



A Systematic Self-Assessment Process for Improving Organisational Performance

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ABSTRACT

This paper presents an overview of the self-assessment concept on the overall context. It begins with a brief description on self-assessment, followed by methods of transferring self-assessment results into action plan, roles and responsibilities of the people involved. It further explains the various issues with regards to self-assessment implementation; its benefits and roles in helping organisations improve their organisational performance. Finally, the paper culminates with a discussion and conclusion on self-assessment goals in enhancing organisational competitiveness and excellence.

Keywords: self-assessment, quality management, competitiveness, organisational improvement

I. INTRODUCTION

Self-assessment is the process of evaluating an organisation and its improvement achievement in a systematic way. It can be used to evaluate: what we have achieved; the opportunities we have for further improvement; the links between what we do and the results we must achieve. It is a positive and constructive way of focusing and prioritising our effort in continuous improvement and measuring our progress. A diagrammatic representation for the self-assessment concept is shown Figure 1.

Self-assessment enable us to coordinate and link together all our efforts to achieve excellence through effective continuous improvement. In addition, it enable us to perform more effective benchmarking by providing a basis for comparison between ourselves and recognised "world class" organisation. Moreover, it can consistently measure our progress towards our business goals and achievement of excellence and also link what we need to do and how we need to do it with what we need to achieve [2].

One of the initial steps in gaining commitment of everyone to self-assessment is to ensure that it is not perceived to be yet another audit. In this context, self-assessment means the process of evaluating an organisation and its improvement achievements

against a model. The self-assessment process allows an organisation to distinguish clearly its strengths and areas in which improvement can be made and culminates in planned improvement actions that can be monitored for progress [2]. Meanwhile, Wiele *et al.* [3] have the opinion that self-assessment allows an organisation to

identify and monitor, on a regular basis, what activities are going well, those which have stagnated and act on the areas that require additional effort that needs to be improved (see Figure 2).

Self-assessment is a necessary step before attempting to conduct a benchmarking effort to study and understand industry practices. Benchmarking is a process for establishing rational performance goals through the search for industry best practice that will lead to superior performance [4]. The self-assessment approach focused on three areas, intra-firm, inter-firm and with "best-in-class", or "world class" comparisons of practices and performance. Typically, self-assessment approach consists of several generic processes: data gathering and initial self-assessment; writing the self-assessment report, assessing the report by assessors, presenting the result to the management of the unit or company assessed; communication of insights within the firm; defining improvement goals and activities; developing and discussion of action plans by linking them with business planning. The main objectives of self-assessment are to establish benchmarks of current business practices and increase awareness in areas of choice with a view of improving the management of this process [5].

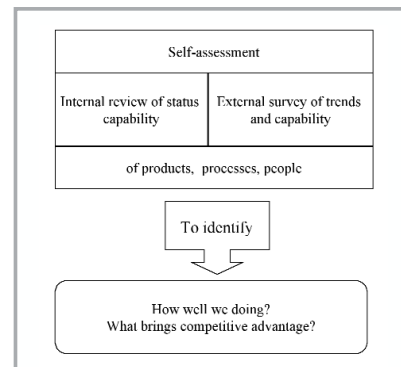


Figure 1: Self-assessment – An overview [4]

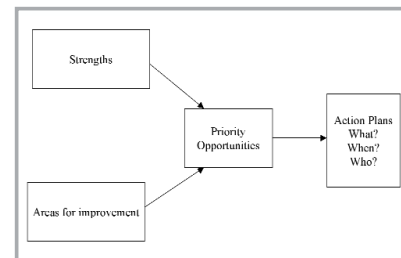


Figure 2: Converting the self-assessment into action

III. METHODS OF TRANSFERRING SELF-ASSESSMENT RESULTS INTO ACTION PLAN

Having completed your self-assessment it is important to use the results to develop an integrated action plan for on-going improvement. Figure 3 shows how you may plan this action and integrate it with other activities that are already underway.

According to Wiele and Brown [6], there are several reasons raised and ranked according to their importance, why companies start with self-assessment. They are:

1. To find opportunities for improvement;
2. To create a focus on the TQM model portrayed by the award criteria;
3. To direct the improvement process;
4. To provide new motivation for the quality improvement process;
5. To manage the business;
6. To provide a benchmark against other organisations;
7. To strive for cost reduction;
8. Pressure from headquarters;
9. Internal champion within the organisation;
10. To go for quality award;
11. To help achieve quality system registration, e.g. ISO 9001, QS 9000, etc.;
12. Competitors were using self-assessment;
13. Customers were demanding evidence of self-assessment.

It is clear from this ranking that self-assessment in quality management is an important issue for management to address because it provides a method for driving continuous business improvement activities in a planned way. As shown, the top ranking issues are all related to the role of top management. Meanwhile, issues related to external reasons (i.e. outside the organisation) are ranked lowest. This again supports the idea that self-assessment is a very useful tool for management to make TQM implementation and adoption more systematically organised in creating a link with the normal business activities. Analysis by Wiele and Brown [6] found the two factors that stand out are: first, internal reasons related to managing the

business; and second external reasons related to competition, customer demands and/or regulations.

IV. PEOPLE'S ROLES AND RESPONSIBILITIES IN SELF-ASSESSMENT

In order to ensure the self-assessment exercise is conducted successfully and able to achieve its objectives, the people involved must play their respective roles well and perform the responsibilities given to them with their best ability [2].

Top Management – must provide commitment to and resources for self-assessment; act as a driver for continuous improvement; must review the results of self-assessment and develop implementation plans for priority opportunities.

Self-assessment Project Manager – must manage planning and implementation of self-assessment; must ensure training and communication are carried out properly; and also coordinate all self-assessment activities.

Self-assessment Assessors – must use their expertise and knowledge to review self-assessment exercise findings and assess its strengths and find out areas for further improvement.

Everyone – can contribute to self-assessment and continuous improvement activities by providing information and data; providing a view on “where we are now”; active identification of further improvements; active involvement in implementation of further improvements.

In addition to the above individual roles and responsibilities, to ensure the self-assessment exercise is successful we need to: be open and honest in our assessment of our current position; be prepared to challenge what we do now, is there a better way; be ready to learn from good ideas and practices elsewhere in the organisation and from other organisations; share our best practices with others; be constructive, it is about helping us to go forward, not about going over past mistakes; follow through, convert opportunities into actions; use the model as a guide not a prescription. On the other hand, we must

not: undervalue our strengths, be over-critical of ourselves; hide or ignore areas of opportunity; and expect instant result or “quick fix” improvements because self-assessment is about our long term commitment to continuous improvement. Figure 4 shows the diagram for the self-assessment cycle.

V. STRENGTHS AND WEAKNESSES OF SELF-ASSESSMENT

In general TQMI [2] has the opinion that self-assessment can provide a comprehensive, internationally recognised framework for organisations, to look at where they are on the journey of “excellence”; help them identify and prioritise opportunities for further improvement; help them identify what “best practice” look like; create and maintain the impetus and framework for continuous improvement throughout the whole organisation; provide an “umbrella” to pull together and focus all their improvement activities; help them to be more aware of how self-assessment can contribute further to continuous improvement and focus their effort to achieve better results.

Self-assessment, on the other hand, cannot provide a prescription to tell organisations exactly what to do; tell them the best way to do it; and give instant improvements. Therefore, they need to review of what they need to do; be open and honest about their current practice and performance; use their employees' collective talent to decide how to improve further; and finally act on these decisions.

VI. SELF-ASSESSMENT IMPLEMENTATION ISSUES

While organisations are keen to use self-assessment, however, conducting a self-assessment by going through the criteria requirement in national quality awards guidelines is a daunting and time-consuming task. Unless the organisation is fundamentally strong in the implementation of its quality processes, it will be hard for organisations to proficiently interpret the criteria requirements [7]. It is this fact that is preventing many aspiring organisations to conduct a quick and thorough self-assessment and be

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confident about the accuracy of the assessment outcome.

Kaye and Dyason [8] have identified two key inhibitors that prevent organisations from maximising the potential of self-assessment. First, obtaining commitment and involvement of all managers in striving business excellence; and second, developing strategic performance measures. While self-assessment is potentially a valuable tool for organisational development and improvement, there is a need also to develop managers with greater understanding of business priorities in an environment which demands a quick response and positive outcomes measured in strategic terms. Thus, to overcome these issues, a self-assessment tool based on a questionnaire survey with straight forward self-rating of quality performance will be useful for all organisations.

VII. BENEFITS OF SELF-ASSESSMENT

The main benefits from self-assessment will only come as a result of action taken to address the priority opportunities. These opportunities may be large or small, but they somebody who will: take ownership for developing an action plan; specify the target improvement to be delivered; establish timescales and responsibilities for the necessary actions; ensure the actions are done; measure progress towards the target. In other words, the success of self-assessment will be measured by the

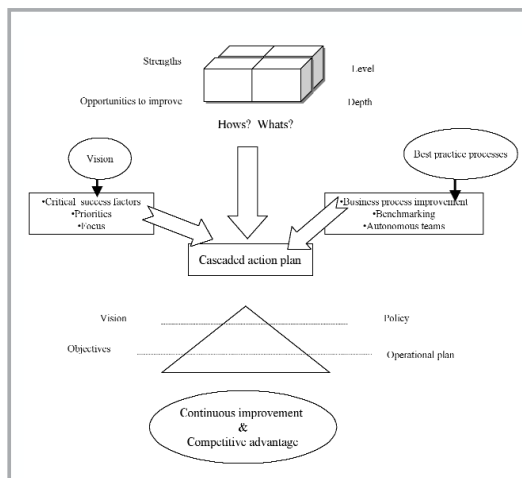


Figure 3: Overview of the Planning Process [4]

benefits and improvements that result from the follow-up actions.

In general, there is a very positive perception about the effects of self-assessment on business results. In other words, by linking these quality improvement actions directly to the overall business planning, a strong monitoring and checking systems has been created for managing the business process improvement activities, which contribute to the objectives of the organisation. Well-planned and executed self-assessment, including the follow-up action, can deliver significant benefits, including [1]:

Measurement: gaining consensus on what has been achieved and what needs to be done; enabling managers to prioritise action based on facts and identified needs; providing data to compare with, and learn from, "world class" organisations; providing data on improvements over time.

Applying best practice: learning from each other and from other organisations; providing objective review of progress; providing a common approach to use in all departments and on all sites; minimising the effort needed to develop assessment methods at different sites.

Involvement: enabling everyone to contribute to the assessment process, thereby bringing ownership of the results and proposed actions; enabling staff to see the impact of their improvement efforts; enabling senior managers to drive the improvement process and to empower their employees to exercise the self-assessment initiative at their own level.

Reinforcement of direction: demonstrating the long-term commitment and consistency of purpose; integrating improvement activity into everyday life by focusing on business results; providing a practical tool to drive continuous improvement.

VIII . DISCUSSIONS

The main objective of national award is recognising

organisations that achieve quality management excellence and world-class competitor status. In addition, the awards could assist other organisations (non-winners and non-applicant) a basis for benchmarking their own quality efforts. Furthermore, a self-assessment that emulates the assessment criteria of a country's national quality award would be ideal as it would be applicable across most industries and universally accepted among organisations in the country. It had been generally recognised that, for a business organisation to achieve long-term success, it need to assess its overall business health and then take steps to improve a wide range of "business excellence measures" that meet the needs and expectations of customers, employees, shareholders and other stakeholders.

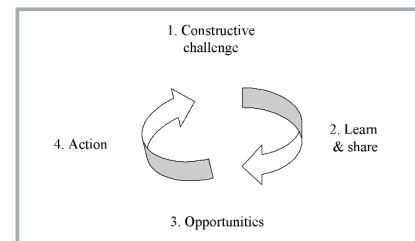


Figure 4: The self-assessment cycle

The enablers' found in the quality management excellence award is primarily looking at how the organisation is managed, whilst the results look at the achievements of the organisations. It is based on excellence in customer satisfaction, employee satisfaction, business results and impact on society, which can be achieved through leadership driving policy and strategy, employee management, resources management and processes management. In addition, it is widely used and enables organisation-to-organisation (or function-to-function) comparisons, thus becoming an important benchmarking tool. However, there is some limitation because it is difficult to obtain comparative data. To this end, NPC had taken the lead in collecting and compiling data for benchmarking purposes within the same industry.

Presently, many business establishments aspire to be the best in

class or leaders in their respective markets. However, the statistics shown that only a few have managed to achieve it and those who have succeeded comes from the believers of culture of excellence. Nurturing a culture of excellence requires the organisations to adopt the quality management excellence concepts found in the awards. This poses a big challenge to organisations, which requires them to re-look into their current managerial and cultural practices for them to improve.

IX. CONCLUSIONS

Self-assessment enables organisations to assess their management system and business performance against well established and accepted business excellence award. The ultimate objective of a self-assessed quality management system is to assist the organisation in its quest for corporate performance, business results and financial health, thus improving its overall business competitiveness. All these objectives could be achieved through proper organisational activities, increasing uniformity and conformity of repeated tasks. In short, self-assessment is more than just another fad, it is a management approach based on a mission to aim for business excellence. Finally, the authors hope, this article will hopefully provide a useful guidance for anyone who wanted to use the self-assessment technique for measuring quality management performance in their respective organisations.

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