

# Developing and Communicating Quality Objectives to Drive Strategic Performance Improvement

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## ABSTRACT

This paper stresses the vital role of communication in promoting quality, considering that the latter is now accepted as a key to successful competition in today's globalizing world. The paper stresses that the most significant change in an organization's bid for improvement is probably not what many would say it would be. The most significant change is that brought about by quality objectives. Indeed, quality objectives will bring about quality performance. More importantly, the aim is to establish and effectively communicate company's quality objectives. The objectives must be accepted, internalized and implemented. The paper identifies the steps to accomplish this strategy.

## INTRODUCTION

The most significant change in any organization's bid for improvement is brought about by quality objectives. The challenge is to ensure that these objectives are not simply to be written down on sheets of paper or posted on bulletin boards. The challenge is to have these objectives accepted, internalized, and implemented within the organization. The accomplishment of these objectives is the key that will propel the organization to its desired levels of improvement.

The manner by which quality objectives are established and managed will have an enormous impact on the organization's performance. The quality objectives will either drive strategic improvements throughout the organization, significantly elevating

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the quality management system, or will simply be a meaningless set of words mindlessly repeated by the members of the organization. Exerting the effort involved in establishing and communicating the company's objectives can indeed make the difference as the organization strives for excellence.

## DEVELOPING QUALITY OBJECTIVES

Quality objectives are developed following four basic steps:

(1) *Establish the foundation for objectives.*

Defining the organization's mission is the first step in the process. The organization's mission and strategy form the foundation for the selection of objectives. The mission cannot be in the form of platitudes and meaningless generalities; it must be a serious, forward-looking vision of where the organization exists within the context of its competitive environment and where its management hopes to take it in the future.

Answers to the following questions will define the organization's mission:

- Why do we exist as an organization?
- Whom do we serve through our efforts?
- What basic needs or desires are being met by our efforts?
- What goods or services will we deliver now and in the future?
- Who are our stakeholders (employees, customers, suppliers, shareholders, neighbors, community leaders, politicians, etc.), and what are their individual strengths and needs in relation to what we are trying to accomplish?
- What beliefs and values form the cultural foundation of our organization?
- In a general sense, where are we moving (philosophically, operationally and competitively) compared to where we are today?

The definition of the mission is considerably different from most quality policies that organizations put forth. The mission will be broad and universal, forming the core of the organization's very existence rather than simply the foundation of its quality system. A quality system, a given in most businesses today, is just one variable in a long list of success factors (including

quality, reliability, innovation, delivery, price, prestige and convenience) that vary depending on the context of each organization. A traditional quality policy probably will not provide the guidance needed to drive the formation of strategy.

Once a mission has been clearly defined, the organization must develop its overall strategy. The purpose of a strategy is to enable the achievement of the organization's mission, that is, to define the specific steps necessary to fulfill the broad goals of the mission. Most organizations have strategic planning processes of some sort. The differences exist in the degree to which the strategy is actually put to use and the degree to which everyone is exposed to it. For a strategy to be fully implemented, it must be put into practice on a daily basis and understood well throughout the organization. The organization's quality objectives will ultimately be the means for achieving both of these requirements.

## (2) *Select key measures.*

Mission and strategy are useful concepts, but they are often too abstract for people to use on a regular basis. What is needed is a set of tools that translates mission and strategy into concepts that can be measured and understood. The organization must translate mission and strategy into metrics usually called "key measures".

What exactly are key measures? In general, they are:

- Measurable, just like quality objectives
- True indicators of success or failure within an organization
- Based on mission and strategy, which will naturally differ depending on the organization. However, some measures, such as revenue or profit, are so universal that they might be adopted by a wide range of organizations.
- Developed with the broad perspective and understanding of the competitive environment necessary to select key measures.
- Few in number, generally between four and 10. The more measures that are adopted as key measures, the more unfocused the organization will become.
- Representative of a wide range of organizational interests, including financial results, customer

perspectives, internal performance measures and human resource concerns.

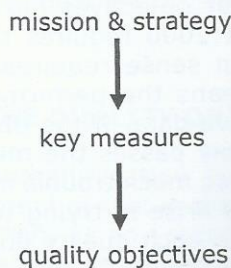
- Clearly defined.
- Used to form the basis for the selection of quality objectives throughout the rest of the organization. The typical business organization has dozens, if not hundreds, of high-level performance indices. A great many of these measures are necessary for accounting purposes, but significantly fewer relate directly to the organization's strategy and long-term success. The challenge is not in coming up with key measures; it will be keeping the list focused and manageable.

*(3) Base quality objectives on key measures.*

After having selected the key measures for the organization, functions and departments at all levels will have to select measurable quality objectives that are consistent with the key measures. It may sometimes be possible for functions and levels to adopt objectives that are the same as key measures, but most of the time, it will be necessary to select close substitutes: objectives that have direct, logical connections to the key measures. For example, if the organization has selected net income as a key measure, the production department might opt for cycle time as an objective because it has a direct link to the organizational measure and the department is able to measure it. In this way, the link to strategy and mission remains unbroken (see Figure 1).

To reap the full benefit of quality objectives, the organization must expand its perspective on the meaning of the word "product". ISO 9001:2000 defines product as the "result of a

*Figure 1 The Link from Mission and Strategy  
to Key Measures to Quality Objectives*



process." This broad definition makes it clear that, in the eyes of the customers and other interested parties, "product" refers to almost anything the organization does. The product's ability to meet requirements could be reflected by a wide range of measures, including the accuracy of the organization's invoices, the safety of its trucks, the responsiveness of the company's sales and customer service personnel, the percentage of revenues derived from new product innovation, market share within each product line, and the profit that the organization pays its owners. The organization must ensure that it embraces the broad definition of the term "product", or it will miss many opportunities to choose measures that bear on the organization's long-term success.

Quality objectives are selected by process owners, that is, the managers who are directly responsible for the processes concerned. Process owners may require assistance when selecting quality objectives and the ISO 9000 management representative is an obvious resource in this capacity. The role of the facilitator is to challenge the paradigms that process owners may be using to develop their metrics.

Process owners are accustomed to measuring their own performance, but the measures may or may not have any obvious links to the organization's key measures. Quality objectives must also be cross-checked against objectives in other areas to ensure that sub-optimization doesn't occur. Sub-optimization occurs when an objective makes one function look good but harms other functions. Objectives linked to output or machine utilization sometimes cause sub-optimization, especially in departments responsible for storing and moving finished goods.

Process owners should set targets for their own quality objectives. The targets must be set with an understanding of the underlying process capability. The old standby "two percent better than last year" is a deception unless there is a logical basis for the target. Statistical control limits on the quality objectives can greatly assist in setting targets if there is statistical competence within the organization.

Finally, remember that objectives must be measurable and clearly defined. ISO 9001:2000 requires that the objectives be measurable, and common sense requires that they be clearly defined. "Measurable" means the performance may be tracked over time using quantitative data. If the objective can be plotted on a chart, then it probably passes the measurability test. Most organizations won't have too much trouble making their objectives measurable; the problems arise in trying to define them clearly.

Definitions attached to each quality objective should answer the following questions:

- What exactly does the objective measure?
- What is the objective's link to key measures, mission and strategy?
- How is the objective calculated?
- What is the source of the data?
- Who collects the data, and how often?

If these details are outlined in a straightforward manner, then misunderstanding confusion and suspicion will likely be avoided, and the quality objectives will stand a much greater chance of driving organizational performance upward.

Training personnel on the objectives in their areas is the final—and possibly most important—step in the process of setting objectives at the departmental level. Personnel must have a clear understanding of what their department is working toward and how they can contribute to the effort. ISO 9001:2000 requires that personnel understand their objectives, why the objectives are important, and what they can do to help reach them. This sets up significant responsibility for training on the departmental level. Vague statements from employees such as “We’re trying to get better” and “We want to make the best quality possible” will not contribute to the company’s pursuit of its objectives. Training must be geared to practical, nuts-and-bolts understanding of the issues surrounding quality objectives.

#### *(4) Analyze the data and manage the system.*

Measurement without critical analysis is useless. Nevertheless, many organizations collect reams of data that nobody ever bothers to analyze. A robust system of objectives relies on data collection, followed by hard-edged, critical analysis.

Progress toward quality objectives can be assessed in a number of settings, the most obvious of which is during management review. In fact, ISO 9001:2000 requires that quality objectives be addressed during management review. A number of important questions must be considered during the review of quality objectives.

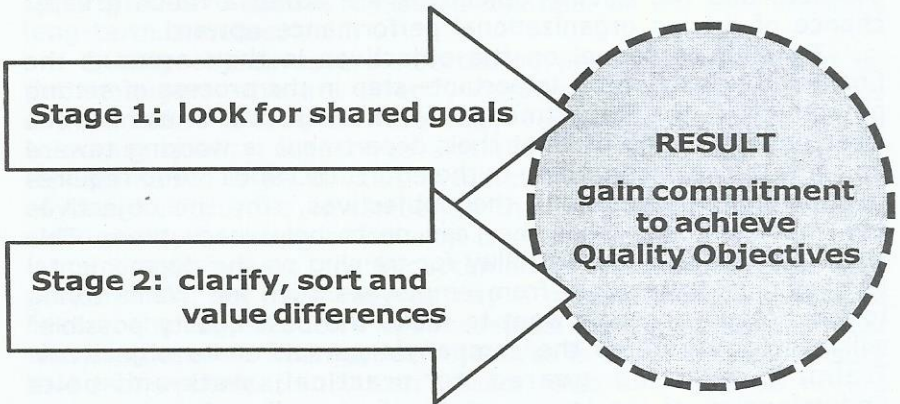
## **COMMUNICATING THE QUALITY OBJECTIVES**

The burden of communicating quality objectives does not lie in only one department or unit in the company. Communicating objectives is as important as any other function, and even more, it should be embraced as an opportunity to bring everyone in

the organization together in achieving expectations as set in the development stage described above. As such, everyone is focused on the shared mission and vision of the organization.

There are two stages that will bring the members of the organization to the commitment to achieve the quality objectives that have been developed. Figure 2 illustrates these two stages.

Figure 2 Stages in Gaining Commitment



**Stage 1: Look for Shared Goals**

Stage 1 proceeds through three phases (see Figure 3). First is mutual or shared understanding. Here, active listening is very important (see box on active listening.) "I" statements help to compare what the company wants and what the individual employee wants.

Second involves the clarification of meaningful, positive goals (setting aside red herrings, exaggerated threats, gratuitous statements, and other digressions from constructive collaboration).

Third is the prioritization of the most important objectives, giving weight to those that are most shared. Shared goals will easily help everyone accept the quality objectives set for the whole company.

The goal-sorting procedure is too often left out or neglected when communicating objectives. Goal sorting allows members of the organization to help set aside the trivial differences of opinion

and creating a problem-solving attitude. Instead of depleting their energies and time with petty squabbles, the members are able to think of what might be relevant to the achievement of the objectives or what might be the barriers to such an achievement.

Some important tips:

*Don't squelch differences*

A good objective-setting culture does not squelch differences; instead it acknowledges these differences, without trying to eliminate them. Differences will always be around. Disagreements are allowed; in fact, we can all disagree without being disagreeable. Squelched differences do not go away; they just go underground. When they erupt in an exaggerated form, it becomes more difficult to deal with them.

**S u c c e s s f u l**

organizations are those that are comfortable with and reward people who question the objectives and even strongly argue with the supervisors until all points are clarified. Leaders should not feel threatened when they are questioned; on the contrary, they should be thankful that people care enough to ask questions in the organization.

*Don't run away from emotions*

Emotions are not bad in themselves. In fact, a healthy display of emotions can keep the organization human. Stifled emotions that are mostly misunderstood can grow deep roots of resentment. The problem with suppressing emotions is that the human tendency would be to hide behind hostile or defensive

*Active Listening*

Active listening is a skill that we all can develop. Listening to what people say— whether or not we agree with what is being said is the key to active listening. We must care about other people's point of view. This area is often totally overlooked in an organization. Active listening involves three stages:

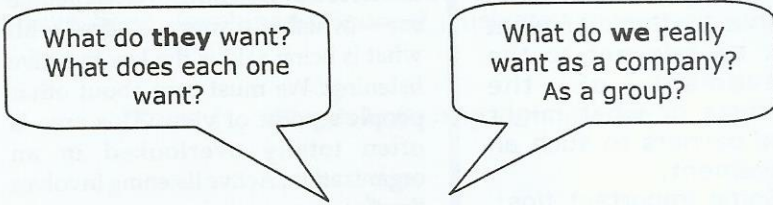
1. Appreciate: explicitly tell others that you want to hear their point of view.
2. Inquire: The other person has the floor. Make the person know that you are listening.
3. Respond: When you have the floor, remember: tell about yourself; ask about the other.

Active listening means that we think this way: "What can I do to make this relationship work?" We take the responsibility to ensure that the other person does understand us and that we don't blame that person if he or she is confused.



**Figure 3 Stage 1: Look for Shared Goals**

**1. use active listening**



**2. clarify meaningful, positive goals and quality objectives**

*Don't squelch differences*

*Don't run away from emotions*

*Don't tolerate destructive, catastrophic or wasteful kinds of disputes*



*Both sides filter out threats and unrealistic goals*

**3. prioritize most important objectives**

*Shared goals*

*Compatible goals*

*Clarify conflicting goals*

attacks that make resolution only more difficult. It is best to talk about one's feelings and emotions before anyone boils over.

*Don't tolerate destructive, catastrophic, or wasteful kinds of disputes*

A fair fight is possible. People can fight constructively so as to find the truth or get at what's best for the company. An insincere "forget it" may make matters worse and make people fight in underhanded ways. One manager has this message on a poster in his room:

No one in this organization goes home for the weekend holding a grudge. If you're fighting mad; that's ok – so long as by Friday you have either resolved it with the parties concerned or set up a process that will lead to a win/win resolution.

You may have to talk things out for a longer period, but that should not stop you from constructive discussion and sustainable problem-solving. Remember, people really like to win. Each one wants to help solve problems, and connect with each other in doing so. We should not stifle these desires; instead, we should help everyone find out what they can do to communicate their differences and move on.

### ***Stage 2: Clarify, Sort, and Value Differences***

In this stage, we learn to clarify, sort, and value differences in our attempt to achieve our objectives. We realize that some people in the organization have other agenda and are not willing to give up some of their resistance.

We now go through a system of "sorting out" the issues that may be hindering the people from accepting and working to achieve our objectives. Figure 4 lists a simple path you can take.

#### *POV*

In filmmaking, POV means the camera's point of view. We sometimes forget that we can be so biased and not realize that the camera has its own point of view. In short, an objective look may be the solution to our differences with the others in the organization.

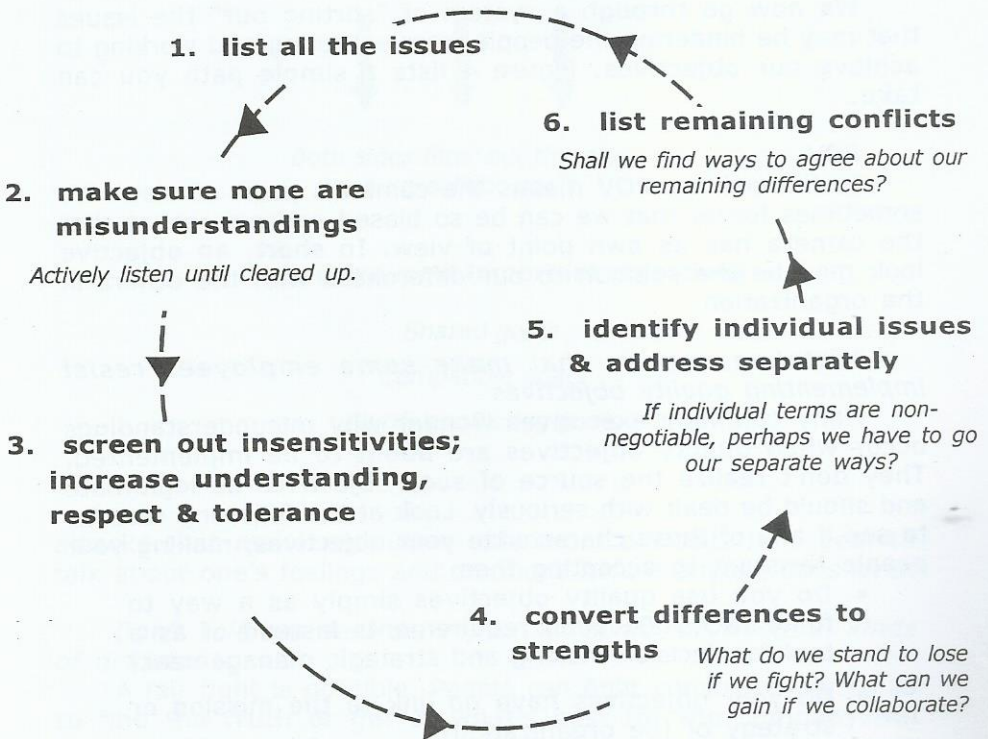
#### *Mistaken notions that make some employees resist implementing quality objectives*

Many company executives wonder why misunderstandings occur when quality objectives are about to be implemented. They don't realize the source of such objectives as legitimate and should be dealt with seriously. Look at the following reasons to see if any of these characterize your objectives, making your people resistant to accepting them:

- Do you use quality objectives simply as a way to fulfill ISO 9001:2000 requirements instead of as a tool for decision-making and strategic management?
- Do your objectives have no link to the mission or strategy of the organization?
- Are you using objectives that aren't measurable?

- Are you using objectives that aren't clearly defined?
- Are you using fuzzy, feel-good objectives that are meaningless in the end?
- Do you allow the organization and its people to select objectives without guidance and facilitation?
- Do you use objectives that put departments, functions, and units in competition with one another and destroy each other's initiatives?
- Do you properly train personnel on the practical meaning of their objectives and how each employee can contribute to their achievement?

Figure 4 Stage 2: Clarify, Sort, Value Differences



***Result: Achieving Commitment  
to Implement Quality Objectives***

The final goal of the process is to lead to the commitment of the members to implement the quality objectives of the organization. The continuous flow of effective communication ensures this commitment within the organization.

The process of communication places increased focus on the construction and sharing of information as members of the organization simultaneously encode and decode meaning. A shift from the linear model where the "receiver" is regarded as an empty vessel into which the information is poured by a "sender" has given way to a more reflexive model where communicators draw meaning from the situation based on their personal experiences and constructions of the situation.

The linear "sender-message-channel-receiver-effect" model presumes that (1) there is a singular and clear-cut "message" and that (2) this "message is clearly distinct from the "sender" and the "receiver" and can be analyzed objectively. In real life, these two presumptions are not only difficult but almost impossible to establish.

First, the messages, in this case the quality objectives in the organization, always have several nuances which employees understand in different ways. The meanings of the messages, the construction and re-construction of the ideas being communicated are so varied that people arrive at different interpretations even of the same texts.

*Feel the paradigm shift*

With the rise of theories and studies from the newer qualitative paradigm in communication, we are seeing a different but more sensitive approach to trying to make quality objectives known, observed, internalized, and advocated within the organization.

The management, as communicator, must realize that messages transmitted in "one-off" memos (the transmissional model) are not enough to make people internalize the company's quality objectives.

*Communication is not linear; it is not static*

Communication is not static. No one can identify its beginning and its end in any situation. Before anyone opens one's mouth to talk, the memory, motivation, perception, and imagination of the people in the situation have all been moving in so many different directions already. That is quite a more impressive enterprise than simply being a sender and a receiver with a message in between them.

Communication among humans is one of the most elaborate sign-signifier- signified vehicles of human thought. It is wrapped in culture. Communication, whether verbal or non-verbal, spatial or rank-ordered is one of the most complex processes happening within an organization.

The words which embody the quality objectives in their written form are signs which can involve complex meanings and re-creation of meanings among those who read them. At the same time, those words, as signs, can mean nothing to a reader for whom the codes used have no cultural significance, in which case, they become meaningless to that reader. As the cliché goes, someone's words can move a listener to tears while the same words can mean nothing to the person next in line.

*Communication is heavily influenced by culture*

How a sign is read depends upon the enculturation of the reader. Meaning has no singular objective incarnation that arises from the words strung together. Meaning is a complex enculturation, with interpretations that can sometimes be dismissed as wrong or irrelevant by those who wrote those words. So our precious quality objectives can be read "all wrong" by some and "all right" by others. The problem is determining what the "right" interpretation of the objective should be.

The text is the configuration of the signs as they are presented to the reader or audience. Texts include varied forms of talk, graphics, songs, plays, moving pictures, drama, music, and even architecture or food. People construct their experiences of these texts and place their particular meanings in these experiences. Each text has its own potential meaning to the person experiencing it — whether reading, dancing, watching the play, telling the company jokes and stories, or feeling the breeze that comes from a well-arranged window in the room. Some people are able to read the stars and the planets—so that even astrology becomes a viable construction to those who wish to understand life from that point of view.

*People construct meaning as they communicate*

Meaning is constructed by readers through their engagement with the signs of a text. Just as the mind extends beyond the confines of the skin, textual signs extend beyond the letters and sentences used in making quality objectives. The space between the text and the person reading it is a dynamic, permeable zone which gives the interaction between reader and text the special meaning that the reader takes away after reading the words. Within the conventions of the sentences, words, and grammatical arrangements in the text, the readers form

their own meanings and conclusions based on their acculturation. Therefore, in a company, it is not enough that words and sentences express what the company is about. The whole culture of the company should be fertilized, watered, and fed with the cultural meaning systems with which the people are supposed to interpret the physical words they see on paper or in the manual. The reader is able to uncover or decipher the embedded meaning through the totality of his or her experience of the culture of the group. This decoding takes place in very subtle ways and this is what affects the acceptance and practical implementation of the objectives of an organization.

Concepts and meaning have cultural origins. It is quite possible for individuals to resist these cultural conceptions, thus undermining the notion that activity theory is fatalistic. A colorful analogy says that communication evokes a "penumbra" of memories of what has preceded, what is happening, and what will happen in the communicators' conscious and unconscious selves. This includes awareness — more or less explicit — of echoes, resonances, repercussions, linkages, cumulative knowledge, contrast, and even surprises dynamically happening between and among communicators past present and to come. All these give rise to emotions, ideas, and actions that play a great part in the communication situation.

#### *Readers' interpretations are crucial*

Realizing that "one-off" communication will not do the job, the effective communicator in the organization makes sure that the total environment in the company (and even outside of it, if possible) is in the process of making everyone share meanings and interpretations of what they read, write, see, and hear in the organization. Personal experience matched with transformational messages will bring the quality objectives closer to performance levels. Remember that it is always a range of interpretations from connotations of words to tone of voice, both written and oral, within the company. These interpretations evoke the image that quality objectives direct everyone to accomplish in as coordinated manner as possible.

Remember the analogy of the orchestra and how everyone in it is communicating, even without spoken words. Nods, eyes, gaze, and even breathing is enough to signal a change in directions. Everyone is aware of the effort required for bits of notes scratched on paper to be transformed into a symphony. The communicator can choose a role: conductor, singer, or piano player. But someone has to make the music blend.

### *Metacommunication*

At this point, the communicator may think it's way beyond one's head to think of communication this way. The words are too big and the meanings too difficult. Almost disconcerting: texts, contexts, intertexts, and intercontexts make up to a large extent the alphabet soup of communication.

Metacommunication allows the individuals involved in a situation to interpret and negotiate meanings through shared interactions and experiences. Joint action — group life — consists of fitting an individual's actions with others. Organizing means acting jointly.

It's the communicator's exciting job to harness this ability to metacommunicate within the organization and harvest the greatly improved performance of the people in the company through congruent, accepted and internalized quality objectives.

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