1. LEADERSHIP

The purpose of leadership in Novia Salcedo Fundación (NSF) is to drive the organisation towards excellence. Excellence includes long-term positive results, appropriate people participation with a high motivation level and the development of a network of high-quality partnerships.

Top-down leadership began with a clear focus of deployment towards all our people. Currently, all NSF people with responsibility over others are assessed on their leadership activities, whilst the leadership effectiveness of those whose work does not involve responsibility over others is assessed on their level of empowerment, i.e. their ability to take decisions on their initiative in line with the NSF Mission, Vision and Values (MVV) and aligned to Policy and Strategy (P&S). Management with data is a must in NSF.

For this reason, monitoring, assessment, and review are supported by a whole set of indicators included in the Results Criteria.

1.4. LEADERS develop the mission, vision and values and are role models of a culture of Excellence

The expressed purpose of leadership is to be the standard bearer of the organisation’s mission, vision, and values, starting with the initial leadership practised by the Founder Chairman (FC) and reaching an ideal deployment level at which all the organisation’s people practise leadership.

**LEADERS in NSF are all those people who are committed to the organisation’s mission and values, drive others towards the fulfillment of the vision and accept their responsibility in delivering the organisation’s objectives through business excellence and in line with established policy and strategy. Leaders can therefore be FC, the Chairman of the Board of Governors (CBG), the other Board members (highly respected members of the business community who participate in the organisation on a voluntary basis, contributing their experience and know-how to the delivery of Strategic Goals), the Director, the Key Process Owners (KPO) who form part of the Key Process Committee (KPC), and the owners of other processes (PO).**

Leaders must be accepted as such; they are role models, making NSF the best place to work, accepting shared leadership and promoting leadership in others. Definition of Leadership: Review, December 2002 (by consensus agreement with all NSF people).

Selection criteria for leaders in NSF:

- High degree of commitment and allegiance to the organisation’s mission, vision and values
- In-depth knowledge of the process the individual is responsible for
- Ability to practice shared leadership, as understood and defined in NSF
- Ability to take on more responsibility ("jump in the deep end", in the case of staff)

**Fig. 1.2.1**

Strategic Goal of Shared Leadership:

- The objective of leadership review is to achieve participative management. When breakthrough change has been required in NSF, the achievement of the maximum possible degree of shared leadership has been crucial (e.g. in 2000). Thus, in the last review of the Process “Develop, Formulate, Review, and Improve Policy and Strategy”, a leadership-related Strategic Goal was established, namely: Consolidate this level of shared leadership throughout NSF.

**Fig. 1.2.2**

Achieve 80% people satisfaction level with “role model” aspect of leaders.

Deployment of Shared Leadership:

The purpose of the process is to encourage and promote the acceptance of the maximum possible degree of leadership by all the organisation’s people, in line with the organisation’s needs, the abilities of its people and the requirements of the time. In this respect, the particular characteristics of NSF staff (Overview) must be taken into account to fully appreciate the challenging and innovative nature of this approach in NSF. Despite these figures, this approach to leadership has proved successful, as practically all those who become staff members have taken on and accepted the corporate culture while working as NSF trainees, volunteers or on work practice contracts. In other words, they are 100% products of the NSF Nursery.

The founding statutes of NSF clearly state the organisation’s mission and values as: provide value for the customer, develop people, and a participative management system, and since the organisation was founded, this ideology has been readily accepted and diffused by the management team. However, when Euskalit was founded, NSF discovered a reference point in terms of a methodology and systematic process for transforming the existing personalistic style of leadership into a more institutional-style leadership, thus creating a leadership style and organisational mission, vision and values which could be disseminated and replicated in the future.

After a period of learning about and becoming more familiar with the principles of TQ, NSF signed a collaboration agreement with Euskalit in November, 1995, establishing our commitment to applying the principles of TQ to our management system whilst simultaneously disseminating these same principles in our activity area.

NSF has designed a process entitled “Define and Review Mission, Vision and Values”, part of the process of “Formulate, Develop, Review and Improve P&S”, subject to annual review and improvement cycles. Through these successive assessment and improve-
ment cycles, NSF aims to continuously improve the capacity of its MVV to respond to stakeholder requirements, to prepare MVV on an ever increasing participative basis, and to ensure that NSF people have an increasingly better knowledge of, and feel more identified with, MVV (sub-crit. 2.c).

The current situation has been reached in NSF as a result of the review and improvement cycles conducted over the period 1996-2002.

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestone</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Definition of MVV, based on principles of TQ (with staff participation)</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>Minor adjustments to MVV (mainly wording)</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>Review cycles, and consequent introduction of improvements: references to new stakeholders in the definition of MVV</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>New step in re-defining MVV, based on data collected on a bottom-up basis</td>
<td></td>
</tr>
</tbody>
</table>

The effectiveness of the approach and deployment of the Mission, Vision and Values is measured annually through the people satisfaction survey, the “horses for courses” survey, Belbin methodology, competence management, comparison against real data (assessed by the Director), meetings and appraisals, special sessions dedicated to leadership, self-assessment and external assessment.

There is clear evidence in this area that results are caused by the efficiency of the approach to leadership style. In 2002, 74% of staff consider that leaders stimulate and act as coaches (Fig. 7.a.9), not as controllers or policemen, that shared leadership is practised in the terms defined by NSF and that leaders practice what they preach (compared to 68% in 1996). In 1996, 52% of staff saw leaders as role models, whilst this figure in 2002 rose to 78%. 91% of staff in 2002 consider leaders to be accessible, to stimulate participation and to encourage empowerment. In 2002, 96% of people stated they believe that leaders are involved in implementing business excellence, whilst figures for this same item stood at 60% in 1996.

In 2002, in an anonymous survey, 56% of our people said they consider themselves as leaders in NSF. With respect to the segment of staff under contract who have worked more than two years in NSF, 92% consider themselves leaders. All members of the BG have taken on leadership responsibilities (crit. 7). Results on the approach show a clearly positive trend.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of staff leaders taking on responsibility and guiding their process team towards the delivery of results.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>42%</td>
</tr>
<tr>
<td>1997</td>
<td>45%</td>
</tr>
<tr>
<td>1998</td>
<td>54%</td>
</tr>
<tr>
<td>1999</td>
<td>54%</td>
</tr>
<tr>
<td>2000</td>
<td>60%</td>
</tr>
<tr>
<td>2001</td>
<td>53%</td>
</tr>
<tr>
<td>2002</td>
<td>55%</td>
</tr>
</tbody>
</table>

Since 1996, 7 new leaders have been created as a result of internal and external training plans (Fig. 1.a.8), coaching from existing leaders, who accompany their team members at all times (Fig. 1.d.1), and primarily through the philosophy of “Jump in the deep end”, or empowerment, which ensures that all new recruits take on responsibilities and challenges from the outset, and also serves as training and learning.

**Milestones in the Review, Learning and Approach of Leadership**

- **1987**: Contact with Euskaltel: Transformation of personalism concept of leadership towards TQ-aligned principles.
- **1995**: Learning and Benchmarking Actions: Training of leaders in EFQM business excellence model, cascaded to other employees internally.
- **1996**: Development of management leadership, focusing on people meeting objectives. Leaders are in posts of unit management.
- **1997**: Leadership effectiveness: measurement of management leadership through the people satisfaction survey (no segmentation).
- **1998**: Learning through TVA and Gasnalsa, a seminar on leadership in EFQM (The Spanish Association for Business Development), and the Assessors’ Club Quarterly sessions on communication and training in TQ for all the organisation. Beginning of management by processes, and training of the first improvement teams.
- **1999**: First and second self-appraisal and review of leadership in the then SC. Prioritization of areas for improvement in leadership.

**Improvements**

- Creation of Steering Committee (SC)
- Commitment of two NSF leaders to be trained to implement and deploy TQ throughout the organisation (in a multi-annual training programme for the deployment of business excellence, together with other NPO, 1996-2003)
- Triggerring of the Plan to Implement TQ
- Definition of the process “Manage Shared Leadership”, with systematic review.
As explained above, one way of measuring leadership effectiveness in NSF is through assessing the empowerment level of its people, i.e. their capacity to take decisions on their own initiative in line with MVV and aligned to P&S (sub-crit. 5.c). 87% of NSF people currently consider they have initiative, are empowered and contribute to improvement in the organisation (sub-crit. 5.b, Fig. 7.a.10). 74% of people believe that NSF makes every effort for leadership to be shared by the greatest possible number of people (68% in 1996). 91% of people in 2002 state they have a perfect knowledge of the process in which they work (Fig. 7.a.13), are aware of what the key processes concerning them are, of who their customers are (internal and external), of what their requirements are and if their customers are satisfied or not. In 1996, only 40% of staff stated they knew what the key processes of NSF were. 87% of people believe that NSF stimulates initiative, creativity and empowerment.

In line with their commitment to TQ, leaders decided that all NSF people should receive training in TQ, management by processes and improvement management. To this end, an external and internal training plan for knowledge of TQ to be deployed throughout the organisation was included in the process “Train and Develop Competencies” (Fig. 3.b.3 & 3.b.4). Since 1996, funding for learning and improvement has increased progressively (Fig. 7.b.3 & 7.b.4).

Since 1996, NSF has participated in various activities with a series of other not-for-profit organisations (NfPO), among them ASLE, winner of the 2002 EQA Prize in the SME category. This collaboration takes the form of workshops used for information exchange on TQ management systems. Progress made in this field since this initiative began is shown below. As a result of this activity, significant progress has been made along the TQ path, e.g. three of these organisations were recognised with the Basque Government “Silver Q” Award for Quality in 2000, two with the “Gold Q” Award in 2002, and in 2002, ASLE won the 2002 EQA Prize. Every year, a plan is made of when these events are going to be held, which NSF people are going to participate and how many hours will be dedicated to these events to exchange learning and improvement. The target is to increase the number of NSF people participating at any one moment in these activities. The effectiveness of the approach and deployment is measured annually through questionnaires.

### Table: External Training in Quality

<table>
<thead>
<tr>
<th>Year</th>
<th>External Training in Quality</th>
<th>No. of people</th>
<th>Man hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Quality teams and tools</td>
<td>6</td>
<td>192</td>
</tr>
<tr>
<td></td>
<td>TQ</td>
<td>2</td>
<td>120</td>
</tr>
<tr>
<td>1997</td>
<td>Course on team dynamics</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Seminar on EFQM business excellence model</td>
<td>2</td>
<td>40</td>
</tr>
<tr>
<td>1998</td>
<td>Management by processes</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Quality teams and tools</td>
<td>2</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>EFQM business excellence model</td>
<td>2</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>5S methodology</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>1999</td>
<td>TQ</td>
<td>1</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Refresher and new course for EQM assessors</td>
<td>2</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Management by processes</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>ISO 9000: 2000</td>
<td>2</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Refresher and new course for EFQM assessors</td>
<td>3</td>
<td>120</td>
</tr>
<tr>
<td>2000</td>
<td>Management by processes</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Methodology for writing a Quality submission document</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>SS methodology</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Sessions on EFQM criteria 1 &amp; 2</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Refresher and new course for EQM assessors</td>
<td>4</td>
<td>160</td>
</tr>
<tr>
<td></td>
<td>Motivation and teamwork</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

### Figures

1. a.8

![Figure 1.a.8](image-url)
agree that meetings are efficient and useful, and 87% state that teamwork improves their personal performance (Fig. 3.c.1).

believe that a team spirit exists in NSF and that tasks and functions are co-ordinated efficiently to meet established objectives. 91%
in defining and improving their own professional development and in evaluating and improving the processes of the organisation. 87%
of P&S. 73% of people believe that the well-being of the organisation is linked to their own well-being. 83% state they are involved
approaches to adopt. In 2002, 87% of people believed they contribute to process improvement and to the definition and improvement
from a hierarchical, function-based organisation, and the commitment to a system of management by processes have been the correct
adjustments made have been appropriate for delivering the goals established in the P&S of the organisation, i.e. the transformation
nisation (crit. 6, 7, 8 and 9) . Additionally, this is proof of the fact that the organisational development conducted within NSF and the
vision. In this way, NSF generates a win-win scenario for its people. This approach was adopted after analysing the results of surveys, lear-
growing awareness of social responsibility as the organisation matures. This leadership is developed through teamwork, cross-area
collaboration and creating the right conditions for people to feel important, thus contributing to the creation of a common, shared
In this way, NSF generates a win-win scenario for its people. This approach was adopted after analysing the results of surveys, learning
actions and reviews of approach (crit. 7). The organisation is accepted as “the best place to work”, and would be recommended as such
by our people to their relatives and friends. In 2002, 87% of people responded positively to the statement “I am proud of working in NSF”.

People leadership in NSF contributes to the success of the organisation in the same way that the success of the organisation is defined
by P&S established by the organisation’s people and through organisational development by processes (sub-crit. 5.a), together with a
growing awareness of social responsibility as the organisation matures. This leadership is developed through teamwork, cross-area

Since 2000, NSF has been a member of the 400 Club, made up of those organisations who have scored 400 or more points through assessment against the EFQM excellence model. In this respect, we have participated in best practice exchange forums with EQA prize winning companies. Additionally, our Silver Q for Quality award winning submission document, and our experience in the field of TQM itself, are both used as examples in training courses run for NIPO and education centres by Euskalit.

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by our people to their relatives and friends. In 2002, 87% of people responded positively to the statement “I am proud of working in NSF”.

There is clear evidence that the leadership style implemented in NSF has led to an improvement in the competitive position of the organi-
cation (crit. 6, 7, 8 and 9). Additionally, this is proof of the fact that the organisational development conducted within NSF and the
adjustments made have been appropriate for delivering the goals established in the P&S of the organisation, i.e. the transformation
from a hierarchical, function-based organisation, and the commitment to a system of management by processes have been the correct
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agree that meetings are efficient and useful, and 87% state that teamwork improves their personal performance (Fig. 3.c.1).

Processes are in place in NSF to systemise improvement and teamwork in line with strategy. All the organisation’s people par-
ticipate in process improvement and cross-area improvement teams, with positive results shown throughout this document and
triggered by the fact that NSF leaders have all been trained in work teams and improvement tools. The knowledge gained through
this training has been used to improve processes throughout the organisation, and to engender a culture of “a problem is an oppor-
tunity”. This approach to leadership has contributed to the fact that 96% of people in 2002 considered there are sufficient channels for
involvement and the proposal of ideas (sub-crit. 5.b).

1.b. Leaders are personally involved in ensuring the organisation’s management system is developed, implemented and
continuously improved

Since 2000, NSF has been a member of the 400 Club, made up of those organisations who have scored 400 or more points through assessment against the EFQM excellence model. In this respect, we have participated in best practice exchange forums with EQA prize winning companies. Additionally, our Silver Q for Quality award winning submission document, and our experience in the field of TQM itself, are both used as examples in training courses run for NIPO and education centres by Euskalit.

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nal-external customer satisfaction, etc.”. To facilitate progress towards excellence and the involvement of all its people in customer-focused results, since 1996, the organisation of NSF has progressively changed from the traditional, hierarchy-based organisation managed by units to a flat organisation managed by processes. The role of the Key Process Committee (KPC) in this task, one initially driven by the organisation’s leaders, has been crucial. The KPC took responsibility for training all the organisation’s people in customer orientation, for the documentation of process boxes with their respective process teams (sub-crit. 5.a), for training, learning and commitment in the deployment of management by processes (sub-crit. 1.a), the elimination of functional barriers, and the reduction of the levels of hierarchy to enable process teams to continuously meet the needs and requirements of their customers and other NSF stakeholders.

NSF leaders ensure the development and implementation of a System of Management by Processes through deployment of the process “Formulate, Develop, Review and Improve P&S”. This methodology is included in the process “Manage the Processes and Indicators of the Organisation”, to thus deploy and deliver P&S in an ordered and systematic way (crit. 5.a).

After identifying CSF for delivery of long-term strategy and reviewing the global process map, NSF makes an annual analysis of the impact of each process on the balanced scorecard, and thus identifies key processes. This process has been successively reviewed on a regular basis. Once relevant process ownership (PO) has been assigned (among all the people of the organisation, in line with the strategy of shared leadership), the people involved conduct review (PDCA) and analysis (SWOT) exercises on their processes to establish improvement objectives for the Business Plan (BP) and the next review of Global NSF Strategy (sub-crit. 2.a). Annual objectives for each process are set as a consequence of the deployment of the long-term Quantified Goals related to CSF. To do so, NSF makes sure that people have a clear understanding of P&S, explaining this to them in the General Assembly (GA), in process review meetings (BG, Technical Committee, KPC, etc.) and through other communication channels (Fig. 3.d.1). One improvement made in this area in 2002 was the management of information panels. The process tree is drawn up from review of P&S for 2002-2005. Leaders are personally committed to training all NSF people in process management and PDCA cycle methodology. In this respect, one member of the BG and those KPC leaders with the highest degree of knowledge of quality principles and management by processes have been mainly responsible for these training actions.

PO review their processes after formulation of the BP (a monitoring tool to ensure the deployment of P&S), which is in turn prepared on the basis of strategic thinking on P&S. The key process of P&S is that which triggers the implementation and improvement of the whole system of management by processes. The findings from the annual review of processes are documented as the next year’s BP, which is the reference and guidebook for all actions taken by NSF. Since 2001, the BP has been 100% structured by processes, as unit or function-based management now has no place in NSF. Monitoring of the implementation of the BP includes monthly review by the KPC of the situation of the Strategic Goals, the CSF, of early and late indicators and of process improvement plans. The findings of this analysis are then reviewed by the Technical Committee (a statutory committee acting as a hinge between the KPC and the BG, sub-crit. 2.c, 2.d and 5.a).

Process management methodology in NSF has been subject to constant review since 1997, mainly as a direct result of internal learning activities, the sharing of best practices with various organisations (NPO, EQA prize winners) and especially consultation with experts and senior assessors of the EQA. Assessment has been related to the delivery of objectives (crit. 6, 7, 8 and 9).

As described in sub-crit. 5.b, NSF leaders have been responsible for developing the process “Manage Improvement in NSF”. Based on our commitment in 1996 to develop business excellence management in our organisation, an improvement system has been set up which enables us to stimulate, identify, plan and implement improvements to enabling approaches. Improvement is initially driven by the members of the BG and KPC; however, as all NSF people slowly become more familiar with the management by processes system, improvement also becomes the domain of the process teams themselves. The improvement system currently in place in NSF is the result of several review cycles since 1996. To ensure enabling approaches throughout the organisation, the KPC has promoted the development and implementation of processes and tools to stimulate change, which have been integrated into the process “Manage Improvement in NSF”. Since 1996, NSF leaders have also promoted the use of self-assessment against the EFQM business excellence model as a tool to enable areas for improvement in approaches to be identified, planned and implemented, thus improving the results of the organisation. After almost two years of training and deploying the planned approaches, the first self-assessment exercise was conducted in March, 1998. The first two such self-assessments (1998 & 1999) were conducted using the pro-forma model, indicating strengths and areas for improvement. However, since the external assessment by 6 external assessors in 2000, as a result of which NSF was recognised with the Q for Excellence of the EFQM model (NfPO, EQA prize winners). The process “Manage External Assessment, Self-Assessment and Certification” has been subject to numerous PDCA review cycles, after internal and external learning activities of our people. Feedback from self-assessment provided crucial input for the process of P&S: in this respect, our leaders (BG, KPC) provide all the necessary encouragement and resources for these self-assessment exercises to be supported either by external assessment or the presence of an external assessor. All leaders participate in the preparation of the submission documents for external assessment, to thus stimulate and maximise the potential for improvement throughout the organisation.

Other mechanisms driving improvement activities are learning and benchmarking activities promoted by our leaders. Since the decision was taken to specifically define and implement processes to manage these elements, increased funding has been deployed in this area, man-hours defined, and responsibility and improvement objectives determined. More detailed information on the processes “Develop Management Systems” and “Manage Improvement in NSF” is given in sub-crit. 5.a.

The KPC ensures and monitors that the processes to develop, deploy and update P&S, and to measure, review and improve key results are developed and implemented (“Manage Processes and (strategic) Results and Process Indicators”, part of the processes “Develop Management Systems” and “Manage Improvement in NSF”).

1.c. Leaders are involved with customers, partners and representatives of society

Since 1996, NSF leaders have systematically met and responded to the needs and expectations of our external stakeholders, and this is reflected in the P&S process of our organisation. Customers, partners, friends and society are CSF of NSF P&S. The needs of all these external stakeholders are identified through the P&S process (sub-crit. 2.a), whilst delivery of the Strategic Goals in relation to these stakeholders is reviewed on a monthly basis, seeking an appropriate balance in the delivery of all these goals.
The CSF “Customer perspective, able to detect customer needs and transform them into products or services... to ensure customer satisfaction and loyalty through our own credibility, thus securing their confidence” is deployed through the process “Manage Customers”, with the objective of achieving the loyalty levels established, and is made possible due to the fact that 100% of NSF people are customer focused. This approach was initially driven top-down, but a culture of customer orientation has progressively spread throughout the organisation, to the point where nowadays over 90% of our people describe NSF as customer focused and consider they participate in this approach (a constant customer contact). Our relations with our customers have in themselves been the main learning method for improvement and the introduction of new activities (sub-crit. 5.c. & 5.e).

Another CSF states “the creation of networks and partnerships: the ability to establish relationships with others (organisations, individuals, etc.) and identify potential areas of collaboration and synergy”. Partner relationships have been the main source of learning in NSF for improvement and introduction of new activities managed through the process “Manage Partnerships” (sub-crit. 4.a). This process involved various review cycles.

With suppliers, the objective is to work together to offer the best possible service for our customers and/or external stakeholders. Supplier satisfaction is measured through meetings, assessment, interviews and a survey (if required) (sub-crit. 4.a), and the required improvements are identified through these channels and implemented in the corresponding processes.

NSF is actively involved in the promotion of improvement and TQ with its stakeholders (customers, suppliers, people and society) for them to meet the applicable quality requirements and thus improve their competitive position. In the processes “Manage Partnerships” and “Manage External Communication”, a review has been made of the recognition system for NSF customers, suppliers, public institutions, Friends, etc. An improvement action is currently being developed to systemise and document the recognition system for external stakeholders, which had been managed on an ad-hoc basis previously, due to their contribution to the organisation’s results.

Process management has resulted in the following improvements:

- Public Act of Recognition “Friend of NSF Diploma” (sub-crit 4.a), in recognition of the involvement of customers, friends, suppliers and other collaborators in the success of NSF.
- Customers are invited to attend and participate in in-house ceremonies, talks, workshops, conferences, seminars, etc.
- Names of stakeholders are included in publications, press and media reports and public acts organised by NSF.
- Systematic emailing of information brochures and NSF publications to Friends and other stakeholders.
- Letters of acknowledgement, and tax deductions for organisations collaborating in work placement.
- Gifts, meals and celebrations.
- Customer recognition, both youth and corporate (crit 8.b).
- Stakeholders are invited to contribute articles (relevant information, best practices, etc.) to the six-monthly NSF publication.
- Diploma ceremonies for Friends of NSF (Athletic de Bilbao Football Club, Bilbao City Council, Bizkaia Regional Council, University of the Basque Country, University of Deusto (Bilbao), numerous companies, etc.). A total of 20 such diplomas have been awarded.

NSF has collaborated in recent years with companies and public sector institutions through Youth Employment Programmes. This network, managing funds of €1,215,000 in 2002, is comprised of around 300 organisations, and has been instrumental in finding work for around 400 young qualified people.

Additionally, NSF encourages companies and institutions to take on new management systems, offering them the opportunity to progress in areas such as environmental management, Quality Assurance systems, sustainability, integrated quality-environment-safety systems, and e-business. These areas have not been chosen at random; they are, in fact, areas considered as priorities for the greater competitiveness and social responsibility of Basque society (sub-crit. 3.e).

![Fig. Lc.1](image1)

**RESULTS**

<table>
<thead>
<tr>
<th>Trends in the number of partnerships, Friends</th>
<th>Trends in the satisfaction of society-related stakeholder groups (sub-crit. 4.a)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEARNING</strong></td>
<td><strong>ASSESSMENT AND REVIEW</strong></td>
</tr>
<tr>
<td>Expert supplier-partner (Communication)</td>
<td>Self-assessment</td>
</tr>
<tr>
<td>MBN</td>
<td>Monitoring of indicators of process</td>
</tr>
<tr>
<td>NIPO groups</td>
<td>“Manage Partnerships”</td>
</tr>
<tr>
<td></td>
<td>Surveys on Friends</td>
</tr>
<tr>
<td></td>
<td>Monitoring of database on relational capital</td>
</tr>
</tbody>
</table>

**ASSESSMENT AND REVIEW**

- Surveys on Friends
- Self-assessment
- Monitoring of database on relational capital
- “Manage Partnerships”
- Surveys on Friends
- Monitoring of database on relational capital

**Contribution to Society, Improvement Projects**

<table>
<thead>
<tr>
<th>Contribution to Society, Improvement Projects</th>
<th>Partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental management and ISO 14001</td>
<td>IHOBE, Department of the Environment of the Basque Government, Bizkaia Regional Council</td>
</tr>
<tr>
<td>Management of Sustainable Development (Programme Local Agenda 21)</td>
<td>Department of Justice, Labour and Social Security of the Basque Government</td>
</tr>
<tr>
<td>Training “e-professionals” for SME</td>
<td>Department of Employment and Training of the Bizkaia Regional Council</td>
</tr>
<tr>
<td>Accreditation Centre in the Basque Country for the European Computer Driving Licence (ECDL)</td>
<td>European Social Fund</td>
</tr>
<tr>
<td>To improve and certify qualification levels in Information and Communication Technologies (ICT), and to support SME in the Basque Country in their process of adaptation to the demands of the Information Society</td>
<td>ECDL Foundation, CEBEK, Education Centres</td>
</tr>
</tbody>
</table>

**Assessment and review of these processes is conducted through various channels**, and the satisfaction ratings of organisations collaborating with NSF show values in excess of 8 (out of 10) (sub-crit. 4.a). Our efforts of the last 5 years in communicating with our customers and striving to identify their needs have enabled us to **continuously introduce improvements** to the process and project their expectations.
in the form of NSF programmes. Part of NSF strategy includes a commitment to collaborate free of charge, as a responsible member of society, with other organisations sharing a common mission and vision, for them to benefit from NSF know-how and experience. The strategy of “recognition in society”, together with the CSF “Identify and develop activities beneficial for society. Participate in and promote innovation in benefit of the local community” have both led to NSF playing an active part in this field.

In 2001, the presence of NSF in Society was prioritised as an area for improvement, as a result of the feedback report from the 2000 external assessment. Consequently, an improvement team was formed to define the purpose, objectives, end customers, segments, stakeholders and indicator system for this process (crit. 8). Part of the process has involved conducting a study, together with a group of NfPO, of the practices developed in this area by several organisations of business excellence (EQA prize winners). Various PDCA cycles have been conducted, and improvements through self-assessment or external assessment implemented.

6 of the areas for improvement identified by this team were prioritised on the basis of previously agreed criteria (Milestones in the History of NSF). The social issues selected are those considered as priority within the framework of EU directives for member states, or are the result of learning activities in this area. 5 processes were therefore designed to manage the priority factors of the presence of NSF in Society.

In NSF, “Manage Presence in Society” includes:

1. “Manage and Promote Volunteers”
2. “Support Other Organisations”
3. “Communicate externally in Society”
4. “Promote Business Excellence Management”

In NSF, “Manage Presence in Society” is a process in NSF. In 1996, NSF signed a collaboration agreement with Euskalit to disseminate the culture of TQ and the EFQM business excellence model among young people. A 32-hour training module on Improvement Teams and Tools was taught, reviewed and improved year-on-year, reaching the point where a 100-hour course on TQ is now taught. The success of these courses, registering high degrees of student satisfaction and increased demand, led Euskalit in 2000 to ask us to teach one of the training modules to professional people, a challenge we accepted with the objective of promoting business excellence management in Society. Feedback in terms of the satisfaction levels of those attending the courses have led to the current situation of over 60 organisations (EQA prize winners). Various PDCA cycles have been conducted, and improvements through self-assessment or external assessment implemented.

“Promote Business Excellence Management” is a process in NSF. In 1996, NSF signed a collaboration agreement with Euskalit to disseminate the culture of TQ and the EFQM business excellence model among young people. A 32-hour training module on Improvement Teams and Tools was taught, reviewed and improved year-on-year, reaching the point where a 100-hour course on TQ is now taught. The success of these courses, registering high degrees of student satisfaction and increased demand, led Euskalit in 2000 to ask us to teach one of the training modules to professional people, a challenge we accepted with the objective of promoting business excellence management in Society. Feedback in terms of the satisfaction levels of those attending the courses have led to the current situation of over 60 organisations (education centres, NfPO, etc.) receiving training and support from NSF in their efforts to implement a system of business excellence management (crit. 8). One CSF of this process has been the methodology followed (based on NSF experience and know-how) to exchange best practices between NSF and the other organisations. The subject areas covered, and on which best practice exchange has been based, are:

- **YEAR 1**
  - EFQM Model; Principles of Quality
  - Strategy Planning
  - People management
  - Improvement teams and tools
  - Leadership
  - Indicator system
  - Process management
  - Visit to ASLE (EQA prize winner)
  - Impact on Society
  - Remuneration and Internal Communication
  - Management of Resources

In addition to the training initiatives explained above, since 1998, NSF has also been involved, in conjunction with a series of other organisations, in the organisation of a Grants Programme for Quality Facilitators, aimed at young graduates in subjects with relatively few openings in the labour market. These trainees are given the opportunity of work practice in companies for a period of 9
months, after receiving comprehensive training in Quality. In the belief that the EFQM business excellence model offers new employment opportunities for the young unemployed, the roll-out effect of this initiative has meant that other organisations are now committed to generating employment in this way (crit. 8). The Programme has been subject to PDCA review cycles since 1998, and successive improvements have been implemented in areas such as methodology, tutoring and training.

27% of NSF people are trained assessors against the EFQM model (through the Euskalti Assessors’ Club, members of which are selected on the basis of their experience, training and competence to assess Basque Country organisations). Since 1997, NSF leaders have been involved in 14 external assessment exercises. In this respect, NSF is the Foundation within the Basque Country with the highest percentage of assessors in the 400 Club, which consists of 554 professionals drawn from 275 public and private sector organisations within the Basque Country.

In addition to giving training, supporting other organisations in the introduction of Quality and collaborating as EFQM assessors, NSF leaders are also involved in other diffusion activities of a more general nature, such as:

- Radio and TV programmes, to diffuse quality and publicise talks, courses, grants, etc.
- Talks in other organisations, e.g. Marketing School of the Basque Country, Elgoibar Business School: 1999.
- Press coverage (special supplements on Quality, 1999) and articles in specialised publications (Qualitas y Gestion Escuela, 1998)
- Article published in a publication of the mental health centre Fundación Omíne
- Interview published in the newspaper El Correo (special supplement on Quality, 2002)

Review of the process “Promote Business Excellence Management” is conducted through annual self-assessment, through regular review of P&S, through process indicators (including monitoring of the delivery of objectives in line with P&S, using approved measurement tools) and through satisfaction surveys. NSF analyses the results obtained, which are then subjected to comparative analysis against the results obtained by other organisations to include improvements in future actions (crit. 8).

In 1990, 1995, 2000 and 2002 NSF also surveyed social agents for their perception of NSF contribution to society. The results are used to evaluate and verify our actions in this field (crit. 8).

1.4: Leaders motivate, support and recognise the organisation’s people

In NSF, we believe that the best way to create people motivation, and to ensure that all their actions are geared to P&S, is for them to participate in the formulation, review and improvement of Strategy. This approach, which involves much more than leaders correctly informing staff of decisions taken, has been developed over time as a learning activity, has its roots in the bottom-up approach to formulating P&S and culminates in the Strategy document being submitted for formal approval in the General Assembly. Activities supporting this approach include the definition and review of MVV on a participative basis, review meetings of the process “Formulate, Develop, Review and Improve P&S” (with year-on-year increase of people participation), the involvement of all NSF people in process improvement, and General Assemblies (verification and approval of bottom-up formulated P&S, presentation of the annual Business Plan, approval of end-of-year accounts, etc.). Leaders are responsible for personally communicating P&S and business plans through the established (and systematically reviewed) channels (sub-crit. 2.5 & crit. 3.c).

The accessibility of leaders is evident through the bottom-up, top-down and horizontal communication channels in place in NSF since 1996, and deployed through the process “Drive Communication.” Meetings attended by all NSF people are held on a regular basis to communicate trends in process objectives and the delivery of strategy. The NSF open-door policy encourages and enables anyone who needs information or advice to speak directly to leaders (sub-crit. 3.d, Fig 7.a.8).

To support people to achieve their objectives, and to keep up-to-date with the latest developments, members of the KPC hold meetings with their team members to discuss progress towards objectives and the fulfilment of plans, and help them to take new decisions where necessary (sub-crit. 3.b). The Director also holds annual performance appraisal interviews with all NSF staff, and gives guidance on the improvement actions to be taken for their professional development (sub-crit. 3.b).

In the “horses for courses” survey, a clearly positive trend can be seen in % terms of people satisfaction with how their work objectives are regularly discussed and reviewed (Fig. 7.a.11).

Achievements and participation in improvement teams are recognised by leaders through the documented process of “Recognise People,” part of the parent process of “Manage People” (sub-crit. 3.c). The degree of people satisfaction with this policy is monitored through the people satisfaction survey. In this respect, a benchmarking exercise was conducted in 2001 with a group of 6 NfPO.

As a result, 6 improvement suggestions were made, communicated throughout the organisation and subsequently implemented. Certain aspects related to recognition have been improved after benchmarking exercises with NfPO:

- Break the routine: surprise and creativity factor
- Systemise the what, how, who and why factors of recognition
- Company-wide education: horizontal and vertical recognition
- Take care and setting precedents
- Ask each individual the form of recognition they would like
  - Immediacy
- Bear in mind that certain elements initially considered as recognition (Christmas hampers, meals, etc.) may eventually be interpreted as a worker’s right.

The 2002 satisfaction survey revealed that 87% of our people are satisfied or very satisfied with the recognition they receive from leaders, as opposed to 66% in the 1996 survey (Fig. 7.a.15). As has been stated before, in NSF, in line with established strategy, we believe that one way to motivate and recognise people is to give them the opportunity of participating in decisions affecting their process. The expression “jump in the deep end” may be used to describe how “delegation and empowerment” is understood in NSF. Since the organisation was founded up
to modern times, this philosophy of “jumping in the deep end” has been structured and systemised in such a way for our people to consider and believe they are able and adequately trained to do so, and that, if necessary, they can always rely on their team for support (crit. 3 & 7). Management by processes involves each process having the resources required to achieve planned results. In turn, these results must always represent an improvement on previous process performance (crit. 5). For this to be so, in NSF, **everybody participates in improvement activities**, be they improvements to their own processes or cross-area improvements (sub-crit. 3.c). NSF leaders **encourage and empower people to take on leadership in the terms defined**, in addition to their participation in improvement activities for the organisation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestone</th>
<th>Leader</th>
<th>People accompanying NSF leader</th>
</tr>
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<tbody>
<tr>
<td>1996</td>
<td>Advisory and Consultancy services to start up the Las Arenas Hall of Residence</td>
<td>Isabel Fernández</td>
<td>Begoña Etxebarria (D) Juan Salbidegoa (BGP)</td>
</tr>
<tr>
<td></td>
<td>Agreement with Euskalit to promote Quality Programme to advise Unemployed Women Graduates</td>
<td>Isabel Fernández</td>
<td>Begoña Etxebarria (D) Mikel Ugalde (Partner)</td>
</tr>
<tr>
<td></td>
<td>as part of the NOW Equal Opportunities initiative</td>
<td>Mercedes Apella, Ana Díaz, Jasone Rodríguez</td>
<td>Unai Martínez (SC)</td>
</tr>
<tr>
<td>1997</td>
<td>Start-up of the international programme to create innovative companies</td>
<td>Ana Diaz</td>
<td>Federico Solana, José Luis Jiménez (BG), Javier Salcedo (Friend),</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Isla Fernández (KPC)</td>
</tr>
<tr>
<td>1998</td>
<td>Advisory and Consultancy services to start up the Ría de Bilbao Hall of Residence</td>
<td>Natalia García, Carmen Echevarría</td>
<td>Jon Arrieta (Chairman of BG) Begoña Etxebarria, Javier Salcedo</td>
</tr>
<tr>
<td>1999</td>
<td>International Congress on “The Future of Work”</td>
<td>Begoña Arbaiza</td>
<td>Isla Fernández (KPC)</td>
</tr>
<tr>
<td></td>
<td>AdaptaNet Training Programme (for women) in New Technologies</td>
<td>Jasone Rodríguez</td>
<td>Elisa Mena, Begoña Etxebarria</td>
</tr>
<tr>
<td>2000</td>
<td>IT Documents Centre, and the creation and development of specialised websites for organisations providing services for young people</td>
<td>Elisa Mena</td>
<td>ESIII (Eduardo Jacob, Juan José Uncilla), Telefonica (Jose Manuel Rodríguez Devesa)</td>
</tr>
<tr>
<td></td>
<td>International Congress “For an Information Society within the reach of everybody”</td>
<td>Elisa Mena</td>
<td>Jon Arrieta, Begoña Etxebarria, Education Dept. of the Basque Government, SPRU, Telefonica</td>
</tr>
<tr>
<td>2002</td>
<td>Start-up of the Agenda Local 21, in collaboration with the Environmental Depot. Of the Basque Government</td>
<td>Mercedes Apella</td>
<td>Begoña Etxebarria (D), Environmental Dept. of the Basque Govt. (IOIDE)</td>
</tr>
<tr>
<td></td>
<td>Accreditation as European Computer Driving License (ECDL) centre</td>
<td>Jasone Rodríguez</td>
<td>Fernando Alaia (BG), Begoña Etxebarria (D)</td>
</tr>
<tr>
<td></td>
<td>Start-up of the Youth Trendwatch XXI System</td>
<td>Ana Diaz</td>
<td>Ane Bustinduy, Fernando Alaia (BG), Prospektiker Begoña Etxebarria, Alfonso Ruiz de Arua (Friend)</td>
</tr>
<tr>
<td></td>
<td>II European Seminar of Corporate Social Responsibility</td>
<td>Ana Diaz</td>
<td>Jon Arrieta, Begoña Etxebarria, José Guillermo Zubia (Comrefask), Tontxu Campos (Bizkaia Regional Council), Alberto Esteban, José Ignacio Arrieta (MBN Comunicación)</td>
</tr>
</tbody>
</table>

Details of the assessment, review, improvement and learning of the elements covered in this sub-criterion are shown in sub-crit. 3.e.