

# Quality and Performance Management in the 21<sup>st</sup> Century – A New Approach

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## 1. Quality bureaucracies

At the beginning of the 20<sup>th</sup> Century the world of work was revolutionized both by Frederick Taylor and his "Principles of Scientific Management" (Taylor 1911) and Max Weber's principles of a "bureaucratic-monocratic file-oriented administration". These approaches, which were based on efficiency and rationality, had for a long time a determining influence on organizational behaviour and still have in certain aspects to this day. In the middle and at the end of the 20<sup>th</sup> century Deming, Juran, Crosby, Ishikawa and others introduced new approaches with the so-called Quality management which was focused more on business processes and team structures. This led to various systems, standards and criteria such as TQM, DIN ISO 9000 : 2000 ff, EFQM and CAF (Pollitt 2000; Heinrich 2004; Wächter 2004; Deutsche Gesellschaft für Qualität e. V. 2005: 156 ff; von Bandemer 2005, Øvretveit 2005, Talbot 2005) which saved quality targets and examples for best practice. Quality management then was basically meant to establish these rules and standards and to control resp. assure compliance.

From these approaches, however, in many cases a new form of bureaucracy was developed, which was pushed even further in the public sector by connecting them with the concept of New Public Management. Critics have – in the face of these developments – come up with terms such as "Age of inspection" or "The Audit Society" (Day/Klein 1987, Power 1997, Milakovich 2003:70, Vinni 2007). For some time therefore quality management was often seen with sceptical eyes. Its quasi-regulatory approach, its formalised procedures, its prescriptive criteria, its often lacking alignment with the organizational strategy as well as the autonomization of quality management in a separate unit or outside the organisation gave the impression of ossification, redundancy or made it even serve as an alibi for good organization (Smith 1995, Thiel/Leeuw 2002, Stringham 2004).

These last years we have witnessed a new departure both in the management theory of private enterprises and the public sector. A great variety of works have been published which deal with a new understanding of quality (Schedler 2004; Schwartz/Mayne 2005, Johnson 2005, Bouckaert 2006; Bouckaert/Halligan 2008, McKinsey 2007, GDI 2007, Maram 2008, Rothstein/Teorell 2008). This paper is meant to contribute to this discussion: It is taking into account new findings and developments, especially from the field of personnel management and the inclusion of new techniques in the working method of organisations, and thereby intends to come to a new approach. It is therefore not an empirical but a conceptual article which has grown from the outcomes of the Speyer Quality Award (starting with the 1<sup>st</sup> Speyer Quality Award, which was founded by

Hill/Klages in 1992 to the 7<sup>th</sup> Speyer Quality Award which was held in 2005) as well as newer approaches to the modernisation of public administration (Hill 2007a, 2008).

Quality can be seen (or defined) as the characteristic features of products or services or a whole organisation which are identified on the basis of and measured against previously defined (quality norms, standards), agreed (target agreement) or expected (customer inquiries) criteria. This definition, however, causes many problems and risks (see also Smith 1995, Thiel/Leeuw 2002, Nullmeier 2004, Pollitt 2007):

- The knowledge on good organisation, good management, good practice and good performance that has been codified in quality management systems or criteria catalogues is even in its approach hostile to innovation. Because results have to be measured and compared this knowledge relies on uniformity and conformity. It makes deviations from or variations of the norm, paradigmatic shifts of the perspectives as well as optimisations difficult if not impossible (codification, fixation)
- To be able thus to be generalized and controlled, the knowledge enclosed in quality management systems of necessity can be hardly more than a formal frame that touches the surface but does not take into account the different contexts that surround and characterize the organizations which are being compared. In order to make measurements easier, criteria are often simplified, especially quantified, so that the richness and various colours of reality are often lost (simplification).
- Best-Practice-Criteria necessarily are derived from the past and are a way of looking at the world in the rear-view mirror. Quality performances of today therefore are imitations or reproductions of what has stood the test of time. Moreover the quality check can only reflect a moment in time, it is in certain way like a screen-shot which depicts neither movement nor future challenges (orientation towards the past).
- The quality concepts of the past are being downloaded as a ready solution, the quality picture is being coloured and executed, often by checking the listed criteria one by one without prior definition of emphases, which are based on the characteristics of each organisation. Sometimes the previously set criteria that must be reached in the eyes of the inspectors when the organisation is being certified lead to a unrealistic glossing over of facts or an uncritical obeying the rules (schematism).
- Seen through the eyes of quality or evaluation criteria resources and potentials are often misdirected to typical, easily detectable characteristics which do not take into account the exceptional features of each organisation. This can in the long run impair both the identity of the organisation and the variety of possible solutions (misdirection).

Moreover, the introduction, application and control of this kind of quality systems hold several pitfalls or lead to illusions, that make it difficult to judge the performance potential and the performance results:

- According to common system theory it is hardly possible for interventions from the outside to change the inside of a system. Also, the classical steering and control paradigm seems unsuited for a true quality management in the sense of a quality development (steering illusion).
- The classical management motto “You can only manage what you can measure”, meaning in our case the measurement and countability of criteria, can induce a pseudo-rationality, that may be suitable for machines but not for living systems and organisations (rationality illusion).
- Moreover, the closed scheme or the catalogue of criteria signals an impression of completeness and makes it quasi superfluous to strive or search for new developments and aspects (illusion of completeness).
- All this gives the impression of a psychological security, which can easily become an alibi, i.e.: We have installed the system, it is being constantly controlled or We are certified - and this means: We are good, we give a good performance. This conviction is both legitimation and prove of good practice and is therefore the ticket to the circle of well-performing organisations (illusion of security).
- If we look at quality management-systems, we can get the impression that they were either developed by engineers, book-keepers or regulators or have internalised much of their thinking. All this contributes to an atmosphere at the time of controls or examinations that makes the candidates wish to please the regulator or to fulfil the criteria while their efforts lack lifeblood. These catalogues are not suited to evoke involvement, incentives, motivation or even inspiration. Its all about land surveying, the order of files and documents or the compliance with regulations. Real enthusiasm is hardly ever felt (illusion of incentives and motivation).

Similar criticism can be found for the so-called Benchmarking (Hill 2002, Kuhlmann et al 2004, Hakvoort/Klaassen 2007), a considerable risk of this method being that apples are compared with oranges. A second problem arises because indicators are being separated from their contexts for comparison reasons; thus the identity of the organisation as well as the system- or path dependency of their modernisation approach is no longer discernible. Last not least there is the peril, that routines, muddling through or “quality creep” are compared with each other, the average or poor performance thus becoming the standard for all. Far too often a competition seems to be only a fashion or end in itself and is not held in the context of

comprehensive, far-reaching aims, that would turn it into a future oriented event. On the whole, quality- and performance management as well as benchmarking can be characterized more often than not as “execution as efficiency” and not as “execution as learning” (Edmondson 2008, Ferguson-Amores et al 2005). Therefore it must be the task of the future to look for approaches “beyond compliance” and “beyond assurance”.

## **2. Changed quality landscapes**

The traditional quality management systems are no longer suited for the 21<sup>st</sup> Century, mainly because the challenges and landscapes of quality have changed. These are above all new dimensions in the acquisition of and the dealing with knowledge (Hill 2004, Kocyba 2007). Both standard knowledge and special knowledge are retrievable from the internet anytime. Yet, more important than the availability of knowledge is the ability to use this knowledge in a creative and effective way in concrete contexts of action. The action and the services of administration have become more and more transparent in the age of electronic information systems. Citizens have direct access, they can follow decision making processes and are able to compare the results. Often the experts within the administration are not at the edge on information or have no superior knowledge anymore. Citizens meet the administration at eye level, sometimes they even have better information. Inventory knowledge becomes more and more obsolete. New knowledge is being acquired together and at the same time and is being spread in real time thanks to the new communication techniques. The art of good administration today is therefore characterized by the ability to identify weak signals at an early stage and to build up capacities as well as innovation readiness.

In this knowledge society the role of administrative employees has changed from that of an instrument to a subject of administrative action (Hill 2008). Because of the dynamic contexts, the changeability, complexity and interconnection of knowledge as well the coupling of various knowledge stocks in concrete contexts of application objective standards and predetermined, generally valid schemes become more and more obsolete. With regard to the dissolving boundaries between the working world and the world of life the regulatory and restricted definition of social processes and the effect of programming becomes more and more questionable. The importance of situation-related elements, such as the registration of context, the acquisition of knowledge from relations and networks as well as the informal learning in the course of the working process is increasing. If everybody is asked to get fully involved and to come up with best performances in each situation against the background of mutual influence of aim and reality, the effectiveness of formal, predefined, ripe or assured knowledge stocks becomes less powerful while the necessity of the acquisition of fresh insights and new perspectives becomes more important.

Not only the acting subjects within administration and their ways of working have changed, but also the customers and stakeholders of the administration find themselves in new and different roles and meet the administration in

different arenas. Thus new forms of cooperation and problem solving with new governance patterns are being developed (Schuppert/Zürn 2008). More and more administrations are expected not only to deliver concrete services but integrated service concepts that do justice to complex life situations, to the concerns of citizens and take into consideration the impact of administrative acting. Administration therefore is turning from a mere service administration to a public value creating administration that does not only provide basic services of public interest and guarantees a certain standard of public living but is also actively striving for an increase of public value and offers to both citizens and private enterprises concrete possibilities for the development of their rights and interests.

This is the starting point for new organizational models and images of quality. Administrations can no longer be compared to an autonomous farm that produces all products and services that are needed by itself. Frontier crossings and cooperations through competence clusters and eco-systems that share the responsibility for the overall performance have taken the place formerly held by clearly defined frontiers drawn through exclusive jurisdiction. In this networked administration quality gets a new meaning (Bovaird 2005; Koch/Dixon 2007; Jones/Thomson 2007). Every single contribution is valuable and important but in an overall view the "quality of the concert" (Bovaird/Löffler 2003:316) is crucial. This has been assessed by a consolidated balance. This network based approach is complemented by an approach that focuses on processes and life cycles. This approach takes a close look at all the parts before and after production and delivery in the sense of a quality chain and takes into consideration customer experiences with the solution of problems, the contexts of usage and the customer benefit in the sense of integrated quality (McKinsey 2007).

This thinking in interrelations, business models and quality levels cannot be adequately described by using standard models. It requires promises of quality similar to the method of mass customization that has been developed to fit the individual needs and interests of customers and users. One example of a successful application of mass customization is the car industry that has been using this concept for many decades. In order to achieve the aims of mass customization customers and users and especially their experiences regarding problems and their solutions are being included from the beginning in this process. Thus administrations are able to provide a platform for cooperative or rather collaborative problem solving and innovation.

Quality in the public sector is closely connected with the characteristics of this domain (Alford 2001; Newman 2007; Hill 2007b). The most important feature of state action is mandatory regulation. Modern regulatory concepts show us new ways (Hill 2007c) that could be useful for quality management. According to the concept of smart regulation the addressees of decisions are included in the decision making process itself as well as in the implementation of the decision and the control in the sense of a competence partnership. These solutions are of necessity implemented not centrally but in a decentralised way. Open concepts make innovations possible by the power of alternative solutions.

A so-called risk management leads to a targeted allocation of resources and a problem oriented adaptation in the enforcement. On the whole this represents a learning implementation the exact adjustment of which only emerges in the course of the intervening process. In this sense, a modern quality management in the 21<sup>st</sup> century must be seen as a development of a new territory, not as a following of well-trodden paths and a thinking in the categories of ready solutions.

### **3. Quality potentials**

In the community of the modernizers of public administration the following insight becomes more and more accepted: You can develop as many modernization concepts and instruments as you want, if these are merely confined to technical and economical aspects, they will not be sufficient. For modernization to succeed it is crucial that the staff understands the purpose and the sense of these approaches, that employees identify personal concerns and chances to fully realize their potentials and therefore are convinced and motivated to implement these approaches. Up to now the personnel was often seen only as a resource that could be deployed or rearranged in any order. However the basic key to quality can be found in the inner capacities, the potential, the interests, the motives and the energies of the staff. These hidden resp. not sufficiently detected and supported potentials have to be developed in order to make the organization more successful (Hill 1998; Malone 2004:169; Bryan/Joyce 2007).

Similar concepts in different disciplines point out ways to benefit from these hidden potentials for the development of quality. It is an old insight of marketing that customers are driven by motives and motivations which induce them to finally buy. The so-called Neuro-Marketing, which is based on the latest findings of neuro science and on psychology, summarizes three basic motives of man (Schreier/Held 2006): striving for safety and care (security system), striving for change and novelties (excitement system) and striving for independency, for asserting (establishing) oneself, for exercising control and power (autonomy system). As a consequence, these basic motives are used for successful marketing of products. Just as products find their way to the interests of customers it is an obvious idea to implement an "inner marketing" and to bring the organization and its aims closer to the staff.

Successful design of homepages also means to pay attention to motivations that attract interest. A good web design ties up to taxonomies of motivations that release and convert goals of behaviour. These taxonomies include curiosity, performance, contact, power, safety, giving and receiving help as well as convenience, order, entertainment, earnings, prestige, sex, emotion, retreat and autonomy (Wirth 2002:219ff). The fundamental benefits of the offerings in the web should be orientated to these motivations. As well as attention should be caught for an internet presentation the point in leading staff is to awake attention and interest for the aims of the organisation , to detect how these aims

touch the individual interests of the staff and to motivate them to contribute with own initiatives to the implementation of these (common) aims.

Similar approaches are used in the management of private enterprises. According to this practice, the crucial competitive advantages are not only to be found in locations, in technological innovations or in the structuring of the organization but above all in a "sensational leadership" that moves from the head to the heart and goes after people's affection, intuition and desire (Holmberg/Ridderstråle 2000; Hill 2001). In another publication the following drives are stated that form the basis of motivation: a fair reward system (the drive to acquire), a culture of togetherness that is based on mutual reliance and friendship among co-workers (the drive to bond), a job design that offers distinct and important roles in the organization (the drive to comprehend) and a performance management and resource allocation processes that increase the transparency of all processes, emphasize their fairness (Nohria et al 2008) and build trust (the drive to defend). Another approach counts on the energies of the staff which need to be mobilized and brought to the benefit of the organization, i.e. to point them towards initiatives, projects and activities that support the aims of the organization. Thus these individual energies could be combined and transformed to an organizational energy, a power, which enables organizations to push things towards their aims (Bruch/Ghoshal 2003; Bruch/Vogel 2006).

More and more the concept of "appreciate inquiry" is getting attention in the field of human resource development. This concept shifts our attention rigorously from problems and deficits to positive experiences, strengths and solutions. The four modules of the appreciate inquiry cycle are mentioned: discovering of and understanding success (discovery), development of visions of the future (dream), designing the future (design) and finally realizing this vision of the future (destiny) (Cooperrider/Whitney 2005; Cooperrider et al 2008).

The work of Helmut Klages, a colleague of mine from Speyer University, goes in a similar direction. After having carried out many employee attitude surveys he has come to the conclusion that human potential within administration is very rarely efficiently used (Klages 2002, 2004). According to his experience performance cannot be bought. It has to be achieved through the delegation of responsibility and through appreciation. Employees on the whole are ready and willing to perform but they are more often than not demotivated by their superiors. According to Klages an activating leadership style is of a great importance and so are working conditions that offer the employees chances to act, make contributions and take responsibility within a working relationship based on partnership. They should be given the impression that their contributions in the framework of functional contexts are meaningful. When delegating responsibility a range for action and decision should be defined that makes it possible both to claim successful performances and to assign this successful work to the employees.

However, it is not sufficient to awaken the potentials and energies of the employees. Furthermore, attractive and effective fields of activity must be

created in which these potentials can be put to use. Insofar the new technological possibilities that are generally summarized (O'Reilly 2005; Alby 2007; McAfee 2006,2008) with the terms of Web 2.0 or Enterprise 2.0 create a new space for communication that provides wide possibilities for a transformation of working and communicating environments as well as for their active arrangement and for new forms of cooperation. Within these meta spaces, which constitute to a certain extent a new context layer for the working conditions, contents are produced and developed in a communicative and collaborative way. Furthermore contents and communication melt into one another and merge seamlessly. This creates possibilities for an active inclusion and effective own contributions of the employees in the context of the overall performance of the organization.

The new media, especially the internet, invite more interactions because they offer easier opportunities and reduced costs regarding the coordination and collaboration as well as the changing and optimising of drafts (wiki principle)n (Janlert 2002). Web 2.0 also offers for the first time the possibility to reach the "long tail" (Anderson 2006) of the knowledge of an organization at reduced costs and to transport these ideas and further develop them in a collaborative way. Thus for example the employee suggestion system already has changed considerably. In some enterprises the employees are asked to make their ideas public within the enterprise. Before further action is taken, a certain amount of positive comment is needed that supports an idea. This procedure is chosen in order to give other experts the chance to ponder this idea and suggest improvement or other, more far-reaching ideas (Schütt 2008). From other enterprises it is known that employees are allowed to change rules and procedures anytime and without prior consultation of the management if they are convinced that a certain rule is not applicable to a certain case. Apparently employees have very quickly gained a feeling for when a change of direction of rules needs to be discussed with the colleagues before they take action or when it is safe to proceed without prior discussion (Stamer 2008:86).

Furthermore Web 2.0 allows to develop expert and activity profiles within the organization. Thus the knowledge of each member of the staff can be more efficiently combined and interconnected. This network can even be expanded beyond the knowledge and working space of the organization and includes persons from the exterior (citizens, customers, stakeholders) in the development of knowledge and quality. These extensions of the topography of the organization are usually circumscribed with the terms "Wikinomics"(Tapscott/Williams 2006) or "Open innovation"(Piller/Reichwald et al 2008). If the participants and users of this knowledge and communication system tag their impressions and experiences, ideas and opinions with keywords, the so created tag clouds contain a huge reservoir of ideas but even more of relations, perspectives and contexts that can be recalled and recombined depending on purpose and interest as well as on situation and user. Thus new solutions, innovations and alternatives can be found (Weinberger 2007; Koch/Richter, 2008).



If potential process improvements are discovered they can be used in the working processes in real time and may then lead to permanent quality improvements (Keicher/Brühl 2008:129). Thus the innovative and creative potential of the employees (and the citizens/customers) can be used by Web 2.0. Their energies are not only awakened but are also given the opportunity to flow freely. This will lead to an effective realization as well as social recognition through permanent feedback, cooperation and optimising.

#### **4. Quality strategies**

In the face of the changed quality landscapes and the hidden but attainable quality potentials we are now called to develop appropriate quality strategies for the 21<sup>st</sup> century that go beyond compliance and assurance. Traditional quality systems often give the impression that the right or best solution (Keicher/Brühl 2008:24) is already existing and stored in some place so that all one has to do is to find and then download it. This understanding leads to the execution of the preconceived or already thought of and suppresses innovations or creative new ideas. Processes of identity building or a differentiation between organizations or modernization approaches are hardly possible in this climate. Unique selling propositions are not recognized and therefore remain underdeveloped. Quality rests merely on the average.

As we have seen, these systems are meant to give the impression of rationality and make users believe that "everything is under control". If on the contrary employees are given more freedom to bring in themselves, their ideas and their commitment to their work there is fear of loss of control. I am convinced, however, that such a potential loss of control is of no importance in the face of the greater advantages of more innovative power and a sense of responsibility within the organization (Buhse 2008:167).

In some books on organizational strategies there is written that one of the most important roles to be fulfilled by the business leaders of today is to be chief sense maker for his or her organization, i.e. the person to whom others look for a clear understanding of the competitive environment on which a sound winning strategy (Pietersen 2002:10; Kagermann/Österle 2007:150) can be based. This understanding of the leader as a charismatic person that stands at the top of the organization and indicates the direction in which to move is no longer up to date in the age of Web 2.0. today. Successful leadership is based on a common understanding of the tasks, values and aims of the organization, a process which can be summarized as "collaborative sense making". If the values, principles and aims of the organization become second nature to every employee it is no longer necessary to lead i.e. to direct in a classical sense (Moss Kanter 2008).

There are different approaches coming from the field of organization theory and practice that point in this direction. New works that deal with informal learning in the working process recommend next to conversation and envisioning above all the so-called grokking. "To grok" is to understand profoundly through intuition or empathy (Cross 2007:195).

It is reported about enterprises with a modern leadership that networking and consciousness have replaced structure and processes. One example of this experience is an open space workshop during which the employees discussed challenges, aims and perspectives of the organization for their enterprise. This discussion was not followed by a directive of the management regarding the necessary planning, allocation of resources and implementation. Yet, some months later the board stated with both surprise and fascination that most of what had been discussed during the workshop had already been implemented in the working process, had become an official project or had been linked with or driven forward by another project. The core insight of this transformation was that obviously neither a formal process nor a special decision taken by another level of hierarchy was needed to push important topics fast and effectively. What was necessary to achieve this progress was to give employees the freedom to act and to translate the results from the workshop into action (Stamer 2008:73).

The chairman of the board explains this phenomenon with the interplay of collective consciousness and individual freedom. As a result of a kind of collective coordination every employee had understood which topics were relevant for the organization and which were not. As the most important requirement for the success of this collaborative process of sense making and implementation the board has identified a high degree of networking, an acceptance shared by the whole staff of the importance of the selected topics, the freedom to turn personal insights into practice in the course of one's daily work and above all a resilient culture of trust with lets everybody know that he or she is allowed, sometimes even forced, to make mistakes on the way to innovation (Stamer 2008:73f)

I was very astonished to hear that similar approaches (Schäfer 2008) are tried by the army, an organization that is thought of to be managed in a classical way and usually named as an archetype for command and control-structures. Because of the necessity to react very quickly, the complexity and dynamic of the operational field and the variety and quantity of incoming information that needs to be processed, it has become inefficient, time-consuming and inflexible to use a centralised control with information- and report processes that have been defined long before. Fortunately, the technical networking practised by the troops today makes other forms of action and communication possible.

Today, thanks to wikis and blogs users of the net are able to adjust contents directly and to embed them in a broader context. Moreover dynamic information networks can be built by using instant messaging applications. This allows to harmonize issues directly and without complications. A wide participation makes feedback loops shorter, i.e. information is commented on, discussed or corrected more quickly. "Control" has become more and more an inherent part of the process. This kind of self synchronisation causes an increase of information sharing, of collaboration and of common awareness of the situation – this leads to an increase of effectiveness at the end. Indeed it must not be overlooked that

a fundamental cultural change is aligned with the application of Web 2.0 technologies that can not be realized over night (Schäfer 2008).

If contexts are seen as connected and interpreted at the same time, and if sense and necessity of acting and its quality are recognized and developed together then the complete knowledge, the potentials and energies of the whole organization are used. This process presents a stark contrast to the traditional use of hierarchical or expert knowledge according to previously formulated standards. This leads to an increased quality that is orientated towards updated and comprehensive potentials of knowledge, energy and action.

Next to collaborative sense making design thinking presents another quality strategy for the future. Design thinking is seen as an alternative concept to traditional management methods that are based on scientific thinking. This way of thinking focuses on what is or was, while the future is not being won through an analysis of the past but through creative innovation. Design thinking is also seen as an alternative concept to benchmarking. This is because benchmarking is not meant to create anything new, but strives to improve what is already existing. It therefore does not move far from the status quo. Yet, the quest for innovation as well as management processes ask for the ability to think ahead and to give a face to what is possible (Keicher/Brühl 2008:19f).

Design thinking creates what is new and concentrates on one´s own strengths and chances instead of checking against standards. Thus it offers orientation in the face of uncertainty, complexity, variety and dynamics. Of course this kind of innovative, future-oriented thinking makes it necessary to be well informed and empathetic, to be able to understand contexts and to be open for new developments. Therefore it asks for "a whole new mind" (Pink 2006).

The way of thinking of a designer can be circumscribed with the terms empathy, integrative thinking, optimism, experimentalism and collaboration. People who are empathetic are able to see the world from multiple perspectives. Integrative thinking means that they do not only rely on analytical processes that produce either/or choices, but they also exhibit the ability to see all the salient – and sometimes contradictory – aspects of a confounding problem and create novel solutions that go beyond and dramatically improve on existing alternatives. Furthermore they assume that no matter how challenging the constraints of a given problem, at least one potential solution is better than the existing alternatives (optimism). Design thinkers pose questions and explore constraints in creative ways that proceed in entirely new directions (experimentalism). Due to the increasing complexity of products, services and experiences the myth of the lone creative genius has been replaced with the reality of the enthusiastic interdisciplinary collaborator. The best design thinkers do not simply work alongside other disciplines, many of them have significant experience in more than one (collaboration) (Brown 2008).

A similar quality strategy could be the development of the profile of an organisation (profiling). The term "profiling" originally comes from the field of

criminal act or offender profiling . These methods ´ aim is to draw hypotheses about backgrounds and motives of a criminal act and the offender by reconstruction and interpretation of data and thus to gather conclusions and new information (Hicks/Sales 2006; Musolff/Hoffmann 2006). The understanding of this term has in recent years been broadened beyond mere analytical work and includes future oriented creative elements. In this context we should have a closer look at the profiling of brands (branding), the compilation of customer profiles or job requirement profiles up to the construction of organizational profiles and the use made of this profile for competition purposes (for universities see: Larsen/Langfeldt 2007; Winde 2008), i.e. the highlighting of the unique selling proposition. Profiling in this sense can be understood as strategic organizational development that goes beyond the description of current performance levels and is able to capture perspectives for development and projects of the future.

Quality management in the public sector in this sense could be understood as Public Organization Profiling (POP). This would be imaginable as a projection of a net woven out of interlinked interests, competencies, architectures and value propositions that emerges and is developed step by step through clashes with reality and collaboratively interpreted perceptions of the future. This development cannot be carried out in a hierarchical or directive way because of the changing contexts and challenges, the inclusion of the employees as subjects and the new working styles which include a simultaneous knowledge networking related to concrete situations. However, organizational profiling in the sense of modern leadership that provides suggestions (Hill 2006), thought provoking impulses and material for learning needs orientation in a form of crystal nuclei or focussed fields of attention. These may be used by the employees both as guidance for reflexion, synopsis and further development and as basis for balanced evaluations.

## **5. Quality cycles**

The strategic development of quality management through designing and profiling, the implementation of this concept through capacity building and development of staff competencies constitute a quality cycle together with the results and outcomes of the evaluation. The basis of this cycle should be formed in all of its phases by quality profiles instead of quality standards (government by numbers) (Hood 2007). Instead of target agreements dealing with concrete projects and status descriptions, agreements should be reached that focus on special fields of attention or connotation clouds but require from those responsible for quality a self responsible choice and specification based on situation.

In order to balance this freedom regarding decision and implementation when defining quality those responsible for quality should be asked to account for their progress. (When Halachmi doubted whether accountability and performance were compatible, he assumed fixed quality standards, see Halachimi 2002, 2005). Yet neither this account nor the definition of quality should be given on

the basis of prefabricated, fixed standards (Grimm et al see in accountability standards one possibility to support purposefully the appearance of trust), but should present an overall view based on balance and evaluation comparable to an accountability regime. This regime could consist of different institutional, dialectical and communicative dimensions (Black 2008). Institutional views stem from the context and the mission of the organization, dialectical perspectives result from the interaction and interdependency of the persons responsible and concerned, communicative aspects are the result of a further development of process and dialogue. At the end of this process a balance should be reached which represents a compound level of quality.

The qualifying of those who are responsible for quality should include the ability to view challenges, capacities and competences as a whole, to develop solutions for problems and to make change happen. Thus the aim must be to achieve an individual and organizational preparation and readiness for innovation and transformation processes. This mission goes beyond the borders of an orthodox management of the personnel and requires the mobilization and vitalization of the above mentioned potentials. This includes an organizational intelligence management as well as a management of the organizational energies. In this context the described strategies for using the system`s knowledge and for the development of a collaborative awareness of the situation, that guide acting in concrete situations intellectually and emotionally, can be applied.

The connotation clouds serving as fields of attention for the design and evaluation of quality (public organization profiling) need to be further developed both in science and practice. For the time being and as a first draft the following fields are suggested:

- Embedding in and analyzing contexts
- Collaborative sense making and energy management
- Using new communication styles and operation methods
- Development and implementation of networked business models
- Sustainable linking of resource allocation and creation of public value
- Collaborative transformation process and evaluation.

Those who are responsible for quality are asked to report to the board of the organization and to the public about the progress made in these fields of attention. The chosen quality solutions should be coherent and should fit the related issue. Furthermore they should allow further innovation and purposeful and effective continuation. These aspects should be evaluated in a comprehensive survey.

Some scholars or practitioners will fear the loss of control that may arise from these new approaches to quality management, some will ask for more specification. What I am sure of, however, is that organizations will be rewarded at the end for any freedom they give with a wider common awareness of responsibility, a more efficient use of hidden potentials, the acquirement of new knowledge and an advanced willingness and power to innovate.

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