Chances and Risks oriented Quality Management

- Company Quality and the Archetypes of Quality Management -
AGENDA

• Good Company Quality is the ultimate Goal
• Defining the Situation
  – Four Energy Zones
• Research Findings (IfU)
  – Dynamics of the Four Energy Zones
  – Most important Levers
• Three different Archetypus of Leadership
• The Missing Link
• Company Quality and Agility
• Research Findings (IfU and Quality Austria)
  – Conflicts between Quality Perceptions
• Conclusions
• References
Good Company Quality is the ultimate Goal

• In absence of good Company Quality the company is losing
  – Energy,
  – Freedom of Action and
  – Direction.

• Company Quality represents the ability of the company to act according to the requirements.

• Quality is free! (Source: Philip B. Crosby)

• You have to act according to the situation you are in and according to your leadership mandate. (Source: Lawrence Stybel and Maryanne Peabody)
Defining the Situation

The Four Energy Zones

Intensity of Company Energy

<table>
<thead>
<tr>
<th>High</th>
<th>Aggression-zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Resignation-zone</td>
</tr>
</tbody>
</table>

Quality of Company Energy

<table>
<thead>
<tr>
<th>Negative</th>
<th>Comfort-zone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Heike Bruch/Sumantra Ghoshal)
Research Findings I

Dynamics of the Four Energy Zones

**PAST (- 3 years)**
- Aggression-zone: 24.3%
- Passion-zone: 15.7%
- Resignation-zone: 20.0%
- Comfort-zone: 40.0%

**PRESENCE**
- Aggression-zone: 42.6%
- Passion-zone: 23.5%
- Resignation-zone: 7.8%
- Comfort-zone: 26.1%

**FUTURE (+ 3 years)**
- Aggression-zone: 32.2%
- Passion-zone: 47.8%
- Resignation-zone: 1.7%
- Comfort-zone: 18.3%

(Source: 115 datasets of my research project, work in progress, cluster analysis, big and small companies in Austria 2006-2007)
### Most important Levers

<table>
<thead>
<tr>
<th>Variables</th>
<th>MV * Passion Zone</th>
<th>MV Aggression Zone</th>
<th>MV Comfort Zone</th>
<th>MV Resignation Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>1,62</td>
<td>2,75 **</td>
<td>2,28</td>
<td>3,11</td>
</tr>
<tr>
<td>Performance of compulsory duty</td>
<td>1,67</td>
<td>2,13</td>
<td>2,03</td>
<td>1,89</td>
</tr>
<tr>
<td>Personnel flow management</td>
<td>1,70</td>
<td>2,18</td>
<td>2,59</td>
<td>3,00</td>
</tr>
<tr>
<td>Performance of voluntary duty</td>
<td>1,81</td>
<td>2,98</td>
<td>2,59</td>
<td>4,05</td>
</tr>
<tr>
<td>Leadership</td>
<td>2,00</td>
<td>2,90</td>
<td>3,00</td>
<td>3,89</td>
</tr>
<tr>
<td>Energizing</td>
<td>2,00</td>
<td>3,08</td>
<td>2,97</td>
<td>4,16</td>
</tr>
<tr>
<td>Unleashing competence</td>
<td>2,85</td>
<td>2,88</td>
<td>3,86 **</td>
<td>4,11</td>
</tr>
<tr>
<td>Separating employees</td>
<td>3,07</td>
<td>3,18</td>
<td>4,59 **</td>
<td>4,26</td>
</tr>
<tr>
<td>Structure</td>
<td>2,56</td>
<td>2,17 **</td>
<td>2,93 **</td>
<td>3,16</td>
</tr>
</tbody>
</table>

* MV: Mean Value classification from 1 (very good) to 5 (very bad), 3 means mediocre

(Source: 115 datasets of my research project, work in progress, cluster analysis, big and small companies in Austria 2006-2007)
Three different Archetypes of Leadership

(Source: Lawrence Stybel and Maryanne Peabody)
Prepare for being good to great again

- Aggression Zone -
Company Quality and Agility

The Agility Triangle

Quality of Company Energy

(Intensity of Company Energy)

High

Aggression-zone

Passion-zone

Comfort-zone

Low

Negative

Positive

(Source: Heike Bruch/Sumantra Ghoshal modified by Christoph Hermann)

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Slide 9
Conflicts between Quality Perceptions

Three Zones – Three Quality Perceptions
- Quality means: acting according to the requirements -

<table>
<thead>
<tr>
<th>Asked Questions</th>
<th>MV * Passion Zone</th>
<th>MV Aggression Zone</th>
<th>MV Comfort Zone</th>
<th>MV Resignation Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>How fact based and concrete do we work on „quality“?</td>
<td>2,13</td>
<td>2,92</td>
<td>3,00</td>
<td>3,40</td>
</tr>
<tr>
<td>To what extent do we understand „quality“?</td>
<td>2,00</td>
<td>2,77</td>
<td>??</td>
<td>2,00</td>
</tr>
<tr>
<td>How well do our systems support the daily work?</td>
<td>2,27</td>
<td>3,77</td>
<td>??</td>
<td>2,44</td>
</tr>
<tr>
<td>To what extent does „quality“ stimulate our flow of energy?</td>
<td>1,60</td>
<td>2,46</td>
<td>??</td>
<td>1,89</td>
</tr>
<tr>
<td>How powerful is our communication regarding performance?</td>
<td>2,40</td>
<td>2,85</td>
<td>??</td>
<td>2,00</td>
</tr>
<tr>
<td>To what extent do we connect goals and execution?</td>
<td>1,67</td>
<td>2,46</td>
<td>3,44</td>
<td>3,40</td>
</tr>
</tbody>
</table>

* MV: Mean Value classification from 1 (very good) to 5 (very bad), 3 means mediocre

(Source: 42 datasets of a joint research project with Quality Austria, cluster analysis, big and small companies in Austria 2007-2008)
A good Chances and Risks oriented Quality Management needs

- to know what the leadership mandate is,
- a good and well communicated strategy,
- good execution,
- good leadership according to the required archetyp of leadership,
- a strong „personnel flow“,
- competence and willingness to separate from low performers,
- a high degree of spontaneous delivery of duties,
- well accepted systems and
- again and again the redefinition of strategic and operational goals according to the situation we are in.
Conclusions II

To put it in a nutshell

The Archetypes of the Leadership Mandates

- Good to be great,
- Continuity and
- Turnaround

require different types of Quality Management.

Good Company Quality means therefore the company should have a high company agility, which makes it possible to meet the requirements of the important Stakeholders and the situation the company is in.


Crosby, P. B. (1979): Quality is free, New American Library.


