

# **Paper: Workshop on Human Resources, Management and Training, 5-9 September, Budapest**

**Theme:** Management development  
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## 0 Summary

Statistics Sweden's Director General made a decision in 2008 to use EFQM as the supporting framework in our organisation's management- and total quality management system.

Statistics Sweden's TQM system provides the managers in our organisation with an excellent framework that is used to systematically evaluate and continuously improve our operations. It offers a structure for how our organisation should transform its operational plan in order to maximise value for its stakeholders. It also offers a common basis for communication.

In short our TQM system states that Statistics Sweden's ability to consistently deliver high quality statistics (the right content, the right quality, just in time and without errors) aligned to our stakeholders' needs, demands and requirements depends on:

- the techniques, methodologies and tools we use for every single part of our statistical production process
- the techniques, methodologies and tools we use to work with our leaders, employees, operational plan, partnership and our other processes

This presentation highlights what has been done so far, and what Statistics Sweden needs to focus on in the future to initiate a tradition of continuous improvement. For example, what are the major problems for successful implementation? What needs to be done? Why do we need to do it? What results can Statistics Sweden expect as a whole? What do we need to achieve in more concrete terms? How do we achieve this?

Our presentation emphasises that two very important and crucial factors for success is leadership and culture.

## 1 Introduction

### 1.1 Background

Since the statistical transformation of Sweden's statistical system in 1995 statistical institutes noticed a tremendous increase in demands, requirements and needs from different users, customers and other stakeholders with respect to the production and usage of statistics. Another important reason was to increase the efficiency because the number of systems, working methods and tools lead to high costs, quality deterioration, perceived stress among leaders and staff and difficulties in management improvements.

A total transformation of Statistics Sweden's organisation was therefore highly needed in order to meet these demands, requirements and needs. This transformation involved moving from a traditional organisation (inflexible organisation structure, lack-of holistic perspective, unclear visions, mission statements, targets, unclear expectations on leaders etc) towards a value and objective based organisation.

In order for Statistics Sweden to work systematically towards these demands and it's world-class vision, top-management decided that the organisation needed to adopt an excellent management and total quality management system. This system should provide practical working processes, methods and tools that can be used to systematically evaluate and improve Statistics Sweden's operations. Before 2008 Statistics Sweden did not have such a system.

On behalf of Statistics Sweden's Director General, a strategic project team<sup>1</sup> was formed in 2007 to fulfil this task. The project team was composed of people with in-depth knowledge, skills, experience and achievements with respect to leadership, management and total quality management. The purpose was to recommend an optimal management- and total quality management system for our entire organisation, and also an action-plan for its implementation. The project team conducted intense studies of other organisations, companies, literature and discussions with various groups and stakeholders both within and outside Statistics Sweden.

The outcome of our project was an extensive report and subsequent decision of our Director General in 2008 to follow our recommendations to use the European Framework for Quality Management (EFQM), Six Sigma and Brinks Modern Auditing as the three supporting pillars in our future work.

Based on these systems, our organisation has a solid basis to start working on continuous improvement in all areas and therefore also our support

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<sup>1</sup> Martin Lagerström, Prof. Lars Lyberg et al.

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processes. Statistics Sweden's future work regarding continuous and never-ending improvements will then be systematic, structural and much easier. The author of this report dares to say that in order to advance to excellent levels, the work must be done in a systematic, efficient and customer-oriented manner. Excellent leadership is mandatory, where leaders and staff work in perfect harmony towards the organisation's goals that are crucial in order to succeed.

According to all the external and internal evaluations that have been made of Statistics Sweden's the last years, we have a great potential for improvement in terms of our management process at all levels. It is important that we understand the need to improve our leadership. Awareness is low among our managers about Statistics Sweden's leadership profile for managers. It is currently unclear what our managers are evaluated on in more concrete terms. The first step is therefore to raise the awareness of our profile and what it means in more definite terms for our leaders.

## **1.2 What is a management and TQM system?**

To obtain quality, customer expectations must be met. But the requirements and expectations of Statistics Sweden's operations also come from the Ministry of Finance, the public, respondents, partners and employees. Modern management- and total quality management is therefore about operational development with a holistic approach. To bring about such a development driven vision and mission statements and requires some form of cohesive management and total quality management system. It is common to see the quality management system as consisting of three parts: a framework for the description of the activity, a method for improvement and a method for monitoring and evaluation. If all three elements are in place, quality work is systematic.

## **1.3 Why does Statistics Sweden need a management and TQM system?**

Statistics Sweden's vision is to be world class on refining data to statistical information tailored to different users and customer needs, demands and requirements. The management and total quality management system must then include practical working processes, methods and tools in order to systematically describe and improve the organisation's quality from different perspectives.

Statistics Sweden needs to establish a common methodology, working processes and tools to systematically:

- prioritise development and other projects from a holistic perspective

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- engage in continuous improvement of products, processes and tools
- recruit, retain and develop skills
- work with goal-based management and business planning
- provide a basis for evidence-based decisions
- communicate actively and proactively with customers, developing strategic alliances
- use resources efficiently and productively

Other reasons to implement a management- and total quality management system are various external requirements. For instance, Statistics Sweden has lost assignments/contracts because we have not been able to describe to customers and users how we work with quality issues in concrete terms. Other companies and organisations have been able to describe this in a much more detailed manner. It is thus not sufficient to systematically work with quality issues. This work must be documented in a structured manner. It has also occurred that Statistics Sweden has not lived up to the expectations of our customers due to quality defects of various kinds.

Some examples of what that means according to Statistics Sweden's vision:

- There is a real culture of quality and a clear customer and process orientation throughout the organisation.
- The organisation is characterised by a well-developed, customer-oriented and systematic approach, which is well integrated into the business and applied in all significant processes at all levels.
- Cooperation is excellent between the various parts of the organisation.
- Our competitiveness is strong and managers and staff's approach is focused on continuous and never-ending improvement
- Organisational culture is characterised by continuous improvement in all processes, methods and tools.
- The operations produce sustainable and excellent results for the stakeholders, and positive trends according to world class standards are noticed in many areas.

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In order to go from words to accomplished deeds when it comes from Statistics Sweden's world-class vision, high standards in quality in particular are needed when it comes to how we work with:

- Leadership
- Operational/Business planning
- Customer contacts
- Subject expertise
- Methodology expertise
- Competence
- Processes
- Products
- Statistical quality

A world class position requires major changes in knowledge, skills, abilities, attitudes and practices, especially when it comes to our leadership at all levels. To achieve our Director General's intentions, Statistics Sweden's management and quality work need to change from being conducted in fragmentary ways to be organised and conducted in accordance with an established management and total quality management system.

#### **1.4 What has been done since 2008?**

Since Statistics Sweden's adoption of management- and TQM system 2008, and transformation to a customer –and process based organisation the following activities has been made :

- Description for external evaluation according to the EFQM framework was submitted in August 2009.
- A detailed definition of Statistics Sweden's core process – the statistical production process with related standardised working processes, methods and tools.
- Management Model (FMOD) , Test Model (TMOD) and system for documentation & secured IT systems (IT controls)
- Intensive work in order to be certified according to ISO 20252 (part of the Processes in EFQM box)
- The regulation on internal governance and control (part of several EFQM boxes)

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- Working processes, methods and tools for conducting risk management & risk analysis (part of several EFQM boxes) have been adopted and carried out.
- A number of external and internal reviews and evaluations have been conducted by different independent management consultants, consultants and other agencies of our operations. One major theme for further improvement according to these evaluations is highly connected to management, leadership, people and culture.

### **1.5 Mission statement management and TQM system**

A successful implementation of a management and total quality management system would have an impact on Statistics Sweden's whole organisation, our users, customers, employees and other stakeholders. The immediate effect is that the products and services we produce are of substantially higher quality, just-in-time and contain fewer errors. The effect of this, in turn, is partly that it frees up resources when we spend less time with corrections and revisions and can focus our energy on giving better service in both quantity and quality to our users, customers and staff. This in turn leads to significant increases in the level of satisfaction.

The resources released by a more efficient production could e.g. be used to increase the salaries at Statistics Sweden, and the development of products and services. More time may also be spent on analytical work, as requested by both staff and customers. Statistics Sweden must be able to offer a higher degree of customer orientation to achieve an increased competitiveness in the market so that we become the preferred choice for all users and customers.

A further effect is that Statistics Sweden's work will be guided more by our vision, mission, approach and our goals than is the case today. This conversion from a so called "decision control organisation" to a "value-and objective-based organisation" leads to more stimulating work and an organisation that is more educational, customer-oriented and goal-based than it is today. The differences between a decision-driven and a value-and objective-based driven organisation are numerous and are specified in more detail in e.g. Fiskerud and Segerfeldt (2005).

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## 1.6 Purpose and objectives of this report

The purpose of this paper is to describe a short background to the why, what, how etc. behind Statistics Sweden's decision to choose a management and total quality management system, what has been done up to this date, and especially its relationship to management and leadership.

The objectives are to show that our leaders' knowledge, skills, attitudes and motivation are crucial factors for success in order to execute our management and total quality management system, and to Statistics Sweden's ability to consistently deliver high quality statistics (the right content, the right quality, just-in-time and without errors) aligned to our stakeholders' needs, demands and requirements.

In practice that ability depends on two important things:

- the techniques, methodologies and tools we use for every single part of our statistical production process
- the techniques, methodologies and tools we use to work with our leaders, employees, operational plan, partnership and our other processes

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## 2 Statistics Sweden's management- and total quality management system

In short, Statistics Sweden's management and total quality management system consists of three components:

1. EFQM as framework,
2. Working processes, methods and tools for continuous improvement, as e.g. Six Sigma, Lean and other tools.
3. Monitoring and evaluation as e.g. Brinks.

The EFQM framework describes Statistics Sweden's whole operation from different perspectives. Our working processes, methods and tools for continuous improvements serves as a toolbox for our work with continuous improvements in all areas of the framework. This improvement is mainly in the form of projects. Monitoring and evaluation are in the field of audit activities. All components fulfil their function and are interdependent.

This report and the accompanying presentations will only focus on the EFQM framework and its relationship to leadership, staff and the quality of our statistics.

### 2.1 EFQM

A short presentation of the EFQM framework is given here for the reader who is not familiar with the framework.

EFQM was created in the late 1980s by several directors of some prominent European organisations. It now includes over 700 organisations with over 20 000 employees in most countries and industries in Europe. EFQM is a foundation whose members consist of companies that are interested in quality and business development as well as various methods for improvement. EFQM has instituted an annual European label ("the EFQM Excellence Award"). The main activity is the development and management of the EFQM framework, through which companies and organisations can evaluate themselves.

The EFQM model is recommended by Eurostat to be used in the statistical offices. "Excellence" is, according to the EFQM defined as successful approaches that lead to good results. The model is suited to all types of businesses, regardless of sector or size.

Five reasons why Statistics Sweden should use a quality framework as EFQM are:

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1. Statistics Sweden´s leaders and staff should understand the culture and the values that often lead to success in any organisation.
2. Statistics Sweden´s management should to understand which areas are in the "Excellence" category(world class)
3. Statistics Sweden´s management will receive support to develop a management system and to select an approach in operations
4. Statistics Sweden needs to have support in the self-assessment – this is the basis for a systematic improvement
5. It allows Statistics Sweden to apply for quality awards

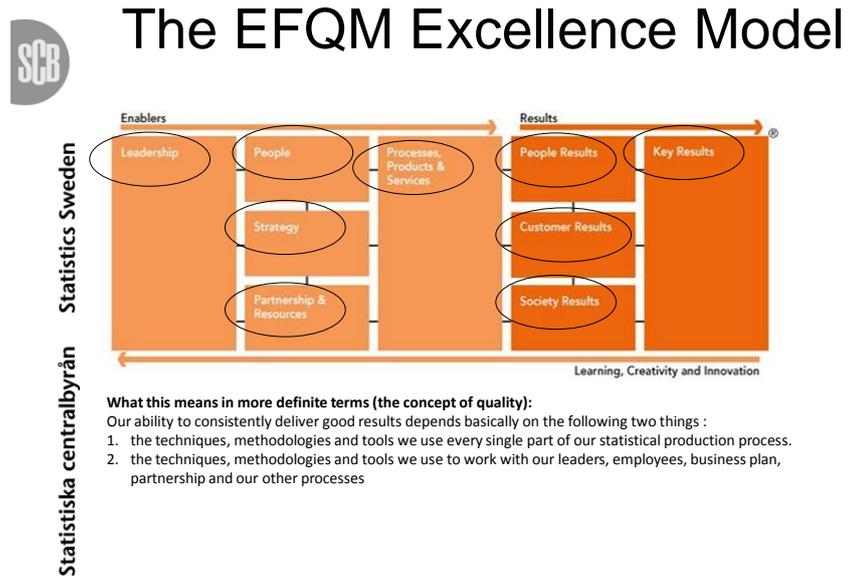
The EFQM model is based on eight core values: results orientation, customer focus, leadership and coherent action, management of processes and facts, people development and commitment, continuous learning, innovation and improvement, partnership development and social responsibility.

The EFQM model consists of nine criteria for which an organisation can assess its development towards world- class status. Each criterion includes a number of sub criteria. The organisation's work and achievements under each sub criterion, is assessed and scored by an evaluation. Each criterion has a weight corresponding to its importance in the overall picture. The maximum score for an evaluation is 1 000.

EFQM/SIQ has estimated Statistics Sweden´s current score at 250 points. That means that we have a considerable amount of improvement work ahead of us.

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The nine main criteria are shown in the figure below



February 1, 2012

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On the left side of the EFQM model are the "Enablers" (Leadership, People, Operational Planning/Strategy, Partnership and Processes). The value or results for the right side of the model, "Results" (People Results, Customer Results, Society Results and Key Results) depend on how well the "Enablers" perform their tasks.

In short EFQM states that Statistics Sweden's ability to consistently deliver high quality products and services (statistics and related services with the right content, the right quality, just-in-time and without errors) aligned to our stakeholders' needs, demands and requirements depends on:

- the techniques, methodologies and tools we use for every single part of our core production process – statistical production process
- the techniques, methodologies and tools we use to work with our leaders, employees, operational plan, partnership and the organisation's other processes

### 3 EFQM and management/leadership

In theory (as e.g. EFQM model) and in practice the most crucial success factors towards a culture of continuous and never-ending improvement are management/leadership, staff and culture. Therefore this section will focus on the Leadership box in the EFQM framework.

Let us consider one of the criteria in more detail, namely leadership. The mission statement for this criterion is:

*"Excellent leaders develop and facilitate the realization of the organisation's vision, mission statement, targets, business idea and values. They develop the values and the systems needed for long-term success and implement these through appropriate measures and their own behaviour. During periods of change they look to maintain the long-term direction that has been laid down. If required, these leaders also have the ability to change the direction and inspire others to follow. "*

To operationalise a criterion of this kind required specifications. The EFQM model leadership criterion is divided into five sub criteria:

- a) How leaders develop a mission statement, vision, values, and ethics, and the role models of a culture that strives towards excellence.
- b) How leaders are personally involved in ensuring that the organisation's management application is developed and continuously improved.
- c) How leaders interact with customers, partners and community representatives.
- d) How leaders create and reinforce a culture of business development among the organisation's employees.
- e) How leaders identify areas of improvement and support improvement work.

In each of these sub criteria there should be a number of approaches, methods and tools. For the organisation to get a high score the approaches applied throughout the organisation are evaluated regularly.

Examples of areas in the sub criterion 1 a) (how leaders develop effective vision, targets, values, and ethics, and are role models of a culture that strives to world-class) where the approach may be needed are:

- develop the organisation's mission, vision and culture
- develop and operate as role-models with respect to values, ethics and corporate culture that support our operation plan and TQM system.

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- evaluate and improve their own personal way to exercise leadership, i.e. how to become a model
- evaluate and improve the effectiveness of individual leadership behaviour
- actively be involved in improvement activities
- stimulate and encourage responsibility and authority, creativity and innovation among staff by changing the organisational structure, providing resources for learning and improvement activities
- encourage, support and act on the ideas that emerge through learning, i.e. encourage skills development
- stimulate and encourage collaboration within the organisation
- prioritise improvement activities

Section 8 in the extensive project report shows several ways that managers, leaders and group leaders together with their employees can work specifically with these issues in everyday life. To a large extent, it is about the study of how leaders of successful organisations working on these issues.

Therefore Statistics Sweden has developed a leadership profile derived from EFQM in order to clarify our expectations of our managers.

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## 4 Statistics Sweden´s leadership profile for managers

Statistics Sweden´s leadership profile for managers is derived from EFQM and other excellent leadership, management and TQM sources. Statistics Sweden´s leadership profile for managers is presented in appendix 1.

Our leadership profile for managers states that managers at all levels within the organisation use excellent, recognised and proven techniques, methodologies and practical working processes in management. That means our leaders need to use the best practical working processes in order to lead, manage, develop, monitor and continually improve our operations according to our leadership profile for managers, and our definitions of operational-oriented, customer- and user oriented, improvement-oriented, employee-oriented and results-oriented.

*“The person who is not a master of him or herself can never be master of others”*

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#### 4.1 Mission statement Statistics Sweden's leadership profile for managers

The long term mission for our leadership is presented below:

*"Our managers are now working from Statistics Sweden's operational plan and management system in excellent ways that are recognised, proven, and excellent management processes used at all levels of Statistics Sweden.*

*This means that our managers have moved from words to action when it comes to lead, manage, develop, monitor and continually improve our operations according to Statistics Sweden's operational plan and management system(transformed by Statistics Sweden's leadership profile)*

*This means that our managers are now using recognised and proven techniques, methodologies and practical working processes to operate business-oriented, customer-and user-oriented, improvement-oriented, employee-oriented and results-oriented*

*Statistics Sweden now maximises the value to our users and customers by constantly providing statistics aligned with our users' needs, requirements and demands with the right quality, the right content at the right time and without errors"*

The targets are not presented in this paper. What Statistics Sweden needs to achieve each year to achieve the mission statement above is specified in a few performance and process goals. These objectives should be taken up by top management each year in Statistics Sweden's operational/strategy plan. A few stakeholder-based goals that are specific, measurable, achievable, relevant and time-based should be established each year for each part of Statistics Sweden's leadership profile for managers.

In other words, the practical working process for the future work follows the structure for excellent vision, mission statements, and goal setting. In short, the long term mission statement above is then broken down into a series of long term-, medium term goals and short term goals (not presented here). Moreover, all our leadership training, workshops etc. are now (August 2012) under total transformation so that each single part of Statistics Sweden's training is directed towards this mission statement.

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A great deal of work still remains to be done by managers at all levels in clarifying what our leadership profile for managers means in concrete terms. Our general strategy for how we are going to achieve this mission statement is presented below.

#### **4.2 How we will achieve our mission**

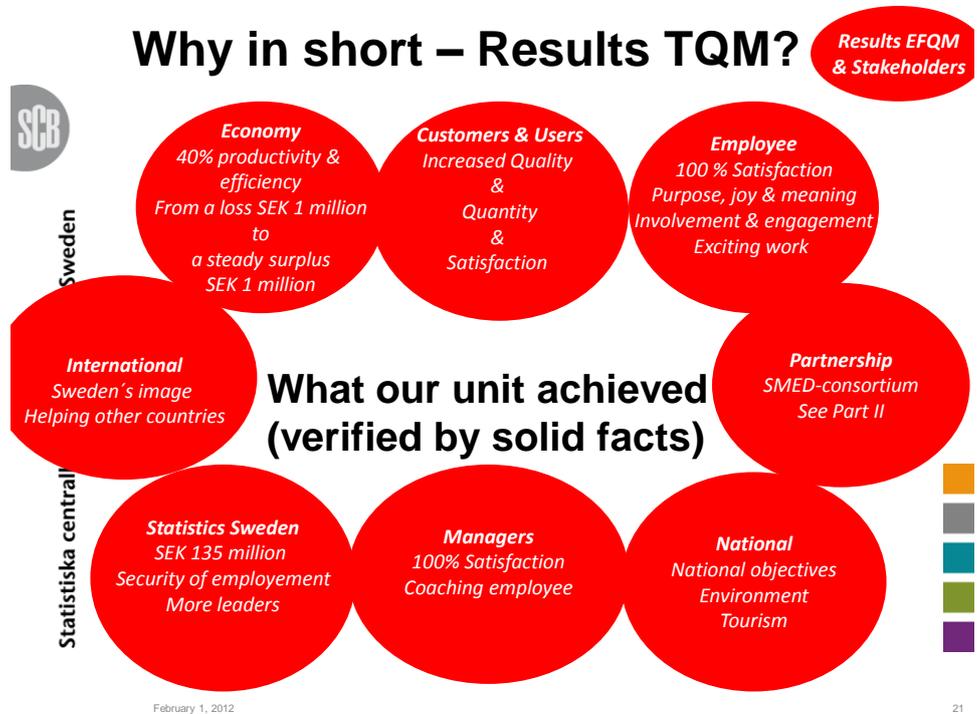
The table below presents the overall strategy and the activities needed to achieve the mission statements and goals for Statistics Sweden's managers and leaders. The arrow indicates the direction of the strategy "from what to how and why / results" indicate what and in what order and how this should be done gradually. All the knowledge, skills and abilities that our managers and leaders need to develop to achieve the target image in practice are highlighted in general terms in figure below. A detailed presentation of training etc. is available in an internal working document at the Personnel Department.

It is important to understand that one unit within Statistics Sweden has well-proven and well-functioning practical working processes, techniques, methodologies and tools. This unit has already achieved the mission statement and can verify the results in definite economic terms for different stakeholders such as customers, users, staff etc.

#### **4.3 What results can we expect?**

The figure below summarises the results that the Environment and Tourism Unit achieved during the period 2002 to 2011 by adopting working processes, methods and tools for most part of the EFQM framework, and boxes. A detailed presentation of achieved results with solid facts is available at Personnel Department.

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To transform the whole leadership according to Statistics Sweden’s management and TQM system and operational plan is far from a ”quick fix” and can be summarised by the sentence:

*” Small doses of daily learning and improvement – over time – lead to a tsunami of excellent results”*

Similar effects are anticipated for the rest of Statistics Sweden in the future when the leadership has been transformed according to the EFQM’s leadership box and related ”enabler” boxes.

## 5 How we are going to achieve this

Our strategy in general terms for going from what to how to achieve all this in practice is presented below. The presentation below is brief and aims only to give the reader a general overview of our strategy. A detailed plan exists at Personnel Department. This paper only attempts to present it in very general terms and only the first single and important step is presented briefly in section 4.1 and 4.2 below.

In April 2012 our Director General has in April 2012 gave his 100 percent commitment to prioritise this work for several years onwards. Most of our

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department managers also give their full support. We have not yet had the time to meet all department managers, but the few who are left will be given a presentation during September 2012. This is an important and crucial success factor to move from words to action.

**Leadership for Managers at Statistics**  
 – external och internal motivation

SCB

"Awareness, "Desire", "Knowledge", " Ability" & "Reinforcement"  
*What gets measured gets managed and what gets managed gets done"*

"From what to how and why"

As a Manager at Statistics Sweden you are...	That means that you...	What does this mean in more definite, precise and detailed terms ? Operationalisation step by step	How do I do this in practice ? 360 degrees - Brutal Self-Inventory	How do we measure and follow up on this more specifically? Indicators ?	What approaches, methods and tools do we use to go from what to how and why
From What to How and Why <span style="float: right;">→</span>					
Operations oriented					
Customer- & user oriented					
Improvement oriented					
Employee oriented	How do we know that we have succeeded ? How does success look like ?				
Results-oriented	Some samples of statements ....				

Statistics Sweden’s strategy and the activities needed to achieve the above mission statement for our leaders is illustrated schematically in the table above.

First, we need to increase awareness among management at all levels with respect to Statistics Sweden’s leadership profile for managers and what it means in definite terms. In the first stage, the aim is that all managers at the department level intensify their work together with their unit managers to define the meaning of business-oriented, customer-and user-oriented. To facilitate this approach, competence, templates, practical examples etc., are given by the Personnel Department. Moreover our leadership training has been totally transformed in order to give other kinds of support for knowledge, skills and abilities, see 4.2 below.

### 5.1 First steps

The first important step concerns change management according to the ADKAR model. This means that we need to raise the awareness (A) of

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Statistics Sweden’s leadership profile for managers among top management, department managers and unit managers. The next step is to raise the desire (*D*) among managers (external and internal motivation) by presenting the mission statement for our leaders in general and specific terms, the general and detailed strategy for how we are going to work with it, our Director General’s commitment etc. The third step is to present required knowledge, skills and abilities that are related to the mission statement for our leaders (*K A*), and that our organisation will be evaluated on in the future (*R*).



**5.2 Knowledge, skills, abilities, attitudes and motivation**

The mission statement for Statistics Sweden’s managers and leaders is thus the basis for the knowledge, skills, abilities, attitudes and motivation that our managers / leaders need to develop. To go from words to accomplished deeds concerning our training, workshops etc., we need a transformation that is directed towards this mission statement.

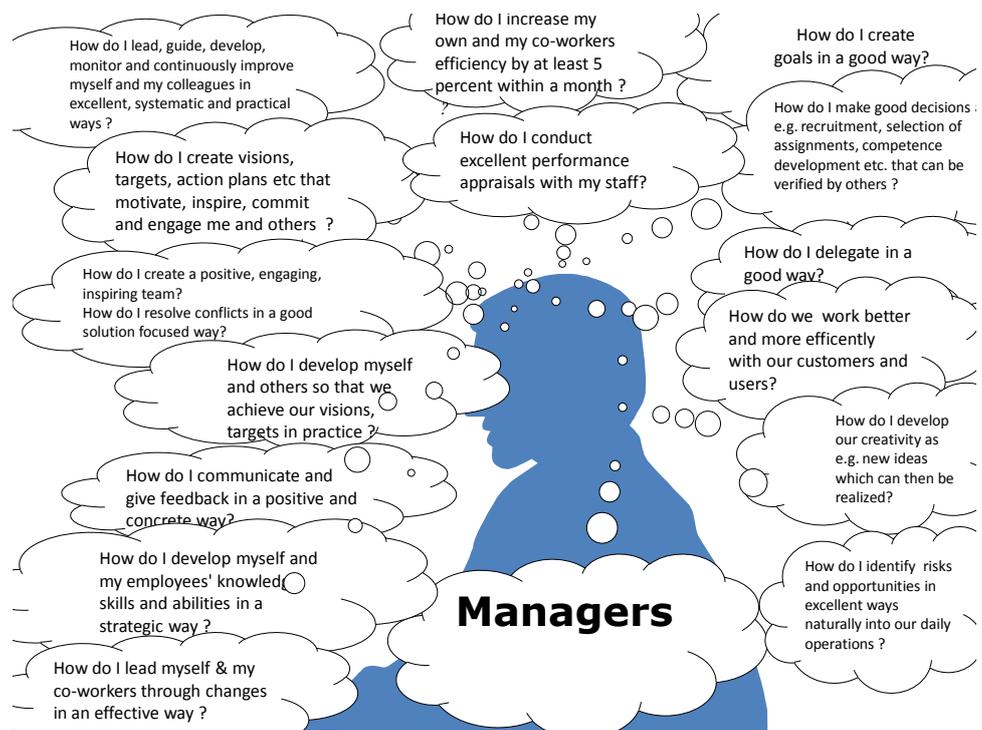
The competence that Statistics Sweden’s managers need to do this well in practice consists of many different parts, such as

- good management processes based on a business plan and management, management by objectives,
- framework for strategic development, quality management, change management,
- "business development", risk management, risk analysis,

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- personal- and group development teamwork, , solution focused approach, skills analysis,
- service / product development, , decision tools / decision management,
- project management,
- Six Sigma, Lean,
- tools for creativity, performance, communication,
- personal effectiveness,
- learn how to learn

Examples of what kinds of knowledge, skills and abilities that are important are summarised in the figure below:



A detailed description of the above set of skills is available in an internal working paper at the Personnel Department.

## 6 Conclusions and recommendations

The purpose of this paper was to describe a short background to the why, what, how etc. behind Statistics Sweden's decision to chose a management and total quality management system, and what has been done up to now.

The objectives were to show that our leaders' knowledge, skills, abilities, attitudes and motivation are crucial factors for success to carry out our

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management and total quality management system. These factors are also crucial for Statistics Sweden's ability to consistently deliver high quality statistics (the right content, the right quality, just-in-time and without errors) aligned to our stakeholders' needs, demands and requirements.

Our conclusions are the same as those made by other organisations and companies decades ago. The most crucial success factors are good leadership, staff and culture, and these factors should not be underestimated. It is crucial for an organisation to work systematically with practical tools in change management so that both leaders and staff knows exactly why a change is needed, what should be done, how it should be done and how all this concerns them.

Up to now, we have not taken enough time to communicate what the change really means with respect to these issues. It starts now, it will take time and willingness from our leaders to work persistently towards the goal. Then we will succeed in going from words to action when it comes to "a culture of continuous and never-ending improvements" .