

CHARTERED MANAGEMENT INSTITUTION DIPLOMA IN MANAGEMENT

UNIT 5005 MEETING STAKEHOLDER AND QUALITY NEEDS



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History of the Defence Academy

The Defence Academy is the UK Defence's Higher Educational Institution - and a key component of operational capability. The Academy is comprised of the Royal College of Defence Studies, the Joint Services Command and Staff College, the Defence College of Management and Technology, the Advanced Research and Assessment Group, and the Armed Forces Chaplaincy Centre. The Academy has three strategic partners – King's College London, Serco Defence and Aerospace, and Cranfield University – who provide our academic and facilities support. The Joint Services Command and Staff College (JSCSC) trains the future commanders and staff officers of all three UK Armed Services and those from many countries around the world.

Serco are a facilities management company contracted by the MOD to run various aspects of the JSCSC. They provide support through training services, logistics, estates, finance, travel and Sports and fitness.

I am employed by Serco to run the JSCSC fitness suite and sports fields. My role at the college is Head of Sports and Fitness. I am a lone worker, I have no staff and report to my line manager only.

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Part A – The importance of stakeholder management

Element 1 – The importance of internal and external stakeholders

What is a stakeholder?

According to the business dictionary online, Person, group, or organization that has direct or indirect stake in an organization because it can affect or be affected by the organization's actions, objectives, and policies. Key stakeholders in a business organization include creditors, customers, directors, employees, government, owners, suppliers, unions, and the community from which the business draws its resources. Although stake-holding is usually self-legitimizing, all stakeholders are not equal and different stakeholders are too different.

According to Daft in my self study guide, a stakeholder is any group within or outside the organisation that has a stake in the organisations performance.

Many people believe that whilst organisations have a right to make money, they also have a responsibility that is wider than the organisational boundaries. Many shareholders in business believe the impact their decisions make on employees, local communities and the country should be considered along side making profits.

Why?

Each stakeholder has a different interest in the organisation and without these stakeholders, an organisation could not survive, especially if a primary stakeholder becomes dissatisfied for some reason.

Stakeholder Groups

Stakeholders can be divided up into 2 very broad groups

Primary – those who are ultimately affected positively or negatively

Secondary – those with some intermediary role such as Government, banks and unions.

Element 2 – Stakeholder analysis

My self study guide suggests a simple way to analyse stakeholders:

- Identify who my stakeholders are
- Work out their power, interest and influence so I know who I should focus on
- Develop a good understanding of the most important stakeholder

Identifying stakeholders – the first step in my stakeholder analysis is to brainstorm who my stakeholders are. I need to think about the people who are affected by my work and who has an influence or power over it or an interest in its successful or unsuccessful conclusion.

- My line manager
- The business assurance manager
- Serco directors
- Staff
- My family
- Serco employees
- Suppliers – Lyreco, life fitness, star trac etc

- Military (customer)
- Dependants
- Incoming students
- Service providers
- ESS
- MOD
- Government

Prioritising my stakeholders

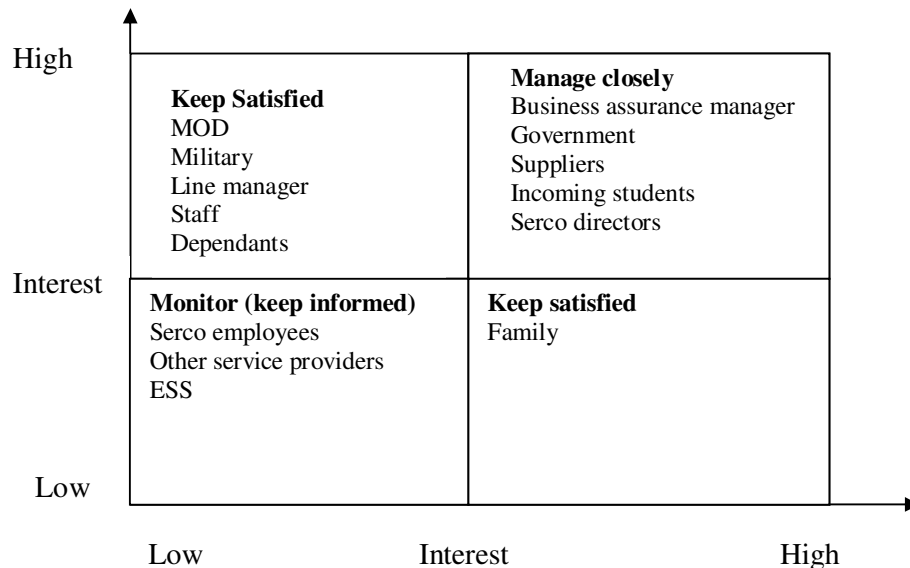
As there are many people and organisations that are affected by the work it is important to prioritise them. Some of these may have more power either to block or help me in what I am doing. Some will be interested in what I am doing and others may not care. I will now try and prioritise the stakeholders taking into consideration the following:

High power, interested people – these are people that I must engage with fully to keep them satisfied.

High power, less interested people – I put in enough effort to keep them satisfied but not so much

Low power, interested people – these people are kept adequately informed and I talk to them frequently.

Low power, less interested people – I just monitor these people but do not have excessive communication

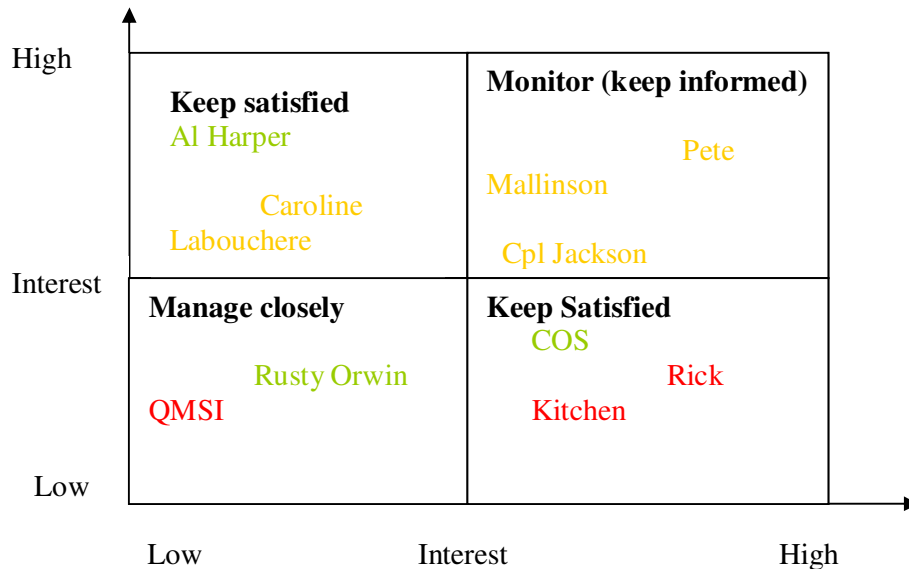


Understanding key stakeholders

Now I have identified the most key stakeholders, I need to know a little more about them. To do this I must speak with my stakeholders and ask them a few questions to get a better understanding of them. The questions will consist of financial, motivational, emotional, communication, current opinion, influence, support content. Once I have spoken with my stakeholders I will be able to create a stakeholder map.

Stakeholder mapping

Having spoken to my stakeholders and using the model from earlier, I will now produce a stakeholder map. A good way of doing this is by colour coding showing supporters in green, critics in red and others in orange.



Part B An introduction to quality

What is quality?

According to my self study guide quality is the totality of featured and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. Quality can also be defined as a conformance to requirements or fit for purpose. According to the online dictionary quality can be defined as an essential or distinctive characteristic, property, or attribute. Deming from my self study guide suggests that quality is fitness for intended use.

Improving quality

Serco are always striving to improve quality to provide the highest lever service to our customer. Service user satisfaction is key to the success of Serco and retaining the current existing contracts. Serco as a whole have recently managed to enter the FTSE 100 due to continual success, increased profit and market shares.

Total quality management

Over the years, quality has evolved from quality control (QC) to quality assurance (QA) and to total quality management (TQM). TQM relies on meeting needs through total quality commitment. Quality control and quality assurance are very much part of TQM.

Quality control is a technique that should be used in every organisation, involving checking against a standard or specification. Serco have the ISO stanards 9001, 14001 and OHSAS 18001. Quality assurance is the way in which an organisation

guarantees that the product or service it offers meets accepted quality standards. Total quality management (TQM) takes the control and quality assurance one step further with the aim of creating a quality culture.

TQM has been defined as a process for managing quality; it must be a continuous way of life; philosophy of perpetual improvement in everything we do according to my self study guide.

Advantages and disadvantages of TQM

Advantages	Disadvantages
Become more competitive	Costly
Delighting customers	Timely
Increasing market share	De-motivating
Improved relationships	Possible decrease in productivity
Reduce stress	

The principles of TQM

In order to get a better understanding of the TQM principles, I will assess them against the service provided by myself in the running and maintaining the fitness suite facilities. This is outlined in my procedure so this is something I would normally be audited on.

TQM Principle	Sport and Fitness Services	How we are doing
Putting the customer first	The sports facilities provided by Serco are there to provide the military with the opportunity to remain fit.	The method statement for the areas is currently being assessed due to change and wants by the customer. It is important that we provide what the customer wants.
Viewing the activities and processes	Fitness classes and equipment are provided to assist in the maintenance of fitness by users. People will ultimately get fitter after use. Deficiency points are incurred on the	The fitness suite is small and so class numbers are limited by space. Increased space would mean more people can attend classes and use the facilities.
Quality is free	Once quality is in place then it is relatively free. Quality at present is free as services provided just happen at a high quality	To improve quality, then money would need to be spent. It is all relative.
Prevention is better than cure	Failure to have all equipment and pitches up and running at all times will mean dissatisfied customers and deficiency points on the monthly report.	Daily safety checks and weekly maintenance is carried out on the equipment and recorded. In doing this, the likelihood of things breaking is reduced.
Reduce variation and aim for zero defects	By standardising things means there will be little defects. Exceptions to this will be running events	Classes are the same week in week out, induction times are the same every week also. In doing this, people know where they stand in advance.
Quality is	It is important to reject things	If the cleaning service by ESS

everybody's responsibility	that are of inferior quality so that everything is of a high quality at all times. If a machine arrives that is poor, then it should be sent back	is poor then it is reported. All defects and problems are documented in the monthly report.
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Managing people to achieve quality

Quality is seen as everyone's responsibility. People are important and it is vital to have the appropriate people and management skills to empower the team members so that they take responsibility for their own work.

Empowering team members

It is a good idea to empower the team to be responsible for their own quality rather than take the traditional role of being entirely responsible. At present I do not have my own team but if I did I would need to empower the team and allow them to:

- Make routine decisions
- Have the authority to put right a quality problem
- Rely on me as a facilitator and provider of support when they need it
- Be trained in problem solving techniques
- Own both successes and problems of their work.
- Be free from blame for mistakes and encouraged to learn from them.

As mentioned I do not have my own team but from a Serco perspective as a whole they are very good. Serco allow its staff to get on with the job themselves, take responsibility for success and failure and put problems right. My line manager is on hand if I do have an issue but other than that we are all left to it.

Providing appropriate training

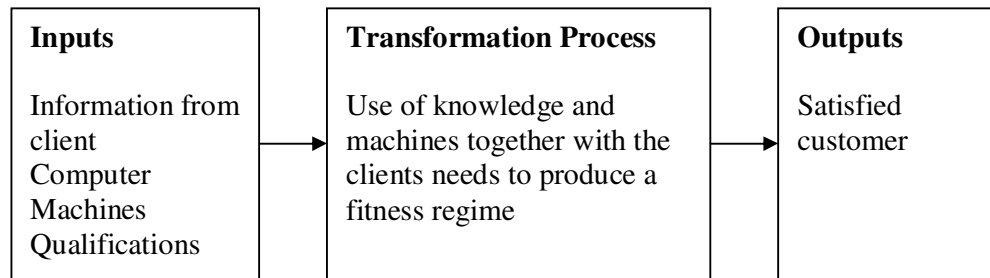
The purpose of training is to give people the tools they need to carry out their job efficiently and effectively. At Serco we only receive quality training from the business assurance manager on an annual basis.

Quality improvement teams

A way of formalising quality improvement is to hold meetings where people can get together and discuss possible improvements. Serco do have quality improvement teams. They work on feedback from surveys undertaken by all users of the College. They meet once a month and disseminate their findings and thoughts for improvements.

Understanding Processes

Organisations can be seen as open systems that interact with their environment. This basically means that they take something from the environment and convert them into outputs that are passed back out to the environment. This idea can be shown in a simple **input output model**. I am going to use the example of someone wanting a fitness programme from me as an example of this at work:



The diagram above explains what I need to have to be able to organise a fitness programme. I need the information from the client I need the machines in the gym I need the knowledge through qualifications and a computer to write it up. All these things together in the transformation process allow me to write the programme up and the output is the fitness programme.

Why manage processes

By providing the authorities and all its customers with what they want means that I get a good profile within the college for providing a high service. I also provide programmes on top of the stated contract which are received in the college very well. By going the extra mile and working a bit harder people are impressed and see you to be a valuable member of the team. In providing all the activities and high level of service ensures that customers are less likely to complain because everything is fully operational. Further benefits include the following:

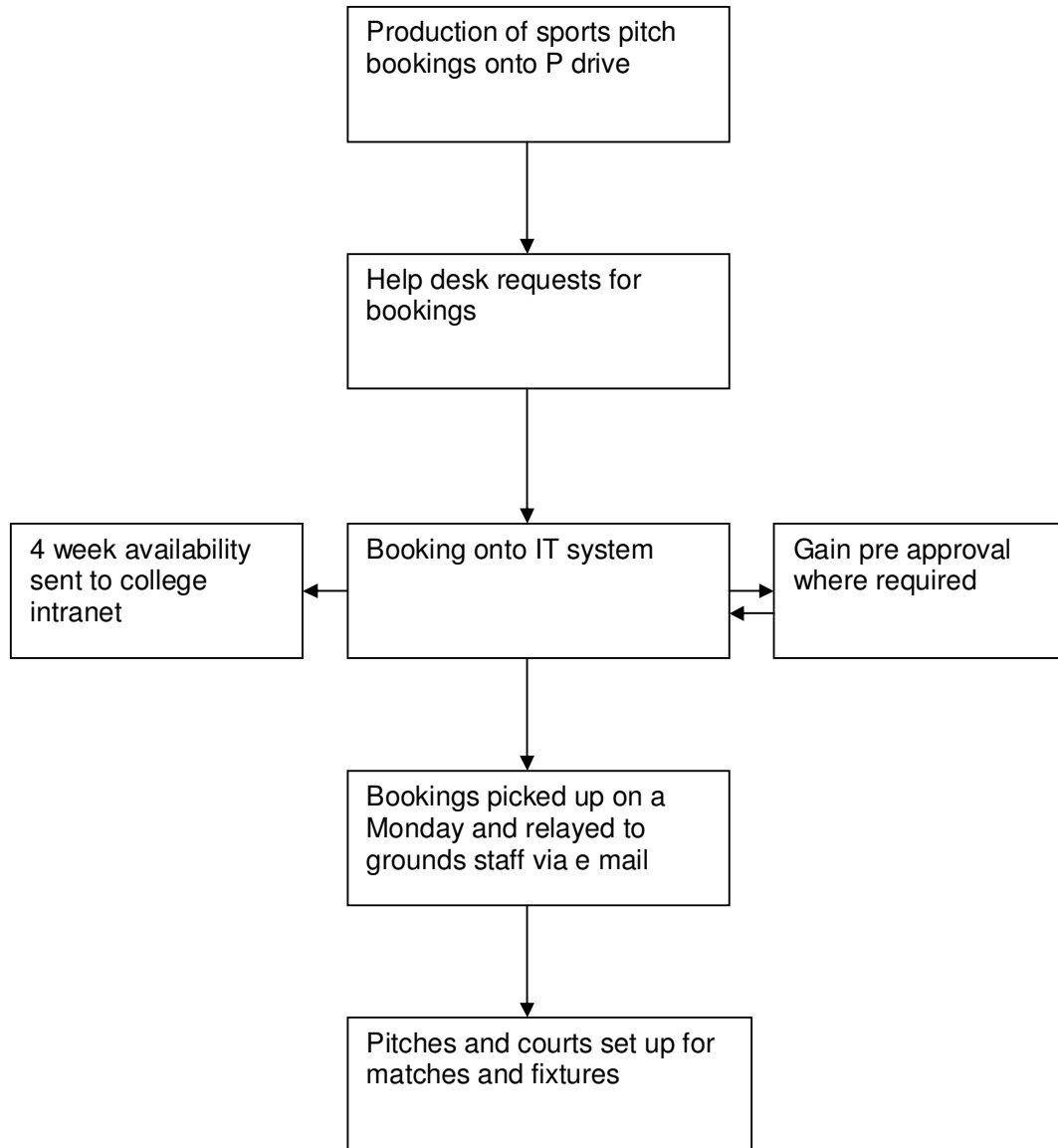
- Faster and more efficient delivery of service
- Less issues and errors
- Providing greater value for money with added exercise programmes
- Few complaints because operationally everything is running consistently
- Improved working relationships with Serco senior management as I am praised for doing well
- Improved working relationships with the authority as I am providing more than they ask and running things well
- Improved relationships with all users
- I am happy when things are working well and right which means my performance will continue to improve.

Managing processes

The processes in place at Serco are based on the need to support and supply key services to the customer. Processes are constantly under review in order to achieve high quality. I used to e mail the grounds staff on issues and matches, now I have a weekly meeting to discuss the work for the week. This new procedure is now part of the main contract.

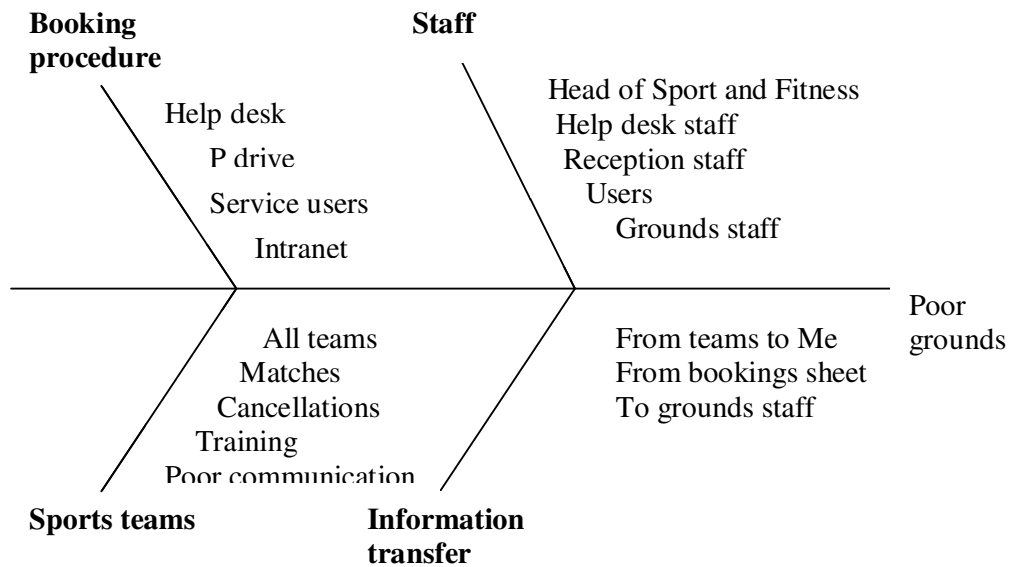
Process managing

In order to improve a process, I need to map out the how the process currently works. I have chosen to see a flow chart to map this out.



Identifying process improvements

The flow chart above looks like it would benefit from improvements. The current process doesn't allow for conversation and discussion on events and problems other than routine set up of pitches. The main problems were the changes to programmes and messy surrounding grounds areas. To help me identify the causes and for problems I need to look more closely at individual parts of the process. A fishbone diagram will help me complete this task as it highlights cause and effect



Starting all over again

If the process is clearly not working, it may be necessary to start again. I am responsible for updating my own working procedures. I have never been involved in redesigning a process. Within Serco we do run “events” that look at processes and how to improve them. This is done with a mixture of staff not from the same department. This way fresh eyes have fresh views. The process and each step is marked out using little posts and redesigned to be more clear and efficient to anyone. I hope to be involved in an “event soon”.

Measuring for improvement

Having mapped out the design of my process, the next step is to identify areas that can be measured so I can keep control and manage them. Harrington in my self study guide suggests that measurements are key and that if you can't measure it, you can't control it. If you can't control it, you can't manage it. If you can't manage it, you can't improve it. The disadvantages and problems with measurement are people do not know why measurement is important and staff use excuses like lack of time.

What should be measured?

- Customer satisfaction – service users
- Quantity – number of usage
- Quality – set up to standard
- Accuracy – surrounding grounds maintained

When should I measure?

I should measure both on a weekly and monthly basis. I should follow up on actions given out at the weekly grounds meeting to make sure it is all adhered to. I will then write a monthly report which is looked over by the Chief of Staff. Any issues should be highlighted in the monthly report.

Who is responsible for measuring?

Generally speaking I am responsible for measuring as an overall. The grounds staff are responsible for maintaining said standards and following actions given out. A little give and take is required to get the best results.

Benchmarking

Benchmarking refers to a standard by which something can be judged. Using existing targets and adding to them might produce an improvement in the process level but the level reached might not be that good when compared to something else.

Benchmarking is actually about to start taking place within Serco. I have recently been involved in updating the method statements for my area. This is being done by every department. Serco have hired contractors to put these out for benchmarking and market testing.

Part C – Changing to a continuous Improvement Culture

What is change?

Change can simply be defined as the process of becoming different. Charles Darwin suggests that it is not the strongest species that survives or the most intelligent, it is the one that is most adaptable to change. We are all subject to change in one way or another.

There are three key issues that need to be looked into that relate to change:

- The forces that make change necessary – these can be from inside or outside the organisation
- Making small changes all of the time is far easier than making one big change
- Change can only be carried out with people

The change situation I am going to look into is one that Serco introduced in February 2009. This was the change of sickness/absent reporting. All Serco staff across all contracts now call a company called First Care to report non attendance to work. Previously we would just call our line managers.

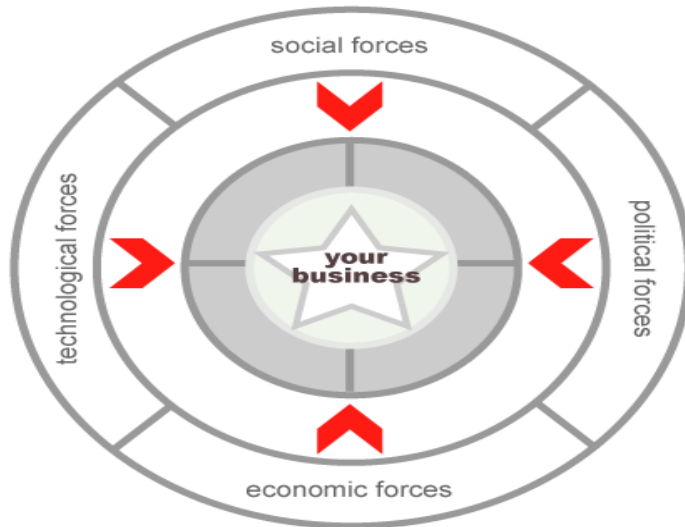
Forces for Change

According to my self study guide, there are 3 environments that can trigger need for change.

1. The micro or task environment
 - Suppliers
 - Stakeholders
 - Government
 - Business standards
 - Economy
 - Military – MOD
 - Other facilities management organisations
 - Service providers
 - ESS
 - IT
2. The macro or general environment

The PEST model considers the organisations general or macro environment and provides it with the opportunities and threats that exist outside its boundaries. The PEST analysis is a useful tool for understanding market growth or decline, and as such the position, potential and direction for a business. The diagram below

(http://www.provenmodels.com/files/1e75ea74c642995ddc8cc85a9c41bbd7/large_PEST_analysis.gif) is a simple PEST model.



A PEST analysis is a business measurement tool. PEST is an acronym for Political, Economic, Social and Technological factors, which are used to assess the market for a business or organizational unit. The PEST analysis headings are a framework for reviewing a situation, and can be used to review a strategy or position, direction of a company, a marketing proposition, or idea. The table below takes into account some issues using PEST for Serco:

Political	Economical
<ul style="list-style-type: none"> • Ecological/environmental issues • Future legislation • European/international legislation • Regulatory bodies and processes • Government policies • Government term and change • Funding, grants and initiatives • Wars and conflict 	<ul style="list-style-type: none"> • economy trends • General taxation issues • Taxation specific to product/services • Specific industry factors • Customer/end-user drivers • Interest and exchange rates • International trade/monetary issues

Social	Technological
<ul style="list-style-type: none"> • Lifestyle trends • Demographics • Consumer attitudes and opinions • Media views • Law changes affecting social factors • Major events and influences • Buying access and trends • Ethnic/religious factors • Ethical issues 	<ul style="list-style-type: none"> • competing technology development • research funding • Associated/dependent technologies • Replacement technology/solutions • Maturity of technology • Information and communications • Technology legislation • Global communications

3. The physical environment – the physical environment leads to little change for Serco. As Serco manage facilities there is less interruption by physical change.

Why develop to a continuous improvement culture?

Change is the one thing that is guaranteed in a business. This means that if improvements are made on a regular basis, you can introduce them and manage them. Change can only be implemented through people and managing people through a period of change can be difficult. By encouraging staff highlighting the benefits of the small changes, makes life a lot easier. When Serco introduced the sickness reporting change, everyone was given a full presentation on all the information required. If people are kept informed and have up to date information, transitioning can be made easier.

People and Change

Introduction

People can become very uncomfortable when they are told of a change that will be occurring and usually because they become quite comfortable with what they do and how they do it. People often ask why we need to change once a new idea is brought up. When I was in the meeting about the new sickness reporting meeting, a lot of people asked why. Once the information had been discussed and questions had been answered, people seemed a lot calmer. Most people fear change but the First Care help line was to be introduce right away so this is what got most peoples backs up as it was out of their comfort zone.

Getting people to support change

My self study guide informs me that managers tend to overestimate the level of co-operation we might get from our team members and underestimate the transition costs. Some thought into how to get people support any improvements but be undertaken. Some ways of bringing people on board to new ideas are:

- Communication and Education- educating people about the change beforehand and ensuring that ideas about change are fully communicated to everyone who is likely to be effected will help to understand change necessary. As mentions previously, Serco did give introduction presentations prior to the new First Care sickness reporting change.

- Participation and involvement – top down imposition of change is often unsuccessful because those designing the change have failed to take into account the knowledge and expertise of whom the change is aimed. No one other than senior management were involved in the change.
- Negotiation and Agreement – negotiation is a more formal means of achieving co-operation and may involve some form of incentive. This wasn't something that Serco took on board with this change. It was something that was happening across all Serco contracts so there was no room for negotiation.

Motivation and incentives

I would say that the majority of Serco staff are interested in their job and enjoy their work. There will be different reasons for each individual enjoying their work. I think on this site, the admiration and praise given from the military to the staff is second to none. When a member of military staff praises you, you feel great. According to my self study guide, there are a few elements required for motivation. I will see if these are reached at Serco:

Motivation and incentives	☺ ☹	Serco staff
Staff are required to use a range of skills to carry out their job	☺	All staff are expected to specialise in their role but be able to work in other areas if required.
Task identity so that they complete whole jobs and not just bits in isolation	☺	Serco staff are empowered to get on with their jobs and work until jobs are complete
Staff understand where their job fits in with others	☺	Staff are aware that each division or area of work is important. Some overlap and some do not. Generally speaking people are aware of what others do.
Staff have some autonomy – control over the work they do	☺	Staff do have control over their own work. They have support if required but are able to get on with things on their own
Staff are offered incentives	☹	Serco do not offer incentives to staff
Staff receive regular feedback on their performance	☹	Performance from each department is monitored monthly through the report system. Individual performance and feedback is only really given annually which is a little poor.

People contributing to change

People are more likely to be enthusiastic towards change if they are encouraged to be part of it. People with the best knowledge of the process are the best people to manage it. Managers should be encouraging ideas and creativity. Staff should be given the responsibility and ownership of processes and encouraged to become involved.

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