



P O L I C Y

Section: Organizational Effectiveness

Subject: Organizational Excellence and Quality

Approved By: DENR Secretary

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Revised:

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I. Purpose

Ensure DENR's organizational excellence by continuously improving the effectiveness, efficiency, and quality of its operations. To provide a method of adhering to mission accomplishment through the involvement of all employees with a focus on services exceeding our customers' expectations.

II. The Organizational Excellence Goal and Program

The program to achieve organizational excellence in DENR includes six (6) components: Leadership, Employee Competency and Satisfaction, Strategic Planning, Customer Satisfaction, Information and Analysis, and Continuous Process Improvement.

A. Leadership: Department and Division

It is the responsibility of Department and Division leaders to set the operational direction to meet the Organizational Excellence Goal. The leadership at all levels are responsible for building and sustaining a leadership system conducive to high performance, individual

development, initiative, organizational learning, and enhanced customer satisfaction. Specific roles and responsibilities of leadership include:

1. Quality Leadership Team (QLT)

- a. The QLT will be composed of senior DENR leadership to include:
 - (1) Department Secretary
 - (2) Deputy Secretary Operations
 - (3) Deputy Secretary Policy and Programs
 - (4) Assistant Secretary Environmental Protection
 - (5) Assistant Secretary of Natural Resources
 - (6) Director of Organizational Effectiveness and Quality
 - (7) Chiefs of Implementing Divisions
 - (8) Legislative Liaison
 - (9) Director of Public Affairs
 - (10) Department Legal Counsel
 - (11) Others designated by the Department Secretary

The QLT is responsible for implementing the Quality Policy and providing strategic direction for guiding the Department's quest for organizational efficiency and sustained quality, including:

- (1) establishing, tracking and evaluating the effectiveness of the Department's Strategic Plan,
- (2) championing systemic change,
- (3) linking with Division Steering Teams to ensure:
 - (a) continuity of direction and leadership focusing on quality improvement and specified priorities across all Divisions,
 - (b) monitoring and evaluating continuous improvement results, and
 - (c) integrating best practices among Divisions.
- (4) promoting quality awareness at all levels of the Department,
- (5) communicating progress and successes to the organization and its customers, and
- (6) supporting organizational excellence efforts through resourcing improvement initiatives, developing organizational and individual competencies, and focusing on identified core operations and processes.

2. Quality Guidance Team (QGT)

- a. The QGT is composed 14 members who represent the three (3) main program areas of the Department- Environmental Protection, Natural Resources, and Administration. The Director of Organizational Effectiveness and Quality also sits on the team as DENR's coordination resource.
- b. The QGT is responsible for assisting the QLT in implementing quality practices in the field. The QGT is responsible for assisting divisions in obtaining resource support for organizational excellence initiatives to transition to a quality-based method of operations. Specifically, the QGT is responsible for:
 - (1) representing the needs and concerns of the field to the QLT,
 - (2) identifying technical assistance and resource support needed for Steering and Process Improvement Team initiatives.
 - (3) developing formal Implementation Guides and assessment/survey methods to assist Divisions and Process Improvement Teams.
 - (4) ensuring that the Divisions' Plans support the priorities of DENR's Strategic Plan.

3. Division Steering Teams

The Division Steering Team provides continuity, leadership, and guidance to division improvement efforts by focusing on linking division initiatives to the Department's plan for implementing organizational excellence and continuous quality improvement.

Division Steering Teams will:

- a. be established in each Division implementing quality methods and practices,
- b. be composed of Division leadership and employees as established by the Division Director,
- c. be reflective of QLT responsibilities at the Division level, and

- d. meet regularly to advance quality improvement and to develop supporting plans and initiatives, and
- e. develop a system of division review of process and performance improvement success.

B. Employees

The Department's employees are a critical strategic asset. Employee (as well as Department) success depends on their knowledge, skills, abilities, and motivation. Our work force must be given the opportunity to learn and practice new skills critical to achieving the vision of organizational excellence. Most importantly our employees must be recognized for their contributions to DENR's success.

The Department will create an environment that encourages employees to realize their fullest potential and to pursue high performance and continuous improvement within the work place. This will be accomplished by:

1. recruiting, selecting, and retaining the best qualified employees,
2. providing individual and organizational competency-based training with career development opportunities for all employees,
3. increasing employee empowerment, involvement, and innovation in the work place,
4. encouraging and rewarding employee contributions and successes through formal and informal recognition systems,
5. measuring employee satisfaction on a regular basis and establishing action plans to address organizational and employee issues
6. enhancing open communications throughout the Department, and
7. encouraging decision making at the lowest level possible.

C. Strategic Planning

1. Strategic planning provides biennial systematic planning at the Department and Division levels. The Department and Divisions must have an integrated strategic planning process that incorporates quality requirements into overall organizational planning. Each plan must include strategies for:
 - a. achieving a defined vision of the future,

- b. setting focused, short, mid, and long-term directions for quality leadership, operational high performance, and customer satisfaction goals, and
 - c. translating those directions into clear actions and implementation plans.
- 2. The Strategic Plan will include:
 - a. Mission
 - b. Vision
 - c. Purpose
 - d. Values
 - e. Goals (or Priorities)
 - f. Objectives (or Target Areas)
- 3. Each Division's plan will be linked and aligned with DENR's Strategic Plan as well as to individual employee work plans.
- 4. The Division Strategic Plan should be tracked, monitored, and measurable results reported regularly to the QLT and as part of the Department's Management Review System. Division plans will be tracked, monitored, and section results reported to the Division's Steering Team or Director.

D. Customer Satisfaction

To provide a level of customer service that exceeds our customers' expectations, DENR will develop and define customer service criteria (values) in a Department Customer Service Policy. In turn, each Division will identify all customers and suppliers related to their core processes and products. Further, Divisions will identify customer expectations through direct contact, systemic survey. Further, Divisions will develop a system to measure customer satisfaction. Finally, Divisions will consciously attempt to exceed customer expectations of services and products.

E. Information and Analysis

- 1. Measurement

The use of data, analysis, and measurement shall be the primary means in developing information to support Department and Division decision making in:

- a. strategic planning,

- b. process and performance improvement (effectiveness and efficiency),
 - c. customer satisfaction,
 - d. employee development and satisfaction, and
 - e. Program outcomes (including but not limited to PPB measures).
2. Benchmarking
- Comparisons, benchmarking information, and data will be used to drive improvement of processes and performance. Quantifiable data will be the principle driver of operational and resource decisions.
3. Organizational Analysis
- Regular Organizational Assessments, based on the Public Sector Performance Excellence Criteria, will be used to determine progress towards organizational goals and to develop action plans that focus on improving operations and products.
4. Management Review
- A Department and Division level system of regularly scheduled management reviews that measure progress in meeting established work priorities and improvements in effectiveness and efficiencies will be established as the main method of ensuring accountability in meeting DENR's organizational excellence objectives.

F. Continuous Process Improvement

It is imperative that the Department and each Division continuously review and improve core and critical processes. This evaluation considers all process variables including people, technology, tasks, methods, and environment that produces a given product or service.

- 1. Process Management
 - a. The Department and each Division shall identify, prioritize, and improve core and critical processes.
 - b. Divisions will use data and benchmarking techniques in assessing process and organizational performance.
- 2. Process Improvement

- a. Process Improvement Teams will be the principal method for increasing process or program performance.
- b. Divisions will seek input from those who use or are affected by the process (customers, suppliers, and stakeholders) when conducting either process improvement or designing a new process or service.
- c. Process Improvement Teams may be formed when:
 - (1) The task is complex, relates to a strategic area, and is important enough to justify the time invested,
 - (2) there is no crisis and time is available for team development,
 - (3) the task or process is cross-functional, and
 - (4) the path to proceed is unclear with no prior mandated outcome or solution.
- d. Teams will use quality management, problem solving, and planning tools in making process improvements.
- e. Leadership will consciously strive to support implementing Process Improvement Team and New Service Design Team decisions.

III. Glossary of Terms

BENCHMARKING – Looking outside the immediate organization, public and/or private sectors, to find out how those who are best-in-class do the same thing, and then adopting those standard as a benchmark of excellence to be met or, better yet, exceeded. Subjects that can be benchmarked include strategies, operations, processes and procedures.

BEST PRACTICES – Those practices, strategies, and operations, processes and procedures that result in the best performance among similar practices, strategies, operations, processes and procedures.

COMPETENCY-BASED TRAINING – Specific training which focuses on the knowledge and skills required to do a job or a core process.

CONTINUOUS IMPROVEMENT– The on-going improvement of products, services, or processes through incremental and breakthrough improvements.

CORE PROCESS- A process most important to an organization's customers and the organizations' mission success.

CRITICAL PROCESS – A process most in need of improvement.

CUSTOMER – Any client, constituent, or user of the product or service. It is anyone with a personal stake in the outcome of the process. Customers may be:

- *external* - persons outside of the organization who receive the products or services, or
- *Internal* - persons within the organization who receive the outputs, products or services of a process.

EMPOWERMENT – Providing employees with all the required information, knowledge, resources and flexibility to make operational decisions that are needed to perform their assignments commensurate with their position.

GOAL – Very general statement, one sentence, no numbers, or measures. It is the end towards which an effort is directed. Goals generally take 6+ years or longer to meet.

INNOVATION – Developing new and creative strategies for increasing efficiency, effectiveness, and customer satisfaction.

LEADERSHIP – Every person in the department or division who sets direction and builds and sustains a working environment based on high performance, individual development, initiative, and organizational learning.

MEASUREMENT (METRICS) – Gathering and analyzing quantifiable data to make decisions or to determine the effectiveness and efficiency of processes, programs, and their outcomes.

MISSION – Defines what an organization does and for whom.

OBJECTIVE – A specific statement that is clearly linked to and supports a goal. Objectives follow a **SMART** format: Specific, **M** measurable, **A**ssigns action responsibility, is **R**ealistic, and is **T**ime based. An objective focuses on *outcomes* (program results, impacts), not activities (what goes into a program and what it produces). An objective generally *takes one to five years* to accomplish. It has both a *target* (the amount--how much, time or both to accomplish the objective), and a *measure* (how you measure the objective, the method of collection).

ORGANIZATIONAL ASSESSMENT – Assessment conducted by the department or divisions to determine gaps in effectiveness and efficiency.

PROCESS – The grouping in sequence of all the tasks directed at accomplishing one particular outcome. It is the combination of people, machines and

equipment, raw materials, methods, and the environment which produces a given product or service. For example, the steps in ordering equipment.

PUBLIC SECTOR PERFORMANCE EXCELLENCE CRITERIA – Public sector section of the North Carolina Performance Excellence Criteria. The North Carolina Performance Excellence Criteria is used by business, education and public sectors to assess and improve overall performance in seven key areas as a part of today's management practices: leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process management, and performance results. The North Carolina Performance Excellence Criteria is based on the Baldrige Criteria for Performance Excellence.

PURPOSE- A short description of why an organization is unique and can not be duplicated by any other organization.

QUALITY GUIDANCE TEAM (QGT) - The QGT assists in implementing the QLT's vision and requirements for Organizational Excellence. The QGT provides assistance to divisions in obtaining the means and methods used to meet the Department's Organizational Excellence Goals. The QGT promotes the concept and benefits of quality-based management and high performance methods.

QUALITY LEADERSHIP TEAM (QLT) – Senior department and division management who are responsible for developing the Department Quality Policy and providing direction for leading and guiding the organizational excellence change initiatives.

QUALITY MANAGEMENT- Both a philosophy and a set of guiding principles that represents the foundation of a continuously improving an organization. It applies human resources, problem solving, planning, and quantitative methods to improve the processes and services within an organization and the degree to which the needs of the customer are met now and in the future. It is a management approach to long-term success through demonstrating integrated high performance with measurable outcomes at all levels of the organization.

STRATEGY – A sentence or paragraph that lists all the activities that go into achieving the objective, regardless of the year the activities will be accomplished.

TEAM – A group of individuals working together toward a common goal. A Process Improvement Team (PIT) is a group of individuals working together to make an improvement or solve a problem with an existing process. A New Service Design Team is a group of individuals working together to produce a new process or service.

TRENDS AND IMPLICATIONS – Description of internal and external trends affecting the department and/or division based on strengths, weaknesses, problems, and opportunities. Trends affecting the department and/or division's goals must be broad and supported by evidence. Implications of trends include

projected changes in revenues or other factors affecting the department and/or division's ability to provide services or expected changes in demand for your services.

VALUES – The common beliefs, principles, ideals or standards that exist in an organization—what the organization's members care most about. Values guide decision-making and action in the organization. They enable management and employees to make decisions and take actions that are consistent with the organizational objectives and help the organization to achieve its Vision.

VISION – A picture of where the organization is trying to go and what it will look like when it gets there. The vision should be externally focused for everyone, simple, memorable, compelling, persuasive, actionable, permanent, and measurable.