Abstract

Aim of the article is to elaborate, interpret, discuss and decode Excellence in a new way by focusing on some of the Critical Success Factors (CSF) for Attaining and sustaining Excellence.

Methodology: The framework used for analysis is an old text which explains how to attain excellence. Literature references from 2500 years back and to excellence literature from the last 25 years, together with a few case studies, are used to ‘de-code’ the meaning and the complexity of the old text.

Findings: After final reflections it is concluded that the old text contains deep meanings and cover the complex nature of attaining and sustaining excellence. The few sentences are a kind of code, a crystallized form explaining how excellence can be attained.

Originality/ Value: This kind of analysis has not been done before. It is believed that the findings will have a great value both for researchers and for practitioners as well as organizations which are trying to attain excellence.

Key Words: Personal and Organizational Excellence, values, caring, risking, dreaming, expecting, motivation, commitment.

1. Introduction

This paper is a further work of the editorial text for the special issue on ‘Our Dreams of excellence – learning from the past and architecturing the future’, Journal of Management History (Dahlgaard-Park, 2007).

After having researched several years on the subject of excellence, and after having written several research papers on the subject (see the reference list), including editing the special issue on excellence mentioned above, I was quite confident in my belief that I ‘knew quite a lot about excellence’ until my husband and I suddenly were confronted with an embroidery at a local fish market on a windy day in Seattle, May, 2005. We were attending the ASQ world conference which took place in Seattle and had just a couple of free hours to visit the local fish market (although it was known as fish market, you could buy many other local traditional products, too). We were standing in front of a small open showcase where an old lady were selling various hand made embroideries in different formats. The object which took my attention was a little frame where the following text was beautifully embroidered with small flowers around the text (see the picture):

Excellence
Can be attained if you...
Care more
Than others think is wise.
Risk More
Than others think is safe.
Dream more
Than others think is practical.
Expect more
Than others think is possible.
Does the text represent common sense or wisdom? If so, how is this common sense or wisdom related to scientific knowledge? These were the first questions which came up in my mind when I read the embroidery text. I have read numerous books and scientific articles and have written and published thousands of words about excellence. However I could not convince myself that those scholarly/scientific books and papers written by highly intellectual people were saying better about excellence than the embroidery text expressed in a few sentences!

After having continued research about excellence, I still think that the explanation found on the embroidery in Seattle is one of the most beautiful ones where peoples’ ideas about excellence throughout human history seems to have been tested again and again and finally crystallised in those short expressions which I here call the code of excellence. So the aim of this article is to ‘decode’ by elaborating, interpreting and discussing the code in order to ‘discover’ the hidden meanings and complexities of the code of excellence to which I have no other references than the Seattle Public Market. By doing this I also try to find out the relationship and linkage between common sense or wisdom and scientific knowledge.

Like most of other common sense and wisdom it is not possible precisely to identify the creator(s) of the code, nor the time of creation. Probably our ancestors collectively and gradually shaped the code of excellence throughout the history. What we can imagine is that the idea of excellence and our search of excellence have as long a history as human history.

As previous research have been carried out without knowing the existence of the code of excellence, I was very curious and highly motivated to investigate the newly found code in depth - partly in order to understand the relationships between earlier research and the code, and partly in order to test the validity of earlier conducted ‘scientific work’ whether they are corresponding to the hidden meaning behind the code of excellence. The idea of excellence may or may not have a lot of overlap to what were the unknown authors’ ideas on the subject.
as we may be living in a very different time and different environments. In this article the code of excellence will be interpreted and discussed sentence for sentence and related to the contexts and references which were identified and discussed during my previous research. The paper starts in section 2 with the definition of excellence and a discussion of various models developed for attaining excellence. The following sections 3-6 are devoted to decoding each sentence through identifying, discussing, reflecting the contents.

The paper ends with an extract of a Danish research case initiated by one of the biggest industrial companies in Denmark. The aim of the research project was to identify factors for understanding people’s commitment (another word for passion), as commitment seems to be one of the most critical factors for achieving excellence. The case is a good example of how the ideas, theories and models presented in sections 2-6 are closely related to people commitment and to companies’ pursuit of excellence. The Danfoss case is supplemented with a recent Danish survey on importance on company values.

2. Excellence?
If you don’t know what excellence is then it is difficult to know if or when you have attained it. So we have to start with a discussion about what is excellence.

Several people have tried to define excellence during the long history of mankind so it is natural and honest to declare that we don’t know when excellence was first defined and we also don’t know what the contents of this first definition were. But what we know with certainty is that the concept of excellence in relation to management and organizational performance was introduced 25 years ago by Peters and Waterman when they published their best seller book “In Search of Excellence - Lessons from America’s Best-Run Companies”.

The starting analysis model or framework used by Peters and Waterman was McKINSEY’s 7-S Framework. The models comprised the following seven success criteria for excellence:

**Hardware:** 1. Structure and 2. Strategy.


However, Peters and Waterman did not define what is excellence, but they observed that managers are getting more done if they pay attention with seven S’s instead of just two (the hardware criteria), and real change in large institutions is a function of how management understand and handle the complexities of the success criteria of the 7-S Model. Peters and Waterman also reminded the world of professional managers that soft is hard meaning that it is the software criteria of the model which often are overlooked and which should have the highest focus when embarking on the journey to excellence. There is no doubt that Tom Peters, through his early publications and his management seminars, has had an effect on excellence thinking in North America during the 1980s.

Both before and after 1982 there have been many suggestions for a definition of excellence. According to the American Heritage Dictionary (1992), excellence is defined as “the state, quality, or condition of exceeding; superiority”. Furthermore the word excel is defined as “to do or be better than; surpass; to show superiority, surpass others”.

As is expressed by Paul in the new testament excellence can represent “whatever is true, whatever is honourable, whatever is just, whatever is pure, whatever is lovely, whatever is gracious, if there is any excellence, if there is anything worthy of praise” (Philippians, 4:8)

Another old and more than 2000 years old Greek reference explains that excellence is inseparable with the idea of good, which can be defined by the unique properties of the object or activity it describes. It has meaning only by reference to the intrinsic qualities of a person, an object or an activity, so there is no “one expression of good”, there is no “one good
practice”. Good can be evaluated only in relation to the means it serves and the function it performs since everything has its own particular excellence.

Excellence of a man is different from the excellence of a horse. The old Greek Arate is used synonymous to excellence and in its earliest usage the concept contained meaning of the act of living up to one’s full potential. Arate as the idea of perfection and excellence was an important aspect of the Paideia, the process of educating and training of the boy into his genuine human nature in Ancient Greek. Later on Arate was applied to mean men who had developed inner virtues such as dikaiosyne (justice) and sophrosyne (self-restraint) which are represented in the training program of Paideia. Thus physical, mental and spiritual training were developed in order to achieve Arate (Paideia, 1945).

Similar meanings about excellence can be found in Confucius (BC 551-479). Achieving intrinsic quality in terms of practicing justice and character building has been one of the main themes in Lun Yu (Analects of Confucius). Self-control and self-development via lifelong training and education were not only considered to be the methods to realize one’s full potential but also the way to achieve harmony in society in general. By that reason leaders role was especially emphasized by Confucius. His notion of Junji (Superior /Excellent man or leader) demonstrates this:

“Junji (Superior /Excellent man or leader) makes people’s merits to grow and demerits to decrease, while inferior man does the opposites” (Analects, from Dahlgaard-Park, 2006).

From this standpoint excellence includes doing common, everyday things and excellence isn’t necessarily determined by comparing a score or a performance to someone else. The pursuit of excellence comes from doing our best with a view of growing and improving in terms of realizing one’s potential. Excellence must then be related to our efforts on how we continuously develop and utilize/mobilize the capabilities throughout our lifetime.

As a teacher/professor having had the experience of following students we know that some students may have excellent abilities given by God, but for some reasons he or she don’t use the abilities in a good way, and another may have far lower abilities, but he or she is nevertheless fighting and struggling day after day and the final graduation result may be almost the same. In such a case there is no doubt in our minds who of the two cases and which result we will relate to excellence.

However in relation to management and organizational excellence the situation may be not so easy to evaluate. The problem or challenge here is to relate performance results to the abilities and the capabilities of the organization. When the word excellence is used in quality management it often refers to upgrading the level of organizational management to a level of excellence, which is necessary to provide excellent results i.e. products and services which delight the customers/consumers.

**The 4P Excellence Model**

In Dahlgaard-Park and Dahlgaard (2003; 2007) a model - the “4P” Excellence Model - is presented which has proven to be a good framework model to be used when companies are planning to attain excellence. The model’s 5 components are:

- *Leadership, People, Partnership, Processes and Products.*

The main message from this model is that excellent products and services are a result of building excellence into People, Partnership and Processes, and this requires a strong foundation – Leadership. It is assumed that a management without such leadership will not be able to create excellence.
One important motivation behind the “4P” model has been to create a model that provides an integrated approach between various, and often conflicting aspects, such as soft (intangible) and hard (tangible) aspects, subjective and objective aspects, rational and irrational aspects, individual/personal and collective/organizational aspects, as there is no model which embraces these different aspects of organisational realities when building organizational excellence. The result became the “4P” model (Dahlgaard-Park & Dahlgaard, 2003; 2007) in which the people dimension is recognized and emphasized along with other critical excellence variables. According to the model building excellence into the following “4P” develops Organizational Excellence (OE): 1. People, 2. Partnership, 3. Processes, 4. Products.

Another motivation behind the suggestion of “4P” model is based on the recent awareness on human resources and its role in an organizational context as one of the most critical issues for any organizational improvement activity. From this viewpoint it is argued that the first priority of any quality or excellence strategy should be to build quality into people as the essential foundation and catalyst for improving partnerships, processes and products. But what does that really mean? In order to answer that question we need to understand human nature, needs, motivation, psychology, environmental and the contextual factors of human attitudes and behaviors because the project of “building quality into people” can only be carried out when we have a profound knowledge of people and psychology.

A quality strategy should preferably be implemented multi directional, i.e. through a top-down, middle-up-down and a bottom-up strategy (Dahlgaard et al. 1998). The strategy should follow the Policy Deployment approach (Hoshin Kanri), which has both the top-down and the bottom-up strategy included. Such an approach provides a framework for building quality into the following three levels (Dahlgaard-Park, 1999; Dahlgaard-Park & Dahlgaard, 2003): Individual level, team level and organizational level. An efficient quality strategy aiming at improving “the 4P” can only be developed based on an understanding of the interrelationships and interactions between these three levels as well as the critical contextual factors at each level in each given situation.

Figure 1 below indicates that building Organizational Excellence (OE) is initiated by building Leadership, which means recruiting leaders with the right values and competencies and developing leaders through education and training so that proper leadership is practiced. Leadership impacts throughout organizations are huge. For instance, leaders’ behaviours will largely determine if core values (as for example trust, respect, openness etc.) will be diffused and will become a part of the organizational culture (Dahlgaard & Dahlgaard-Park, 2004).

The next level is People, which involves recruitment of ‘the right people’, training and education with the right values and competencies. Education and training of employees is essential for giving people understanding of the company’s philosophy and values as well as the competencies (skills and know-how) needed for performing their job. Working on the people level also includes intangible aspects of individual persons’ mental processes such as perceptions, thoughts, intentions, beliefs, motives, willingness, desires, self-motivation etc along with more tangible aspects of behaviour and patterns of interaction with others.

Building Partnership and Teams means that teams are established and developed, so that each team is able to practice the right and needed values and competencies in their daily activities. Partnership is established in all people relationships - within the team, between team members (intra-team), between teams (inter-team) and with other people or groups outside the team. Partnership also includes external stakeholders such as suppliers, customers, society and community stakeholders.

Building Processes means that leaders, individuals and teams day by day try to practice the needed values and competencies based on the principle of continuous improvement.
Quality and *speed* are continuously improved and at the same time *costs* are reduced all through improved people relationships in the system. The strategy, for simultaneously improving quality and speed and reducing costs, is to identify and reduce waste everywhere in the supply-chain processes from suppliers to the customers. Here the overlapping principles, tools and methods of TQM (Dahlgaard et al 1998), Lean Thinking (Womack & Jones, 1996) and the Six Sigma Quality methodology (Dahlgaard & Dahlgaard-Park, 2006) can be used.

Building Products means building quality into tangible and intangible products/services through a constant focus on customers’ needs and market potentials, and to practice the principles of continuous improvement parallel with innovativeness in new product/service development.

The foundation, building leadership, supports the four other factors represented by the “4P” and all together the 5 factors comprise a roadmap to the “result”, which is called Organizational Excellence (OE). As shown from the model, it is assumed that all 5 factors are necessary for achieving organizational excellence.

Although we have called the model for achieving organizational excellence, the implication of the model can be extended to larger entities, e.g. societies, communities and country levels.

![Figure 1: The “4P” Model for Building Organizational Excellence (OE)](image)

3. **Care more than others think is wise.**

It is not difficult to relate this pre-condition for excellence to the people dimension of management and leadership. Many experts – academics as well as top managers/leaders - have said that the first condition for achieving excellence is to have excellent people. This is the background for the “4P” model mentioned above. Excellent people will create excellent partnerships that will create excellent processes and products – which together define the characteristics of excellent organisations which further become foundation for excellent communities/societies. This is also discussed by Baccarani (2007) who discusses what is meant by ethics and specifies that it is a wish, a search, a hope and an adventure of the spirit, which aspires to reach three objectives, without illusions of certainties:

1. Care for oneself; 2. Care for others; 3. Care for the organisation and for the society.

Here we suggest extending the care dimension further so that Care for the global society as
These suggested four levels are in line with the 4P model. Building people is related to care for oneself, building partnerships corresponds to care for others and building processes and organisations corresponds to care for the organisations. Below we will elaborate more on Care by treating the four levels one by one in depth.

Many have explored throughout human history the idea of Care for oneself. Motivation for religious and philosophical searches on the meaning of life may lie in our inner desire to care for ourselves and our life, and further to achieve harmony and inner happiness. Previously “care for oneself projects” were mostly taken care of by families and religions. However in the post modern society “care for oneself projects” is not only relevant for individual persons or for organizations. The projects became one of the most important social and global issues. Organisations are interested in “care for oneself projects” because there are many evidences indicating the co-relationship between happy and harmonious employees and the economic success of the organisation. For individual persons care for oneself or quality of life became an increasingly important issue parallel with higher education levels, higher living standards and higher demands for oneself. Quality of life became even an important indicator for the measurements of national wellbeing. Almost everywhere we are bombarded with material using the concept of ‘quality of life’, like an advertisement of summer book sales from a book club called LivsEnergi (Life energy) (July advertisement, 2007, translation from Swedish):

“Welcome to the book club – LivsEnergi! LivsEnergi is more than a normal book club as we offer ideas and inspiration which can make members life more meaningful, exciting, more happy, and more harmonious”.

People found out that their searching for happiness and meaningfulness, and thereby their search for achieving quality of life, were not fulfilled by achieving higher education, neither by material richness. Many statistical results show that peoples’ perceptions of quality of life are either the same or have been worsened while GNP and material life standards have been improved significantly in many countries. We have believed that economic wealth will lead us to happiness and higher quality of life, but have now slowly realised that it is not always the case. So people are still “hungry” and continue their journey in searching on ‘quality of life’ because people really care for one self. It is however not so easy to understand what it means and how to attain quality in our lives.

Several Danish surveys carried out in 1998, 1999 and 2000 (Dahlgaard-Park & Dahlgaard, 2003), in a manufacturing, a service company and a public sector organization, illustrate people’s perceptions about the quality of work life. The respondents were asked about what they regarded as “the most important factors for Quality of Work Life”. The priorities from this survey are shown in table 1 below.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal development (professional, intellectual and personal)</td>
<td>1</td>
</tr>
<tr>
<td>Recognition and self-respect</td>
<td>2</td>
</tr>
<tr>
<td>Meaningful work</td>
<td>3</td>
</tr>
<tr>
<td>A good physical working environment</td>
<td>4</td>
</tr>
<tr>
<td>Economy</td>
<td>5</td>
</tr>
<tr>
<td>Job security</td>
<td>6</td>
</tr>
</tbody>
</table>
It is worth to comment that salary (economy) and job security only had the 5th and 6th priorities while personal development, recognition and self-respect, and having a meaningful work were the 3 top priorities in achieving quality of work life.

Personal Mastery (Senge, 1990), Self-Development, Personal Leadership (Dahlgaard-Park & Dahlgaard, 2003; Dahlgaard-Park, 2006), Self-Actualisation (Maslow, 1943), Flow (Csikszentmihalyi, 1990) are all well established scientific concepts which are related to care for oneself and at the same time they are also related to the highly ranked factors above for quality of working life.

Regardless how we call the care for oneself project we find some important ingredients in all the following concepts: Self-knowing, self-monitoring, self-motivation, self-efficacy and self-esteem, and self-actualisation (Gardner, 1983; Goleman, 1998; Dahlgaard-Park & Dahlgaard, 2003; Dahlgaard-Park, 2006).

Self-knowing is the ability to know and to recognize one’s own inner feelings, preferences, values, motivators, desires, intuition as well as one’s strengths and weaknesses. Self-monitoring is the ability to monitor one’s own feelings, impulses, stress and changing environment, including the propensity to suspend judgement and to think before acting. To monitor one’s negative feeling to a positive one is also an important self-monitoring ability. Self-knowing is necessary for practicing self-monitoring.

Self-motivation is the ability to motivate oneself and be able to establish personal goals based on one’s inner desires and accurate knowledge of one’s current stage. Persons who have high self-motivation are proactive in taking responsibility and searching means in achieving personal goals.

Self-efficacy (Gist, 1987) refers to one’s belief that he or she is capable of performing a task. The greater a person’s self-efficacy the more confident he or she is to succeed in a task. Persons who have high self-efficacy are also better to handle negative feedback. Self-esteem is closely related to self-efficacy and includes self-respect and self-confidence. People with self-esteem are able to recognise one’s uniqueness and achieve something meaningful.

Finally self-actualisation is the driving force for fulfilment of one’s potentials. Overcoming obstacles and achieving one’s dreams and potentials may be the best way to care for oneself.

All these abilities are interrelated to each other. For instance without accurate knowledge about oneself, it is difficult to establish reasonable and realistic goals. Without self-monitoring and self-motivation ability people will not easily overcome stress, failures and negative feelings. They will be caught by these feelings like slaves rather than using and mastering them for their own sake. Caring oneself is in other words to be truly your own master.

Care for others can be explained by core values (Dahlgaard-Park, et al., 1998; Dahlgaard-Park & Dahlgaard, 2003) and empathy. Core values has been termed in various ways in human history such as virtue ethics or character ethics and are proven to have been everlasting values regardless of cultural and ethnical differences all around the world. Core values in terms of trust, honesty, openness, loyalty, integrity, sharing, fairness, humbleness, respect, love etc. have been widely recognised to be the guiding principles for people relationships. Modern literature adds one more important concept – the concept of empathy - into these widely recognised series of ethical codes for caring for others. Empathy is the ability to know or to understand others’ feelings, needs, emotions, preferences and anxiety and the skills in treating people according to their emotional reactions. Empathy is an ability to understand others in depth. Core values together with empathy may enable us to build true win-win partnerships which can bring synergies because the raw materials for synergies are individual differences and uniqueness. Synergies will only be created when there are true respect and
trust between individuals with open and sharing mindsets. Recognition of the value of diversity can be fostered in this synergetic atmosphere.

An indication for importance of Care for Others is shown in a Korean survey done in February 2006 by the leading Korean business newspaper Chosun Daily. The respondents were among others asked the two simple questions, which are shown in tables 2 and 3 below.

Table 2: The happiest moment in your working life?

<table>
<thead>
<tr>
<th>Event</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>When my work was recognised</td>
<td>46%</td>
</tr>
<tr>
<td>When I received unexpected bonus (29%)</td>
<td>29%</td>
</tr>
<tr>
<td>When I have social meeting with colleagues whom I like (9%)</td>
<td>9%</td>
</tr>
<tr>
<td>When my leader is on business trip</td>
<td>8%</td>
</tr>
</tbody>
</table>

Table 3: When do you hate to go to work?

<table>
<thead>
<tr>
<th>Event</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>When I have problems with my leaders or colleagues</td>
<td>29%</td>
</tr>
<tr>
<td>When my work is not recognised to be good</td>
<td>17%</td>
</tr>
<tr>
<td>When my salary is not matching my work</td>
<td>12%</td>
</tr>
</tbody>
</table>

We see that recognition is in the top which create happiness for people as it also was in the Danish survey presented in table 1 above. Beside these two surveys, there are numerous research results which show the same importance of recognition. Recognition is one of the central ways to care for others in our daily life regardless in organisational or family contexts. Even though there are such obvious indications for the importance of recognition, it seems that to recognize others is one of the most difficult behaviours to practice. To recognize others are particularly important for those who are in leader positions. Too many managers seem to have forgotten the power of recognising their people when they have done a good job. In case after case we have seen, that this is one of the biggest gaps when we measure leadership performance in relation to people’s needs.

Care for the organisation and society can be understood as an extension of care for oneself and care for others. Besides of those elements important for caring for oneself and others, organizational factors have to be considered. Due to the organizational factors such as organizational goals, processes, communication, reward systems, sharing information and other resources, participation, involvement and empowerment, innovation etc. leadership becomes a critical aspect here.

Peters and Austin’s simplified organizational excellence model (1985) illustrates well these issues. They regarded excellence as being the result of the following 4 critical success factors:

1. PEOPLE, who practice
2. Care of CUSTOMERS and
3. Constant INNOVATION.
4. LEADERSHIP which binds together the first three factors by using MBWA (Management by Wandering Around) at all levels of the organization.

This simplified excellence model indicates that care is not an end in itself but rather a means to the end which here is building a company culture characterized by constant customer focused innovation. But that is only possible if care is related to both customers and to the organization’s people in a balanced way. What’s needed is that the people work together towards a shared vision which is rooted in people’s personal visions and goals. To build a shared vision requires care for people. Another name for people care is respect for people
which together with continuous improvements are regarded by Toyota to be the secrets or the DNA of Toyota Production System (Dahlgaard-Park & Dahlgaard, 2007).

4. Risk more than others think is safe.

Most people may first think about external situations when they see this sentence, but we think that to risk more than others think is safe should be related to all situations.

What is risk? synonymous to risk are danger, fear, and adventure. When are people taking risks? When are people not investigating whether there are risks or not, before doing something? When are people not asking for a guarantee before doing something? Small children do very seldom consider risks when they are doing what they like to do. We call children activities for ‘play’. Even though there are obviously great risks with practicing ‘Extreme Sports, such as off-road skiing and rock climbing, such sports are very popular. Did we give birth to our children based on the analysis of risk? We seldom consider risks or asking for any kind of guarantee when we fall in love and when we marry with a person we love. In such situations, we feel it’s even absurd to ask ‘what are the risks’? In such situations, there is no space in our mind to think about risks, because we feel it’s so natural to do it.

It seems that passion and risk taking are well matching pairs of words. Also it seems that love and risk taking are well matching pairs. When there is passion, people are more likely to take risks. We take also risks when we have confidence. The word confidence in Chinese contains two characters, the first character means ‘strong’ and the second means ‘belief’. From these observations we find some co-relationships between confidence, passion and risk taking. Passion and love foster confidence and in confidence risks have no power.

What we find interesting here is that the above mentioned care for oneself, care for others and care for organizations are foundations and also the way to practice love and passion and thereby taking risk at micro (individual) as well as macro (organisational and society) levels with confidence.

Organisational risk taking in external situations may be related to innovation/ new product & service development or to enter a new market. A more seldom example is the vision created by John F. Kennedy to launch the first man on the moon before the end of the 60s. In all these situations people are working with many unknown and risky factors. They know what they want to do, and also why but they don’t know with certainty how to achieve the vision. In other words people are taking risks with confidence and passion in terms of knowing clearly why to do and what to do and want to do. Many of us know that John F. Kennedy’s risky moon project succeeded because he succeeded to transfer his and many people’s dreams/visions to be a collective dream – a shared vision.

“Shared vision fosters risk taking and experimentation. ... You know what needs to be done. But you don’t know how to do it. You run an experiment because you think it’s going to get there. It doesn’t work. New input. New data. You change direction and run another
experiment. Everything is an experiment, but there is no ambiguity at all. It’s perfectly clear why you are doing it. People aren’t saying, ‘Give me a guarantee that it will work.’ Everybody knows that there is no guarantee. But the people are committed nonetheless” (Senge, 1990, p. 209).

Organisational risk taking in internal situations related to excellence are concerned with building a shared vision which often has to do with improvement or change in people’s attitudes, knowledge, skills and culture. These areas need to be changed before real breakthrough in the results which you deeply wish will happen (Juran, 1964).

Change in people’s attitudes, knowledge, skills and culture takes time – often several years - and massive education and training programs are needed, which costs time and money. Many people may think that this is a risky business and often management will hesitate to invest the needed resources in such a project (or process). Management may think that this is an unnecessary and maybe also unsafe investment.

Post Denmark (Dahlgaard & Dahlgaard-Park, 2004) is a good example of a company which was in a deep crisis in 1997 but managed to change the negative trend and attained excellence after about 5 years work with the principles, tools and methods of TQM. Post Denmark’s top management team took, as many would express it, a huge risk when they decided to start up the most massive training program ever seen in Denmark. During 18 months, starting in the beginning of 1998, all 30,000 employees were trained in order to participate in the change program called TIQ (Total Involvement in Quality).

The company succeeded within a few years to change people’s attitudes, knowledge, skills and the company culture. Improvements in performance results such as employee turnover, employee absenteeism, employee satisfaction, the quality of deliveries and the financial results were attained. The negative trend in several results was stopped and reversed to a positive trend. The managers’ mental models of the situation were dramatically changed to the positive, and at the end of 1999 Post Denmark received the Danish Human Resource Award for their committed attention to improving the working conditions for their employees. A main cause for receiving this award was that Post Denmark from the start of their quality journey regarded the people dimension as the area, which should be improved first. It was from the beginning understood that a good quality improvement strategy to follow was the “4P” strategy. Post Denmark is now recognised as being maybe the best run Post Office in Europe with the highest customer satisfaction among European Post Offices. The company received in 2004 the Danish Quality Award and in 2006 the EFQM Excellence Prize. The company’s profit was in 2006 all times high. Maybe that was the main cause for Swedish Post for accepting to merge with Post Denmark, April 2008.

Time will show if this merge between two companies with different cultures and different understandings about excellence will become a success or if the risk was too high. Here the new top management team has a special responsibility to understand and to control the risk of destroying the new company culture (the TIQ Culture), which took Post Denmark about 3-5 years to build. Experiences from several other merges tell us that such a culture can be destroyed in weeks, and if this happens the new company will not have success. The risk taken may only be safe if the new top management team (with a Swedish CEO) can agree on learning from the best, which in this case seems to be Post Denmark (little brother).

5. Dream more than others think is practical.

The importance of dreams can be found richly both in classics and modern literature. An example reference can be found in the Book of Proverbs of the Christian Bible’s Old Testament where you can read the following about dreams:
“A People without dreams will perish”.

This statement supports the importance for any person, group, and organisation to have visions – dreams to be better and have a better situation for the family, the organisation, and the country or maybe the planet called earth.

Understanding the power of dreams may be important for developing new attractive products and services. Attractive Quality Creation (Kano, 2001) and the roots for future excellence may lie in meeting products that are dreams of customers. To properly do that, managers of corporations will in the future have to learn grasping the minds of customers, meaning that they may have to understand customers better than customers understand themselves. An example of a company vision related to new product development follows below.

In 1998 the author of this article was involved in a transformation process in Pioneer Denmark (Dahlgaard & Dahlgaard-Park, 1999). The background of the transformation process was that Pioneer Electronics had competition problems on the world markets especially with the other two Japanese competitors – Sony and Matsushita Electronic Corporation (Panasonic etc.). To start a transformation process aiming at changing the image of Pioneer and its product branding the president of Pioneer gave a New Year speech to top managers from Pioneer companies all over the world. In this New Year speech he announced Pioneer Electronic Corporation’s new corporate identity which at the same time was announced as the corporation’s Vision 2005 - Move the Heart and Touch the Soul.

The vision was presented with a tree metaphor picture as shown in figure 3 below.

![Figure 3: Pioneer Electronic Corporation’s New Corporate Identity (Vision2005)](image-url)
The key message from Pioneer’s president was that all efforts from companies and employees all over the world must now be focused on the goal - *customer satisfaction is our ultimate goal*. But this ultimate goal can only be achieved if employees all over the world in their different jobs participate actively in understanding the different dimensions of customer needs and problems. Having understood the variation, interdependence and depth of customer needs then people can begin to design new products which may be able to “*Move the Heart and Touch the Soul*”. People may gradually understand that attaining such a state requires that the customers will have positive experiences related to sensing, cognition, morality, action, or social relations. All these experiences will together determine if the product will “move the heart and touch the soul”.

From figure 3 we can see that the drivers of the “Pioneer Spirit” are the management policy “Customer satisfaction is the ultimate goal” and the corporate philosophy “Move the Heart and Touch the Soul”, which together are supported by the company’s core values “Fair & Reasonable”, “Positive & Active”, and “Speedy & Flexible”.

Such a company vision supported by a corporate philosophy and a management policy can be very effective in creating visions and goals for teams and individual employees. This is the critical phase where an existing company culture may have to be changed to a new and participative culture characterised by “respect for people” and “continuous improvements” (see figure 2). You cannot command such a culture. If you do that you may spoil relationships between management and employees and you will not be able to release the full potentials of your people. The result may further be that the employees will have dreams about a better work life meaning that they want to find a better job in another company – maybe a competing company.

6. **Expect more than others think is possible.**
Expectation is closely related to the previously discussed concepts of care, risk and dream/hope. If we don’t care we don’t risk, we don’t dream/hope and we will have no expectations. In a healthy and profound personal relationship, expectation is an indication for trust, care and dream/hope.

We have plenty of stories where a person’s success was a result of expectation from someone, often parents or a teacher. One of the most successful young photographers in Singapore declares that his success is due to the expectations of his father. Expectations with many years true care for his son, trust, patience and dreams/hope even though most people gave up their expectations on him because he was a very poor student. Expectation is withy other words a declaration of care and trust.

Konosuke Matsushita, the founder of the world’s largest consumer electronics company, teaches us what it means to expect as a leader and reminds us that trust and expectations are two sides of the same coin:

> “Yet, I can’t resist the temptation to say that I was well aware of the crucial importance of human relations in corporate setting even in the early days of my business career. Granted, my approach is intuitive, and my knowledge is experiential. But my instinct, and perhaps my conscience, dictated to me that I should trust my employees if I expected them to trust me. I must have full confidence in their ability to learn and their potential for personal growth. Only then would the employees have full faith in my managerial competence and personal integrity” (Matsushita, 1989).
As is clearly expressed by Matsushita, expectation not only requires trust and care, but also risk taking without asking for guarantees.

A large survey in the 90s in US where 100,000 employees were asked about what in their opinion were the most critical motivation factors for their job motivation. Parallel with that 25,000 leaders were asked about what they perceived or expected to be their employees’ most critical motivation factors. The results of this survey are shown in table 4 below.

It follows from table 4 that employees’ top 3 was equal to the bottom 3 of leaders’ perceptions, and it is also seen that the leaders had good salary as the first priority while employees had good salary as the 5th priority. There seems to be a huge contrast between the survey carried out in US and Matsushita’s view on employees.

Our experience based on 20 years of research and consultancy in Quality Management and Organizational Development (QMOD) is that this picture is also common in Europe and Asia. High expectation is coming from high respect, trust and believes and that requires high risk taking and patience.

Table 4: Most Critical Motivation Factors? (100,000 employees & 25,000 leaders - in USA)

<table>
<thead>
<tr>
<th>Employees’ priority</th>
<th>Critical Motivation Factors</th>
<th>Leaders’ perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Values of my work</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>One’s effort is recognized</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>Get a support when having personal problems</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Job security</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Good salary</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Interesting work</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>Rewards and development</td>
<td>3</td>
</tr>
<tr>
<td>8</td>
<td>Organisation is loyal</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>Good physical working environment</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Discipline</td>
<td>7</td>
</tr>
</tbody>
</table>

To have success with any kind of change, improvement programs as well as our pursuit of excellence, it is necessary that management listen to and involve their employees. By listening to their employees management often become surprised by discovering that the employees have quite other priorities than they had expected. They may find out for the first time that employees have other needs than salary to satisfy biological or material needs.

The concept of expectations, seen from an organizational perspective, has many dimensions as it may be related to both products/services as well as to people. The people dimension includes customers, employees and other stakeholders. Matsushita’s case is an example of expectations between leaders and employees.

Disney’s definition of Quality Service from the beginning of the 90s (Disney Quality Service course material) and their efforts are a good example for discussing customer expectation and how the company understand customer expectations:

"Attention to detail and exceeding our guests’ expectations:

Our guests are considered to be VIPs – very important people and very individual people, too. What contribute to Disney’s success is people serving people. It is up to us to make things easier for our guests. Each time our guests return, they expect more. That is why attention to detail and VIP guest treatment is extremely important to the success of the Disney Corporation”

As is mentioned above, when there is expectation, there is also a dream/hope. When people decide to visit one of the Disney amusement parks they have hopes for joy and fun,
Disney understands very well that continuous improvements and attractive service quality creation are needed in order to year by year exceed guests expectations. The old paradigm of quality from the 80s saying that quality is to satisfy customers’ expectations is definitely obsolete. The new paradigm of the new century is continuously to exceed expectations.

7. Core Values – the Entrance to People Satisfaction and Commitment

Danfoss, one of the biggest industrial companies in Denmark with about 21,000 employees, initiated a research project in 1999 with the aim of identifying the factors that are most critical for people’s loyalty and commitment.

The theory behind the research project was the Trinity Motivation Model (Dahlgaard-Park, et al. 1998; Dahlgaard-Park & Dahlgaard, 2003) which explains the driving forces of people motivation. According to the Trinity Model people’s action /activities are driven in order to satisfy the three essential human needs – biological/physical, mental/psychological and spiritual/moral needs (see figure 4 below).

The interactions between these three needs and the way to prioritize some needs more than others vary largely between individual persons and their situations (contingency factors). The way to satisfy these needs vary also largely on individual persons and their situations. In the Danfoss case the two factors of psychological and spiritual needs were tested on how the two factors affect or determine people commitment in an organizational context. A hypothetical model was constructed where the following 3 latent variables were supposed to have high effects on creating people motivation, commitment and loyalty in an organizational setting:

1. Practice of Core Values (behaviors of the spiritual dimension) by Top Management, Middle Management and Colleagues.
2. Practice of Core Competencies (behaviors of the psychological dimension) by Top Management, Middle Management and Colleagues.

3. People’s Personal Attitudes.

331 middle managers from 10 different divisions were invited to fill out a questionnaire with 82 questions for evaluating and understanding people commitment (Dahlgaard-Park, 1999; Dahlgaard-Park & Dahlgaard, 2003). The result of the data analysis (using Amos 4 and Lisrel) is shown in figure 4 below.

From the model in figure 4 we see clearly the importance of the Core Value factor. There is a strong direct relation from Core Values to Core Competencies, and through Core Competencies and Personal Attitudes there is strong indirect impact on the result factor Commitment/Loyalty. Also there is a significant direct relation between Core Values and Commitment. So the model supports clearly the hypothesis that the Core Value dimension should not be ignored when trying to understand people’s commitment. The model’s degree of explanation was as high as 0.82.

The data analysis showed that if Core Values increased by 1 point then the expected increase on Core Competencies were 0.88 (= the impact score), and the impact score from Core Competencies on Personal Attitudes were 0.57. The impact score from Personal Attitudes on Commitment was 0.72. The figure also shows that the direct impact score from Core Values on Commitment is 0.28.

The empirical finding shown in figure 5 is a strong indication for a hypothesis that management’s and colleagues practice of Core Values is the most important for understanding people’s motivation and commitment.

![Figure 5: Estimated Model explaining People’s Commitment/passion](image)

Practicing Core Values in terms of practicing respect, integrity, fairness, openness of top managers, middle managers as well as colleagues are an expression of practicing Care for others which was the first building block or precondition for attaining excellence.

As values are the social principles, goals and standards held within a culture to have intrinsic worth and as values define and determine what the members of a society/organization care about, making judgments about what is right and what are wrong, values are associated with strong emotions. Value seems to be the ultimate source in the creation of genuine intrinsic motivation.

When people are motivated to do something based on values, the tasks or activities seem to be linked to the person’s inner desire. This in return creates a genuine commitment/passion of a ‘want to do’ attitude instead of ‘have to do’ or ‘forced to do’ attitude. Voluntary workers
in many humanitarian organizations, such as Red Cross, Green Peace and Doctors without Borders are driven by inner desires based on their personal value sets. The recent focus on the importance of a company’s vision can also be understood from this perspective.

A Company’s vision that is shaped based on a common value set of all employees is a strong ‘guiding star’ and such a vision in terms of goals, values and missions helps employees in maintaining commitment. Referring to the genuine humanistic approach, which considers human as essentially being worthy, core values provide a more concrete ‘idea’ of what it means as core values are also the way to practice the worthiness and the care project of human being.

A very recent Danish survey from 2008 (Sörensen & Christensen, 2008) focusing on the importance of values supports the overall conclusions from the Danfoss Case. In the Danish Survey, called Talent 2008, the news magazine Berlingske Nyhedsmagasins asked 7,455 academicians below 40 years old about their attitudes and expectations to their jobs, carrier and management. With a response rate of 41%, 3024 respondents answered the survey questions, and 724 of the answers were from respondents with a management position.

The first question reported here is seen in figure 6 below. It follows that among respondents with a management position only 62% reported that they know the company’s values, and among non managers only 39% know the company’s value set. Even if non managers reported that 56% have a general idea about the company’s values it seems that this group has a lower knowledge than respondents with a management position. Overall it seems clear that the knowledge about values is too low in Danish companies. This is a serious problem because practice of a company’s values requires first of all knowledge and second understanding. If no knowledge then it is not so easy to understand.

Figure 6: Do you know the contents of your company’s value set

The next question reported here is about practicing the company’s value set. From figure 7 it follows that both groups – managers and non-managers – almost have the same experiences regarding the practice of values. These results seem very poor. Only 23% of the managers and 19% of the non-managers report that the company’s values are practiced to a high degree. But that means about 80% of the respondents have reported that the company’s values are not practiced to a high degree. Here we have to understand that values are only “valuable” if they...
are practiced to a high degree. You cannot practice for example respect one day and the next
day you do the opposite. The effects of such a bad practice will always be negative. So our
conclusion is here that 4 out of 5 Danish companies must improve both the knowledge and the
practice of the company’s value set.

Figure 7: How do you feel that your company/ working place practice the company values?

The results reported in figure 8 show that company values are decisive for about 30 percent of
the employees when they are applying for a new job, and further about 50% of the
respondents report that it is decisive to some degree. Only 15% of the managers report that it
has no importance or is decisive to a low degree, and 21% of non-managers reported the
same. So it seems clear that company values and image are important if a company really
want to attract the best people.

Figure 8: Are the company’s values and image decisive when you apply for a job?
Figure 9: Job Satisfaction in companies which practice their values at different degrees

From figure 9 we can see that job satisfaction correlates positively with how well the values are practiced. In companies which practice the company values to a high degree more than 90% of the respondents reported that they were very satisfied or satisfied with their jobs. This percentage is still high – and at a surprisingly high level of more than 80% - when companies practice the values to some degree. When companies practice the values to a low degree we can see that only 54% of the respondents were very satisfied or satisfied with their jobs. Only 43% of the respondents were very satisfied or satisfied in companies which did not at all practice core values. That means 57% were dissatisfied or neither satisfied nor dissatisfied when companies did not at all practice the value set.

By combining the results from the Danfoss case with the recent results from the big Danish questionnaire study the following overall conclusion is drawn:

Practicing Core Values is the Entrance to People Satisfaction and Commitment.

If companies really want to attract the best people and if they want to have committed and satisfied employees they have to use resources for discussing, defining and deploying/practicing core values. That is an important precondition for building sustainable excellence.

8. Reflections and Overall Conclusions

In the article I tried to ‘decode’ by elaborating, interpreting and discussing ‘the code of excellence’ in order to discover the hidden meanings and complexities and further to identify relationships between wisdom and scientific knowledge developed for understanding excellence.

After having gone through from the definition of excellence (section 2) ‘the code elements’ were discussed in sections 3-6. Section 7 supplemented with extracts of a Danish case – the Danfoss case as well as the recent large survey - examples of creating commitment, a passion which is one of the most critical building blocks for attaining excellence. Practicing...
Core Values in organizational level can be seen as a care project for people and society in a broad perspective.

The final reflections and conclusions based on the research documented in this article are related to what was written in section 2 about excellence:

Excellence includes doing common, everyday things and excellence isn’t necessary determined by comparing a score or a performance to someone else. The pursuit of excellence comes from doing our best with a view of growing and improving in terms of realizing one’s potential. When we care more, risk more, dream more and expect more while doing everyday things, we are on the way to realize our potentials. It is a never ending journey. Excellence is not a stage, but a way of doing, way of living, a process of becoming. If our today is better than yesterday, we have realized a small amount of our potentials and we can further dream on and work on for a better day tomorrow.

By relating excellence to “doing common, everyday things” it is emphasized that excellence has meaning in any context – personal, organizational, social and even global contexts.

In any business context pursuing excellence is vital, and it is important to emphasize that an excellent organization is a result of people’s continuous pursuit of excellence. Everybody is trying to doing their best when doing common as well as uncommon everyday things with a view of growing and improving in terms of realizing one’s full potential.

During the work with this article I became more and more aware about the profound meaning and complexities which the code possesses. The logical depth of a statement is an expression of meaning, value and complexities which the statement possesses (Bennett, 1986). Meaning and complexities are expressions of ‘production processes’ rather than the result product. Logical depth and thereby meaning and complexities are created by the time where exformation processes have taken place. Exformation is information which are sorted and thrown away. The more exformation has taken place, the deeper meanings and complexities have been created.

The code of excellence has shown that with its few sentences it has profound meaning and complexities – the logical depth. The logical depth in terms of profound meaning and complexities are created by our ancestors who repeatedly practiced, refined and sorted out unnecessary information (exformation) and finally sent us the most critical message in a most economic way. In this article I have just begun to decode the code of excellence, and it is clear that if I shall decode the code fully, thousand of pages will be needed to explain the full meaning of each sentence and the complexities among others the interaction of the different building blocks.

Also it has been found that the code of excellence is well matching with the scientific knowledge elaborated and developed under the theme of excellence. Previous research could be related easily to the code of excellence without any conflict. Regarding the relationship between wisdom and scientific knowledge, I may say here that wisdom is collectively internalized and verified knowledge throughout human history, while the large part of scientific knowledge is externalization (exploration) of the internalized knowledge.

Based on these reflections, I would conclude this article with the simple model shown in figure 10 below. I am more convinced than before, when discovered and firstly reflected on the embroidery text at the fish market, that the text contains critical DNA for attaining excellence, which fully live up to the name given in this article – the Code of Excellence. We cannot ignore the strong message our ancestors have sent us – we have to practice it through our life, and send the message further to our children.
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