

19TH – 21ST MARCH 2019

# FRAMEWORK FOR EXCELLENCE CONFERENCE

An official whitepaper explaining how to  
enhance standards and performance.

**“EXCELLENCE IN ORGANISATIONAL  
PERFORMANCE DOES NOT COME ABOUT  
BY ACCIDENT, IT IS THE RESULT OF  
DELIBERATE INTENT.”**



# EXECUTIVE SUMMARY

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The Manufacturing Institute are committed to enhancing manufacturing standards and performance across the board. As an organisation for manufacturers, by manufacturers, we believe that purpose-led approaches are the key to sustained improvement for operational excellence.

But this is not something that can be achieved through training or the application of tools alone. It requires a different mindset that takes time to implement, and it is an ongoing process that demands constant attention. To turn your business into an organisation powered by operational excellence, you first need to assemble an appropriate framework to guide your approach.

This is exactly what will be discussed in detail at The Manufacturing Institute's Framework For Excellence conference in March 2019. The biggest names and minds in the manufacturing sector will share the same room for three days, giving ambitious industry players the insight they need to start putting together their very own framework for excellence.

The following document puts the key stages of framework development – creating cause, mobilising movement, and community building – into context. These stages will all be discussed by a panel of manufacturing experts at the conference.

You can register your interest in the conference here:

<https://www.manufacturinginstitute.co.uk/framework-for-excellence-conference-2019/>

The future of manufacturing is a bright one. And you can be a part of it.

# FRAMEWORK FOR EXCELLENCE

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## FRAMEWORK FOR EXCELLENCE

The Manufacturing Institute have worked with thousands of organisations for more than two decades. During this time, we have gathered significant insight into which approaches are the most successful at increasing and sustaining the highest performance levels in today's complex business environment.

We meet many organisations who have already 'gone lean' or are in pursuit of 'operational excellence'. All of these businesses point to visual boards, standard work, floor markings, evidence of 5S shadow boards, and problem-solving techniques as improvement solutions. Whilst this is good progress, the reality is that many of these organisations are a significant distance from anything close to excellence.

These tools and techniques are designed to deliver results first and foremost, and this push for profit shifts the focus away from people and products. The organisation begins facing inward, employees focus on short-term gains, there is little innovation or alignment, silos build, and fear is prevalent.

In contrast, the pursuit of excellence requires taking your whole organisation on a challenging journey which requires a mindset shift: recognising employees as the co-creators and leaders of change rather than another tool. Transformation, therefore, is about believing in our capacity to adopt new behaviours at all levels of the organisation, and then intentionally designing and building the environment that makes sustainable change possible.

*"EXCELLENCE IN ORGANISATIONAL PERFORMANCE DOES NOT COME ABOUT BY ACCIDENT, IT IS THE RESULT OF DELIBERATE INTENT."*

# THE IMPORTANCE OF PURPOSE

## FRAMEWORK FOR EXCELLENCE

The success of transformation programmes is notoriously patchy. As many as 72% fail to be adopted or sustained, meaning massive investments yield little benefits. The main reason for this high failure rate is that people only change their behaviour when they understand and believe in the reason why they are being asked to do so. Even when we focus on the why, change for the sake of increased profit is less likely to motivate than change for the sake of betterment.

Our experience and insight has led us to conclude that the most successful approach in today's business and social environment is to find the deep meaning and purpose in the proposed change. This is key in developing the best approach and base for the transformation. Evidence shows that, in the long term, the best-performing organisations go beyond money, serving a purpose greater than financial returns.

When the majority of employees believe the primary purpose of the organisation is to make money, the

business will be forced to settle for mediocrity. Organisations driven by a purpose greater than money outperform their competition in terms of employee engagement – which ultimately leads to greater growth.

Successful, purpose-led transformation requires an art and science-based approach, focused on the people-related aspects of change as well as best practice tools and techniques of transformation management.

*“THERE IS AN INADEQUATE FOCUS ON THE ART OF TRANSFORMATION COMPARED WITH THE SCIENCE.”*

Many industries, such as the pharmaceutical and medical device sector, have already started on their purpose-led transformation journey. In recent years, organisations in these sectors have shifted their focus from doctors to patients.

This has allowed them to appeal to both the head and heart of employees with intrinsic motivators that form meaning and connection, instilling the desire in employees to contribute, achieve and develop.

In essence, an organisation is nothing more than a group of people coming together to fulfil a common purpose that cannot be achieved alone. The more leaders clarify and express what that purpose is, the more we position this group of people to succeed and thrive in their cause.

# PERFORMANCE THROUGH PURPOSE

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## FRAMEWORK FOR EXCELLENCE

According to LinkedIn's 2016 global study, Purpose at Work, purpose-led employees have higher levels of engagement and fulfilment in their work. According to the 2016 Deloitte Millennial Survey, almost nine in ten (87%) millennials across the world believe that "the success of a business should be measured in terms of more than just its financial performance".

What's more, according to a six-year research project performed by researchers and authors Jim Collins and Jerry Porras, all companies built to last will have a purpose beyond making money. In Corporate Culture and Performance, authors John Kotter and James Heskett measured stock prices over a decade-long period and found purposeful companies outperform their counterparts by a factor of 12.

The evidence is overwhelming. Purpose-led transformation drives improvement and growth. Uniting people behind a common cause creates a host of new opportunities to improve efficiency and enhance customer value by harnessing the energy of people throughout the organisation.

In addition to employees, our stakeholder expectations are changing as customers and investors increasingly seek deeper reasons to engage with companies. Crucially, purpose should act as a north star for decades to come, lasting well beyond the tenure of leadership.

Defining a genuine purpose – the why – behind your transformation is the starting point for successful transformational change and for motivating employees to join the journey, enabling personal growth and building a community that is built to last.

*"TO GENERATE  
EXTRAORDINARY  
PROFITS, YOU MUST  
FIRST HAVE A FOCUS  
ON THAT WHICH IS  
BEYOND PROFITS."*

# A FRAMEWORK FOR EXCELLENCE

## FRAMEWORK FOR EXCELLENCE

So, as we can see, organisations with a purpose clearly have a competitive edge. But how do leaders change purpose from a noble ambition into something that is lived every day? How do they inspire teams to not just buy into this ambition, but pro-actively carry it forward?

Our direct experience of supporting clients in their pursuit of excellence found there to be three distinct phases to a purpose-led transformation journey:

PHASE 01



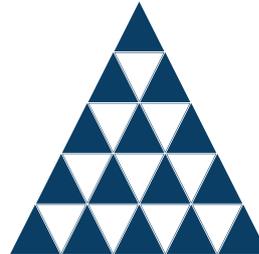
**CREATE  
THE CAUSE**

PHASE 02



**MOBILISE  
THE MOVEMENT**

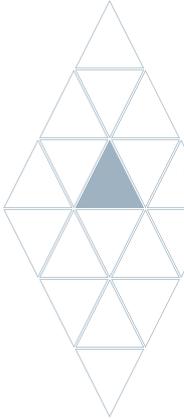
PHASE 03



**BUILD  
THE COMMUNITY**

*"THE CHALLENGE IS TO DEFINE IT, EMBED IT SUCCESSFULLY, AND USE IT TO SPUR BETTER PERFORMANCE."*

These phases constitute an infrastructure for change that form the core focus of The Manufacturing Institute's Framework for Excellence Conference. But what does each stage involve?



# CREATE THE CAUSE

## CREATE THE CAUSE

If someone asked your team “What’s the purpose of our organisation?”, how would they answer?

To be a purpose-led organisation, you first must create your cause – the reason to which people feel committed and are prepared to defend or advocate.

You need to be crystal clear about why you exist, and ensure that your whole workforce knows, understands and believes it too. Many organisations are defined only by what they do and how they do it. Not understanding the why will negatively impact your ability to align strategy and culture.

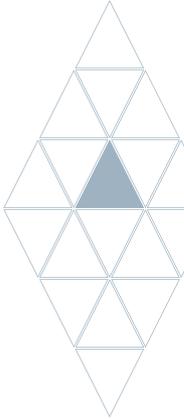
## UNDERSTANDING LEADERSHIP

Part of the challenge to becoming purpose-led is recognising what leadership actually is, reflected by the fact that too many organisations are over-managed and under-led. The role of leadership is to chart a course that people willingly decide is a journey they want to be a part of. It needs to be as motivating as it

is inspiring – something bigger than themselves, where they can make a significant impact and feel a sense of belonging.

This sounds like a huge responsibility, and it is. For this reason, the onus of purpose-led transformation should not fall into the hands of just one leader within the business. Change cannot happen without consensus, so engaging the broad organisational leadership group is essential to initiate and reinforce collective leadership. Collective leadership requires everyone to take responsibility for the success of the organisation as a whole.

Taking collective action does not mean everyone does everything together or that all decisions have to be made as a unit. It means that, by having a shared purpose, each person can determine how best to contribute, as well as what compromises need to be made for the greater good of the whole organisation.



# CREATE THE CAUSE

## CREATE THE CAUSE

### FINDING A PURPOSE

Defining purpose is not the responsibility of leadership. Purpose must be found through consultation with all employees to ensure it's true and authentic. It should be recognised by leaders as the opportunity to build a better working environment to inspire, motivate, and align human energy across the organisation to a singular cause.

Purpose then becomes the foundation of the business strategy and must be fully embraced by the whole leadership team – not just one ambassador for change.

Start with a sense of purpose and possibility, what it is you are seeking to create, and why it matters. Involve your people in the process; let them tell stories, help them re-connect to their work. This is the start of the journey to employee ownership – one which inspires and motivates people to act through the process of co-creation.

*“PEOPLE SUPPORT WHAT  
THEY HELP BUILD.”*

### A COMPASS FOR THE FUTURE

Purpose should not only define the organisation now – it should be a compass for the future. It should not be defined in terms of financial performance or providing particular types of products or services, but should be based instead on the fundamental human needs being addressed by the organisation's products and services. It needs to challenge leaders and employees, influence decision-making and strategy, and push employees to improve.

Consider “Our purpose is to increase EBIT year-on-year” versus “Our purpose is to improve the lives of disadvantaged children”. To which purpose would employees be more emotionally engaged or develop the better systems and products?

*“WITHOUT A CAUSE THERE IS  
NO EFFECT.”*



# MOBILISE THE MOVEMENT

## MOBILISE THE MOVEMENT

An organisation without purpose manages, whereas an organisation with purpose mobilises. Purpose-led businesses harness the goodwill of the community as well as the involvement of its people.

Organisations make the common mistake of coming up with a purpose in the boardroom and then inviting employees to a large rallying event to get them motivated about the future. Often, though, employees find current policies and processes to be contradictory to the new behaviours they are supposed to perform.

Research conducted by Populus polled a representative sample of 1,000 workers where 42% said their company does not act in line with its purpose and values. Purpose cannot be good intentions and lip service – it must be brought to life.

It is not enough to think employees will change their habits if they believe more in the change. This is about behaviour alteration – connecting with employees in an empathetic way. This won't happen overnight and is a movement that requires fuelling while it takes on its own momentum. Until employees understand and begin to believe in your organisation's purpose, they will not own it. You must show that

you are taking purpose seriously by making real changes to systems, processes and policies. You must provide examples of your purpose in action, develop behavioural principles on dos and don'ts, and introduce measurements that demonstrate positive impact. Only then will you build the emotional connection with employees.

*“MUCH OF EMBEDDING PURPOSE INTO YOUR CULTURE REVOLVES AROUND STORYTELLING.”*

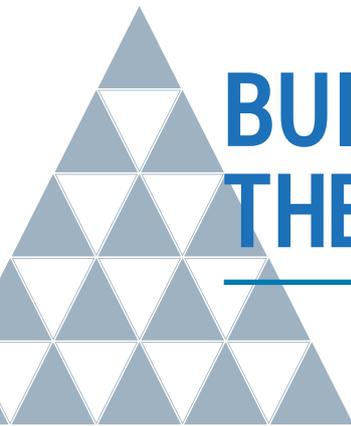
Leadership must act as the catalyst for change and be a role model for the expected behaviours. Collective leadership needs to be demonstrated by working together and being aligned with the purpose. Leaders must articulate the purpose and future aspirations if they are to gain followers. In this instance, people shouldn't follow the leader, but rather follow the purpose and vision for the future. This is key to the mobilisation process and ensures the purpose is greater than any one individual, transcending the tenure of leaders.

*“TRUE LEADERS HAVE NO FOLLOWERS”*

For movement to build, followers must be encouraged to contribute creatively to the process. They must be supported in speaking their mind, and everyone's opinion and ideas must be sought and valued. Leaders must become coaches, providing support and personal motivation to help employees reach the organisation's goals. Only through increased involvement and engagement in the co-creation of the future will employees take ownership and accountability for their performance.

Purpose must be lived and breathed and fully integrated into the operational realm of the organisation. It must work with the business levers such as strategy, goal deployment, operations, talent, recognition, development and innovation. Purpose acts as the glue that joins these together, providing the focus to which organisational alignment can be achieved.

*“PURPOSE IS THE GLUE THAT BINDS AND HOLDS EVERYTHING TOGETHER AND THE ONE THING THAT UNITES AN ENTIRE ORGANISATION.”*



# BUILD THE COMMUNITY

## BUILD THE COMMUNITY

Community is where the whole organisation comes together around a common meaningful purpose and works passionately towards its successful fulfilment. Great companies have a strong sense of community amongst their employees, aligned around a shared purpose.

For purpose to matter to employees, the staff themselves need to matter. Therefore trust, respect and genuine concern for employees is the bedrock of a community. When employees feel secure and comfortable, they open themselves up to learning and will invest in the community. The more an employee feels part of a community, the more engaged they will be.

*"WE MUST MAKE A PARADIGM SHIFT FROM SEEING EMPLOYEES AS HUMAN RESOURCES TO THAT OF HUMAN CAPITAL IN WHICH WE INVEST."*

## FOSTERING A SENSE OF COMMUNITY

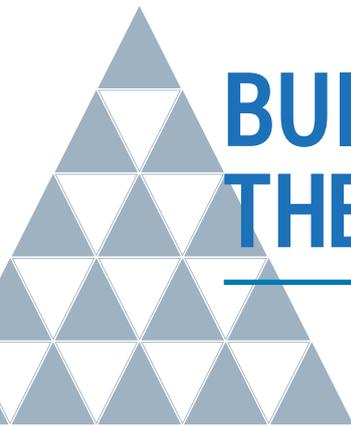
Community is a process of evolution. It must occur naturally and be nurtured through careful stewardship. Leaders must consciously develop a working environment that is both physically and emotionally safe, where people can speak freely without fear of judgement or reprisal: an environment that encourages dialogue, respects differing opinions and actively seeks out innovative ideas and solutions.

This requires strong and well thought-out support systems which remove barriers that often derail collaboration, enabling individuals to come together to achieve the organisation's goals. Leadership's challenge is to literally transform individuals into a high-performing community who want to be at their best – feeling valued and enthusiastically celebrating one another's successes.

*"THE HARDER YOU WORK TO MAKE PEOPLE FEEL VALUED, THE HARDER THEY WILL WORK FOR THE ORGANISATION."*

Rather than merely issuing tasks and deadlines, leaders must build opportunities to purposefully engage with employees in order to motivate and inspire. This requires a shift from a communication mindset to one of conversation, building a coaching culture in the workplace that better positions organisations to grow and nurture talent.

Employees should be encouraged and supported to learn new skills so they become greater assets to the company. Renewed focus should be given to processes such as leader standard work, performance reviews, 1-2-1 coaching, career plans, empowerment, growth and development. Through these systems, leaders are responsible for removing the roadblocks that prevent teams and individuals from doing their best work.



# BUILD THE COMMUNITY

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## BUILD THE COMMUNITY

### DEFINING A COMMUNITY

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Leaders must consider the environment and culture in which the community will best function. This means clearly articulating the behavioural characteristics that define the way in which the community will attract, engage, encourage, grow and retain its employees. Start by recruiting the right people in the first place, and focus on their values and behaviours.

The training of new employees is key to early engagement. Ensure staff understand the organisation's long-term goals and aspirations right from the start, as well as how their individual goals align with those of the organisation.

In order for employees to feel truly part of a community, they must also feel appreciated. Work towards a culture of recognition, where appreciation and gratitude are part of your daily interactions. These are some of the most important steps you can take to ensure employees are engaged in community.

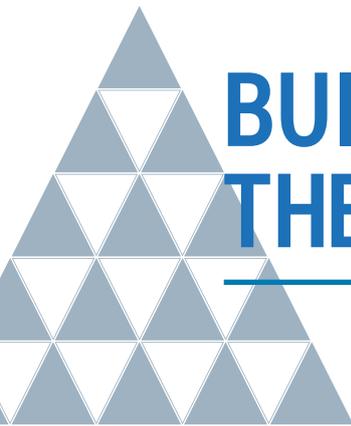
*"CATCH PEOPLE DOING THINGS RIGHT AND THANK THEM FOR THEIR EFFORTS NO MATTER HOW SMALL."*

### GROWTH THROUGH PEOPLE

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Leaders will need to work with employees to co-create the conditions for improvement and growth in organisational performance. This may be through idea-generation systems, tools and techniques of continuous improvement, or more through a daily management system. Most sustainable improvements occur when employees discover their own power to act, with improvement becoming part of the daily work in pursuit of the purpose. Because employees know what the organisation's goal is, they can increasingly use their initiative and make their own decisions.

If you're not investing in people, you're not investing in the future of your business.



# BUILD THE COMMUNITY

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## BUILD THE COMMUNITY

Don't let getting the job done now let you lose sight of this fact. Talented people are your most precious commodity and they're vital to achieving the organisation's purpose.

Employees need to feel that they are continuously growing and developing, both personally and professionally.

Alongside educational assistance, focus on employee development in a few different ways. You might add new duties to the employee's position to prevent boredom, allow room for growth in the position, or offer a job rotation programme so employees do different tasks every so often.

Promoting from within is another way of demonstrating your organisation's willingness to support career advancement, which strengthens engagement at all levels. According to a Workforce 2020 survey, 34% of employees named career development opportunities as a key factor to increasing workplace loyalty and engagement, while 31% cited training opportunities.

You may consider extended vacations and sabbaticals, or leverage the expertise in your company by holding seminars taught by senior leaders and employees. Incentivise health-conscious choices, like biking or walking to work, or by providing gym and well-being facilities.

How do you know you have arrived? When an awareness that the whole is greater than the sum of its parts grows, and employees actively take responsibility for the organisation's goals as well as their individual contributions. Only then have you built a purpose-led community that is built to last.

# SUMMARY

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We must not be held back by old thinking. We need to be clearer on how we encourage organisations to become high performers. The trend is undeniable – purpose drives performance – and the intent of this paper is to help you develop a greater understanding and awareness of the power of purpose and its relevance to today's business environment.

*"THE DIFFICULTY LIES NOT IN DEVELOPING NEW IDEAS BUT IN ESCAPING FROM OLD ONES."*

High-performing organisations embody a culture of purpose. Our own body of knowledge, and that of general research, shows purpose-led organisations have greater levels of employee engagement and agility through the collective energy of a purpose-led community.

Collective leadership is essential to its success, building and strengthening the systems for co-creating sustainable change, aligning strategy with operations, and providing the enablers for innovation, growth and change.

Our learning is distilled into this simple approach and framework: Create the Cause, Mobilise the Movement and Build the Community. This is exactly what we explore in our upcoming Framework For Excellence conference:

<https://www.manufacturinginstitute.co.uk/framework-for-excellence-conference-2019/>

The conference will address creating cause, mobilising movement, and community building in greater detail, offering business owners the opportunity to come forward with any questions and enjoy insightful answers from some of the brightest, most experienced minds in the industry.

You can register your interest here: [www.manufacturinginstitute.co.uk/framework-for-excellence-conference-2019/](http://www.manufacturinginstitute.co.uk/framework-for-excellence-conference-2019/), and if you have any questions, don't hesitate to get in touch with our team. We'll be happy to tell you more about the conference arrangements.

It's set to be an invigorating event, and is guaranteed to be the day you look back upon as the most pivotal moment in your organisation's journey.

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THE  
MANUFACTURING  
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