

MODEL OF SUSTAINABLE ORGANIZATION (MoSO)

Sustainable organizations are enduringly successful,
yet not all successful organizations will endure or are sustainable

How sustainable is your organization?



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How sustainable is your organization?

A Sustainable organization strives to build a sustainable long-term future by making a positive impact on the society and the environment in which it lives and works.

The Essential Elements of a Sustainable Organization

Customers

Operations

People, culture, leadership and management

Societal influences and learning

The environment

Continual improvement and innovation

The three voices (VoC, VoS, VoP)

Essential interactions/communications and collaboration

These elements are underpinned by a set of sustaining principles and values.

MoSO is a new way to look at organizations; a way which addresses the needs and aspirations of our time. At its heart is a model, yet it is so much more than that. MoSO is a holistic or systems-thinking approach that sets out to show that all organizations, of whatever type or size, exist within a context bounded by the environment, the society in which they live and work, their culture and their leadership style. All of which influence the operational performance of the organization and its effect on the environment.

MoSO currently has three areas of activity:

1. The MoSO website which is an open source, free to use, resource hosted by our sponsors, The Chartered Quality Institute at: www.thecqi.org/moso.

On the website there are videos, presentations and over 25 easy to read articles including case studies and suggestions for how MoSO may be used.

2. The MoSO Community offers a shared learning experience for those who wish to work co-operatively to continue to develop and enhance MoSO.

3. MoSO Support offers tailored advice and support for individuals and organizations. Support may include consultations, facilitation, master classes and workshops.

The inspiration for MoSO

MoSO was started in 2007 by members of the Deming Special Interest group (DemSig) of the Chartered Quality Institute. The group wanted to make Dr Deming's work, which was so instrumental in the second half of the 20th century in the transformation of Japanese and Western industry, more accessible to today's world. After all, Deming himself was a lifelong learner and would undoubtedly have continued to enhance and update his work had he been living today. In so doing, the group embraced the work of other significant thinkers on such subjects as organizational development and leadership. We call this approach Deming++.

The group penned the term **The Sustainable Organization** as a focus for their work having decided that societal and environmental concerns were a logical extension to Deming's latter-day thinking and critically important to achieving sustained success.

What is a sustainable organization?

A sustainable organization

meets the needs and aspirations of our times; putting emphasis not only on financial security, but on the social and environmental management of its operations as a coherent strategy for long-term success.

A sustainable organization is an organization, of any type or size, which strives to build a sustainable long-term future by making a positive impact on the society and the environment in which it lives and works.

The words *society* and *environment* are used in their widest sense – the precise meaning being determined by individual organizations.

Sustainable organizations see the management of societal and environmental impacts as essential elements of organizational learning and long-term success. There are three important thoughts at the heart of a sustainable organization: **long-term**, **joined-up**, and **collaboration**.

- **Long-term:** (success): When people believe that an organization has a long-term future they are more likely to want to contribute their skills, their enthusiasm and energy, their financial support, etc. – and want to play a part in that future.
- **Joined-up:** All too often, important decisions concerning one or more of the essential elements of an organization are made in isolation (so called silo thinking). Identifying connections and interactions to understand the whole situation – taking a joined-up approach – can enhance decision making and customer satisfaction.
- **Collaboration:** Rarely can anything substantive be achieved in isolation – whether it is as individuals, departments, functions, even organizations. Some degree of collaboration (toward a common aim) is essential. A sustainable organization extends collaboration into the society in which it lives and works and into the environment – perhaps collaborating with a network of other organizations (private, public and voluntary) to achieve substantive benefits – all the time learning from the experience and bringing new ideas and skills to play in its own success.

Why do we need sustainable organizations?

There are three compelling reasons,

1. Today's business environment is becoming ever more complex.
2. Existing models with their focus on short-term 'financials' and shareholder value at any cost are failing to meet the aspirations and needs of society and individuals.
3. We are living in a time of harsh economic realities epitomized by "cuts-cuts-cuts" and 'do more with less' – not to mention big questions about the Big Society and its impact on organizations.

In the face of these compelling reasons, leaders and individuals in organizations that aspire to do more than just survive are saying, "**There must be a better way**" as they look to build a sustainable, long-term future.

Organizational sustainability is a challenge and a journey not a prize

Organizational sustainability cannot be won like a prize or a certificate on the wall. It's a journey, a direction of travel.

It's also a challenge and a provocation that requires joined-up thinking, engaged people and sustained, committed leadership.

It's certainly not a prescription!

Join the challenge today

Take a look at the MoSO website at www.thecqi.org/moso

What are the benefits of accepting the MoSO challenge?

1. It promotes a fresh and innovative way to lead and manage an organization.
2. It provides new insights into the way that organizations work.
3. All stakeholders – employees, suppliers, customers, community and the environment – benefit over the long term.
4. It stimulates improved motivation by giving everyone a stake in the future success of the organization.

MoSO challenges you to ask powerful questions

For example,

- To what extent is our organization sustainable – and how can we know?
- What would our MoSO look like?
- What strategies do we have in place for each of the essential elements?
- Do they work together as a whole, focused on a common aim?
- Are there gaps, inconsistencies or opportunities?

Individuals and organizations will arrive at their own unique answers. **This is why MoSO is not a prescription.** Nor is the model perfect. We want people to use it, to join in the thinking and to contribute.

The model of a sustainable organization (MoSO)

At the heart of the thinking that underpins MoSO and organizational sustainability is a generic model (some use the word “framework”) that gives a visual image of the essential elements of a sustainable organization and how they fit together to form a cohesive whole.

But be warned, this is not a “conventional” or linear input-output process type model. Today's organizations don't work like that – they are more complex and each organization is unique. This does not mean that MoSO is in itself complex – it isn't, it's just that at first sight it looks different.

The generic MoSO is used as the starting point for organizations to develop their own model – letting them see the big picture and join the dots. It's the act of mapping strategies, policies, processes and relationships onto your own MoSO that identifies your organization's path towards sustainability.

The model and its essential elements

There are two versions of the model:

the **Basic** model

the **Enhanced** model
which builds upon the basic model.

The essential elements of the MoSO model

Customers

Your operations

People, culture, leadership
and management

Societal influences/learning

The environment

Continual improvement
and innovation

Essential interactions/communication
and collaboration.

**The enhanced model
incorporates the three voices:**

Voice of the customer

Voice of the people

Voice of the system.

MoSO is a holistic (or systems-thinking) approach that sets out to show that all organizations, of whatever type or size, exist within a context bounded by the environment, the society in which they live and work, their culture and their leadership style. All of which influence the operational performance of the organization and its effect on the environment.

Note that our working definition of a model is:
“a simplification of reality intended to promote understanding and learning.”

Therefore the model is not intended to be prescriptive, nor is it perfect. As George Box said: “All models are wrong but some are more useful than others.” So mind the gap.

MoSO is constructed from the set of essential elements shown in the left hand panel. It can be used at any level in an organization, eg at an overall organization level, at a department/functional level and even at an individual level – highlighting the importance of relationships between all the essential elements in any given situation.

MoSO PRINCIPLES

The essential elements are underpinned by a set of sustaining principles.

Principle 1: Customer focus put into practice through an understanding of customer needs and expectations.

Principle 2: Systems thinking, taking the approach to understand the whole situation in perspective – the woods and the trees.

Principle 3: Everyone’s daily work viewed as a seamless flow through the organization to produce outcomes valued by customers with the minimum of waste.

Principle 4: Wisdom from data (both numbers and language) to guide decisions and actions.

Principle 5: Leadership that is inspiring and visionary and guides change towards a better future.

Principle 6: An openness to learning that drives continual improvement and innovation.

Principle 7: Protection of the natural environment.

Principle 8: Respect for people and society.

The intent is for users to build on these principles and make them their own – perhaps using wording that has a better meaning within their organization or sector.

Building the basic model: *element by element*

CUSTOMERS

Customers are the fundamental element of every business or public sector organization. They are the reason it exists. Meeting or exceeding the needs and expectations of customers (clients, patients, constituents, etc.) is essential for sustained success and consequently for jobs, profits or dividends.

Customers' needs,
Partners &
Suppliers

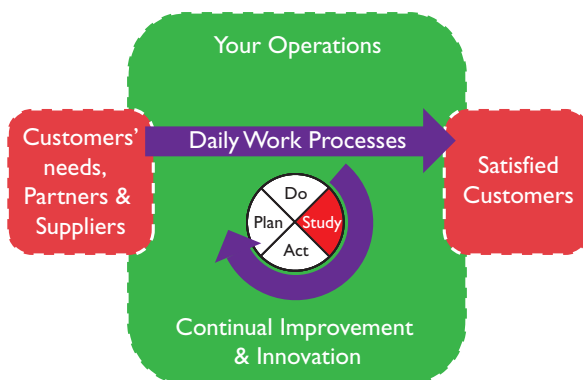
Satisfied
Customers

The “customers” element is split into two parts recognizing that all work, whether daily work or improvement work, starts and finishes with the customer.

Customers are a distinct element in MoSO since they provide the unique focus for the organization. They provide alignment for everyone within all organizations.

YOUR OPERATIONS

The two parts of the “customers” element are joined together by “your operations”.



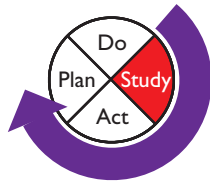
MoSO uses the term “operations” to describe all work performed by an organization – *your* organization – to provide products and services that satisfy and exceed customer expectations. Continually evolving customer needs and expectations must be satisfied for any organization to continue to exist and prosper. Every organization’s operations (ways of working) are unique - and it is this uniqueness that differentiates one organization from another.

MoSO has two key features related to *your* operations:

1. Work processes are viewed as an *end-to-end* flow or system, from customer needs to satisfied customers – thus creating a seamless, rapid flow of work and information through the organization
2. An embedded method for systematically driving continual improvement and innovation keeping pace with ever – evolving demands of current and future customers.

CONTINUAL IMPROVEMENT AND INNOVATION (PDSA)

A Plan, Do, Study, Act (PDSA) learning cycle is shown at the very heart of the model because it is the means by which organizations systematically and continually improve and innovate towards a single aim – that of customer satisfaction. In other words, “get better at getting better.”



PDSA is a generic cyclical four stage improvement process, based on the scientific methodology that uses feedback to enable systemic changes to be measured and improved over time. Experience has shown that applying a methodical sequence of stages to any problem solving, experimentation or design activity, contributes to the achievement of best results.

There are many versions and interpretations of what is known as Deming’s PDSA cycle. The intent is not to be prescriptive as to which interpretation to use, but to show that having a systematic way, or ways, of improving is an essential element of a sustainable organization.

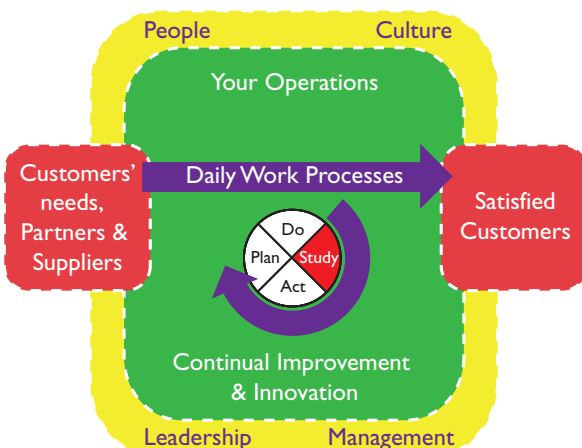
The PDSA cycle is shown at the very heart of MoSO because the need to continually improve and innovate applies equally to all activities carried out throughout an organization.

A word about innovation

For a sustainable organization, proper engagement with innovation is inescapable. But what is innovation? Innovation is not invention, neither is it just improvement or novelty. Dr Deming said that learning is a source of innovation. Effective innovation creates value, both social and/or economic, with the possibility of substantial positive change.

PEOPLE, CULTURE, LEADERSHIP AND MANAGEMENT

People, culture, leadership and management make up the next main element of MoSO.



These powerful interacting constituents of any organization are brought together because they have a profound effect on the way an organization works and the results it sets out to achieve. There are no “hard” barriers between the elements. Each element has the potential to influence each other and the system as a whole (as indicated on the model by dotted-line boundaries between each element). As the model builds, you’ll see that all the elements shown so far may be impacted by societal influences and the environment at large.

In any organization:

People provide the vision and energy; do the work; improve and innovate; and are customers. People need to be engaged – they have needs, as does the organization.

Culture can be summarized as, “the way we do things round here”. It has been described as the emergent result of the continuing negotiations about values, meanings and proprieties between the members of an organization and its environment.

Leadership: Leadership has been described as the capacity to release the collective intelligence and insight of groups and organizations. It is helping people to find their own answers.

Management is responsible for ensuring efficient implementation not only of daily work but of the work to continually improve the outcomes of daily work to meet and exceed customer expectations. Management therefore has the job of ensuring that the organization gets better at getting better in all areas of the organization – from backroom to boardroom.

SOCIETAL INFLUENCES/LEARNING

The next element represents the broad society in which an organization operates and from which it learns.



The precise interpretation of “society” needs to be defined by each organization, but it will most likely include, for example, market sector, societal and business interactions, and corporate social responsibility (CSR).

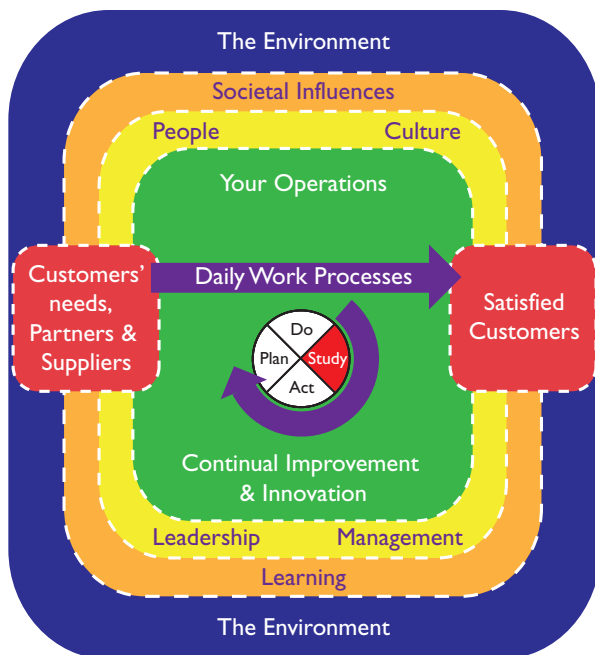
In totality, this element represents the learning environment in which an organization lives and works.

Our society has a profound and ever-changing effect on us as people, consumers and workers. It affects our lifestyles and therefore our expectations of the products and services we buy and on the types of opportunities available to us.

This element is intended to highlight some of the ways in which the sustainable enterprise is influenced by the society in which it exists.

THE ENVIRONMENT

The environment forms the outermost element and completes the basic MoSO model.



The environment bounds us all together expressing the need for everyone, and all organizations, to proactively play whatever role they can in environmental sustainability. The environment sets the agenda for market and/or consumer requirements both in terms of product and service offerings and how organizations are expected to operate.

Managing environmental sustainability provides profound insights into both the external environment and internal environment of an organization, emphasizing system optimization, stability, logic and understanding processes.

ESSENTIAL INTERACTIONS, COMMUNICATION AND COLLABORATION

Making connections

Steve Jobs said, “Creativity is connecting things.” Communication and interactions, both social and through processes, are the life blood that pumps through the veins of any organization – no matter what type or size. In MoSO, all elements have the potential to influence or connect to each other. This is symbolized by the dashed lines that bind each element. For example, thoughts and actions pertaining to, say, minimizing the effect on the environment, permeate through to product design and the design and operation of daily work processes. Understanding the vital interactions between the essential elements of MoSO will help your organization plan for a sustainable future.

A word about collaboration

The aims of an organization are best achieved through collaboration – both internal to the organization and externally to the society and the environment in which it lives and works. A sustainable organization may, for example, collaborate with a network of other organizations (private, public and voluntary) to achieve specific outcomes – all the time learning from the experience and bringing new ideas and skills to play in its own success. So for a sustainable organization, collaboration is an essential means to achieving long-term success – it is part of a coherent sustainable strategy.

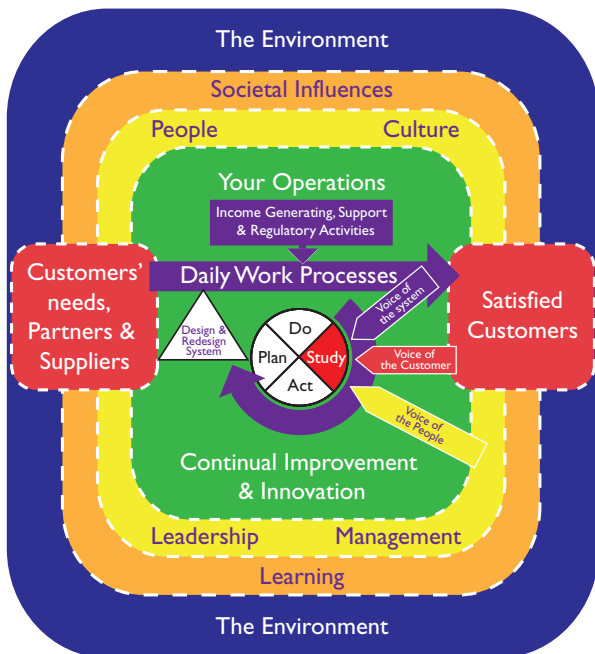
The enhanced model

The Enhanced Model adds more understanding of how an organization operates as a self-sustaining system. Sustainable organizations can be said to have three primary activities: income generation, support and regulatory activities, and continual improvement and innovation – being driven by the three voices: Voice of the customer; Voice of the people, and Voice of the system. This additional level of detail is shown on the MoSO enhance model.

THE THREE VOICES

The culture of an organization (influenced by societal and environmental trends / issues) expects and supports its people and management to systematically and continually drive innovative improvements using the three voices: **Voice of the Customer (VoC)**, **Voice of the People (VoP)** and **Voice of the System (VoS)**.

The voices feed into the Plan Do Study Act (PDSA) learning cycle at the heart of the model and represent the self-renewing and self-sustaining element of MoSO. As Peters and Waterman say in their book, *In Search of Excellence*; “Excellent companies are better listeners.”



1. **Income generation** – the things the organization does to provide products and services which customers are willing to pay for (or someone will fund in the case of not-for-profit organizations).
2. **Support & regulatory activities** – the things the organization does to keep itself in being and legal.
3. **Continual improvement & innovation** (renewal) – The unyielding and continually improving effort by everyone in the organization to understand, meet, and exceed the expectations of their customers.

Using MoSO in your organization

The 7 steps

Step 1

Understand your vital need or imperative to do things differently

Step 2

Understand how MoSO works

Step 3

Develop your own MoSO

Step 4

Consider which areas of the organization to map onto the elements of your MoSO (e.g. best practices, strategies, policies, processes, risks, opportunities, standards, KPIs, etc.)

Step 5

Identify gaps, inconsistencies and opportunities

Step 6

Decide to take action and implement changes in a planned way

Step 7

Reflection
(lessons learned from using MoSO)

Your journey to improved sustainability

MoSO can provide new perspectives about any organization.

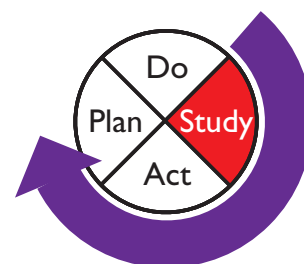
It can help you to understand to what extent your organization is working as a joined-up entity – and the benefits that might be achieved by “joining the dots” of such vital areas as: best practices, strategy, policies, processes, risks, key performance indicators (KPIs), etc.

Using MoSO is a learning journey - one that will almost certainly lead to organizational change or even transformation in the way individuals and organizations perceive themselves and the way in which they go about leading, managing and working with each other to enable an organization to become more sustainable, ie, achieve lasting success whilst engaging positively with society and minimizing impact on the natural environment.

The **7 Steps** shown in the left hand panel form a possible outline that can be used or adapted to your own situation. MoSO can be used at any level; either the whole organization, your part of it (department/function/location) or for yourself. So deciding the ‘area of influence’ is an important decision when developing and using **your** MoSO. And you don’t have to work on all the elements at the same time. Start at the most appropriate place for you and your organization – but have the bigger picture in mind.

MoSO could also be extended “outside” the organization to include, for example, joint ventures and partnerships to identify potential opportunities, best practices, areas for improvement, concerns and risks.

And don’t forget about PDSA. Learning lessons from your use of MoSO is an important factor in getting better at getting better.



Notes

Chartered Quality Institute
T: +44 (0)20 7245 6722
F: +44 (0)20 7245 6788
E: info@thecqj.org
www.thecqj.org



For further information about MoSO
go to www.thecqj.org/moso
or contact Terry Rose at
E: terry.rose@qualityadvantage.co.uk



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