user poses for a photograph.

Spectrum Care receives the majority of its funds from the Ministry of Health through government-awarded contracts. People they support are referred by Needs Assessment Service Coordination (NASC) agencies, which act as funding intermediaries. It's important to note that Spectrum Care is not permitted to approach potential service users or encourage them to request a NASC referral for service. As a result of these regulations, Spectrum Care promotes its services to NASC agencies as the most appropriate provider of specific services that potential customers may seek.

Moving from Accreditation to Business Excellence

Given its mission and funding sources, Spectrum Care is subject to compliance audits based on standards for health and disability, infection prevention and control, and restraint and risk management. In addition, the organization chose to comply with separate but higher level accreditation standards. Both certification (required) and accreditation (voluntary) are awarded by auditing agencies approved by New Zealand’s Ministry of Health.

Always striving to be a leader in its field, Spectrum Care earned the maximum three-year certification consistently; and while accreditation results were a significant achievement, they did not offer an avenue for benchmarking activities. While the organization was locked into the certification process because it serves as Spectrum Care’s “license” to operate, its leaders began a critical evaluation of the accreditation system to determine whether it was a necessary or even useful process.

Although accreditation offered a higher-level assessment, Spectrum Care noted several weaknesses, such as:

- The audit and subsequent accreditation certificate came from a single auditing organization that is limited to the health sector.
- The accreditation standard had become more clinical- and hospital-based, and didn’t adequately address business needs holistically for a community-based service, either for the present or the future.
- The process did not provide a benchmarking tool.
- The certificate was only recognized within the health sector.
- An emphasis on “process” came at the expense of examining business results.
- Accreditation did not offer a mechanism to measure world-class status.

These factors and others, combined with a desire to move from good to great, prompted Spectrum Care to take the bold action

of handing back its accreditation certificate in 2008 and adopting a new improvement framework. That new model was the New Zealand Business Excellence Criteria, which is closely aligned to the Malcolm Baldrige Criteria for Performance Excellence and provides a rigorous, internationally recognized standard.

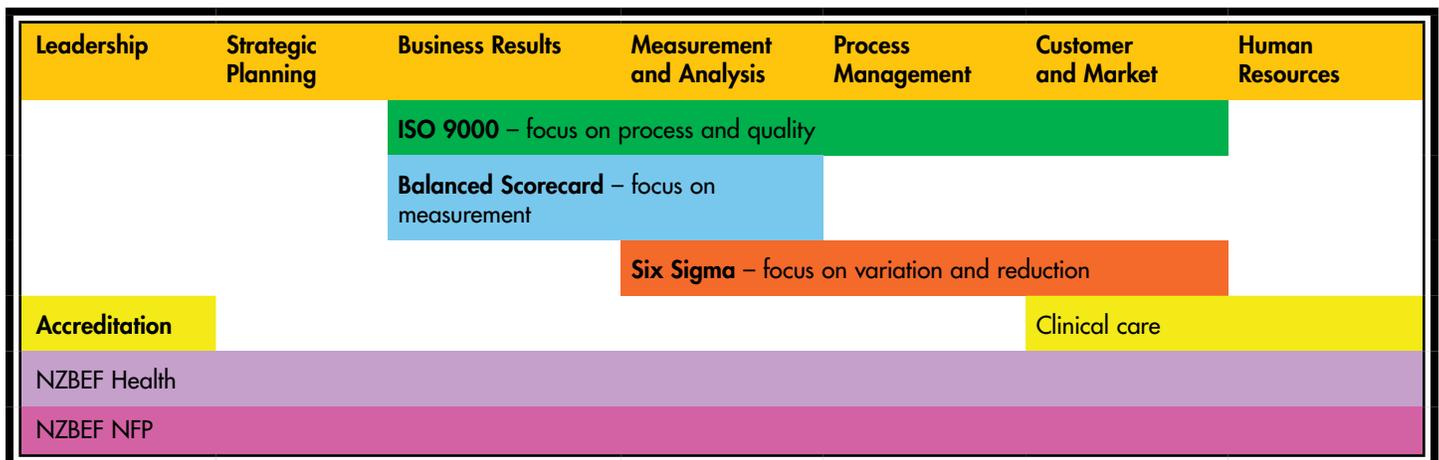
This methodology change was so significant to Spectrum Care that it chose to host a “wake” to bury the old model and celebrate the birth of the new business excellence approach. A video was shown of field staff who expressed their positive feelings for the change taking place. Shortly thereafter at a national disability conference, Spectrum Care publicly announced its intention to adopt the new framework and move away from the accreditation model that others in attendance were using. The organization also declared its intention to return its previous quality accreditation certificates to the issuing body.

While the Baldrige framework existed in New Zealand as a business excellence concept for many years, not many organizations had yet embraced it. When Spectrum Care decided to abandon its existing quality framework based on the accreditation system, it recognized an opportunity to explore and ultimately use the Baldrige framework for business improvement. The business excellence criteria also offered the opportunity to validate Spectrum Care’s progress against international standards through a moderated awards process, explains Brett Marsh, general manager of organizational excellence at Spectrum Care.

The business excellence model is a good fit for Spectrum Care because it offers an organization-wide, systems-based, strong, and reliable values-based framework. Also it provides opportunities for developing the management team, benchmarking, comparing performance across sectors, and aligning organizational culture and values.

The performance excellence criteria address seven organizational elements, as outlined in the gold shaded area in Figure 1. This figure also shows that other quality models address only a

Figure 1—Seven organizational elements





In November 2010, Spectrum Care received the Silver Award from the New Zealand Business Excellence Foundation. The awards program is based on the Performance Excellence Criteria of the Malcolm Baldrige National Quality Award.

portion of the seven elements and, therefore, provide an incomplete picture of an organization's performance.

Implementing the New Model

Of course, implementing the new framework throughout this geographically widespread organization was not an overnight task; rather, it involved a series of steps and challenges along the way. One of the first steps was developing the board of trustees and leadership team as champions of the model by explaining the approach—building internal capacity and capability internally, instead of depending on external consultants.

Another key step to implementing the framework involved training 16 senior managers, including the CEO, as evaluators for the New Zealand Business Excellence Award, which is based on the Baldrige Criteria. Marsh explains that key influencers within the organization were encouraged to become evaluators so they could better understand the benefits of the framework. The strategy was to address the organization's culture first, so that the systems development and business excellence (Baldrige) values would land on fertile ground, and then address the redesign of systems with a focus on results. "We worked to engage the leadership team, including the CEO, because quality struggles if it is driven from the middle or by a quality department," says Marsh.

One of the challenges of implementing the framework was building competencies around the criteria so that business excellence could become "business as usual" at Spectrum Care. This was accomplished by introducing the framework's language and systems thinking, although many in the organization were unfamiliar with these concepts. There was a concerted effort to build business excellence into all areas of the organization through routine job advertisements, recruitment interviews for incoming staff which addressed their views of quality, job descriptions

rewritten to encompass business excellence responsibilities, performance and review systems which included assessment of engagement with (and contribution to) business excellence, as well as implementing a reward and recognition program that reflected individual contributions.

Once Spectrum Care began implementing the Baldrige-based criteria, preparing an application for the New Zealand Business Excellence Award was a logical step. Staff members began working on the application in late 2009. While there is no requirement to apply for an award, organizations such as Spectrum Care find it a cost-effective approach to build system rigor. In fact, the fees associated with applying for the award are significantly lower than those for the previous accreditation process.

Capturing the Silver Award

One of the final steps in the award application process involved a site visit from a team of eight external examiners who visited Spectrum Care for one week in September 2010. "They were 'blown away' by the organizational culture and alignment of effort to commonly agreed goals, high levels of engagement, and work behaviors that strongly reflected our values," Marsh recalls. After reviewing the organization's application, the examiners prepared a report that included opportunities for improvement (OFIs). "OFIs suggested by the evaluators are like gold nuggets as they provide an outside perspective of what may be our blind spots," explains Marsh.

In November 2010, the organization received its prestigious Silver Award from the New Zealand Business Excellence Foundation, making it the only health and disability sector organization in New Zealand and only one of 14 organizations nationally to earn a Silver or Gold Award since the award's inception in 1997.



Spectrum Care sponsors the annual Canteen Bike Bash to support children with cancer.

“In working toward this award, we’ve made enormous progress in terms of outcomes, active support, training, family engagement, and our collaborative approach to sector partnerships,” noted Chris Harris, chief executive. “It’s become clear that the lives of the people we serve have changed for the better as we work toward greater community inclusion and genuine person-centeredness.”

In addition to the recognition gained by capturing the Silver Award, the organization reaped other benefits by adopting the performance excellence framework. These benefits include:

- Systems thinking
- Evidence of performance excellence on a broader stage
- Management by fact
- Results to track and compare performance
- Management training for staff members who typically have social science/human services qualifications
- A holistic, rather than clinical, approach to quality
- A sense of achievement and self-esteem
- A workforce with pride whose efforts and attitude have been rewarded

Spectrum Care’s Continuing Commitment to Excellence

Today, Spectrum Care still completes compulsory certification audits to satisfy funders that it continues to meet standards. When Spectrum Care first returned its accreditation certification, many other competing providers considered this a risky strategy. Others wanted to follow, says Marsh, but chose to delay their commitment until they assessed the impact on Spectrum Care. Now, following Spectrum Care’s lead, an increasing number of

similar providers are joining the New Zealand Business Excellence Foundation and adopting the performance model. Spectrum Care is collaborating with these organizations by sharing information and benchmarking data to assist them in their improvement journeys, despite being in a competitive environment. “The rationale is that if we can assist other social enterprises to enhance the lives of other people with disabilities, then the greater good must be served,” explains Marsh.

Not content to rest on its recent success, Spectrum Care is already making plans to apply for the award again in 2013. “In fact, our next milestone will be to achieve a gold award, the world’s highest possible quality award for business excellence,” says Harris.

For the present, the organization is working to embed a culture that is dissatisfied with the status quo and that strives to invent, innovate, and challenge across all functions and services. Leaders know the road won’t be easy. “It demands a commitment that, once achieved, requires dedication to an even higher level—so it doesn’t end. Staff members need to be prepared to go places where sometimes there are no ‘Googled’ solutions—that the solution lies on an empty whiteboard and with the talent and attitude that sits around the table,” notes Marsh.

For More Information

- To learn more about Spectrum Care, contact Brett Marsh, general manager of organizational excellence, at brett.marsh@spectrumcare.org.nz, or visit the organization’s website at www.spectrumcare.org.nz.
- Several online videos about Spectrum Care are available on YouTube, including “People With Disabilities Living Great Lives” (<http://www.youtube.com/watch?v=NckjLFppVtM>) and an interview with Spectrum Care CEO Chris Harris (http://www.youtube.com/watch?v=VGhcFLdupdg&feature=channel_page).
- For additional information about the New Zealand Business Excellence Award, visit www.nzbef.org.nz.

About the Author

Janet Jacobsen is a freelance writer specializing in quality and compliance topics. A graduate of Drake University, she resides in Cedar Rapids, Iowa.

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