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Welcome to the 3rd Quarter edition of our e Quality Edge

Paul Harding

We are pleased to be back online after our time out due to the impact on our operations during the Covid 19 virus lockdown. We have a variety of articles to share with you including a focus on the impact of Covid 19 and also some support information on our National Quality Week theme, "Everyone for Quality and Quality for Everyone.

One of our Directors, Jacques Krog helps us understand the new normal in the workplace during the current pandemic. Our friend from the UK Paul Simpson supports our NQW theme by explaining the importance of the People side of Quality.

I then give a short summary of how society can help to develop a Quality Culture through "All for one and one for all". We then pay tribute to Aubrey Jansen's design Company that has been producing our electronic newsletter with such flair and imagination for the past eleven years and is kindly sponsoring this edition. We then focus on one of our SAQI Platinum members, Assupol who are walking the talk when it comes to creating a Quality Culture in their organization.

Elsie Meintjies from UNIDO tells us how South African Technical/ Quality Infrastructure Institutions are strengthening collaboration amidst COVID-19 through a series of online Zoom meetings. Prashant Hoskote one of our international colleagues from India discusses who comes first the Employee or the Customer. Our regular contributor Terry Booysen highlights the important role of the internal auditor in strengthening the Governance of an organisation. Finally Richard Hayward looks for a solution for bored children during the Covid lockdown.

If any of you would like to contribute to future newsletters please contact us.

Please feel free to pass on our newsletter to your network and we look forward to input from you for our next edition.

Paul Harding

Paul Harding SAQI Chairman

Quality:

helping South Africans live, learn and work better

Understanding the "new normal" in the Workplace

by Jacques Krog

As we all know, SARS COV-2 has significantly changed the work landscape, with masks, compliance officers, virtual meetings, and work from home strategies. Many companies had hardly any time to plan and adjust to this strategy, resulting in employees suffering from issues such as: anxiety, being unsure of what and how to do their everyday jobs, and companies battling to structure some sort of communication channel to allow for the flow of work processes.

I have listed the problems many companies face regarding the pandemic below - this follows from discussions with various managers, business owners and employees. Early on in the pandemic, I also surveyed our employees to understand their problems and frustrations.

1. **Slow communication channels:** We tend to underestimate how important this point is, hence I've listed it first. In the past should you need assistance or need to speak to a colleague, no problem - hop over to his/her office, and discuss, strategize, plan in real-time. Schedule meetings, and the ever-important "water cooler" talk. Believe it or not, many studies have documented the *essential* role of casual conversations in the workplace. In fact, they've uncovered that these sort of "unplanned meetings" are so critical that people were actually less productive in environments where social interaction is frowned upon.

2. **Work from home:** According to many employees, their home is their sanctuary, a place where you can walk with the towel around your waist, sing, scream, eat with your hands - you get the picture. We now expect employees to run their homes like an office – hold meetings, talk to clients and be professional! Spare a thought for some women who must work from home, look after kids and still maintain the "office" etiquette.

3. **Wearing of PPE in the workplace:** Most people are not used to wearing masks, face shields while working a full day. We also expect all the windows to be opened to increase ventilation - during Winter this was a specific challenge. This is not so easy and creates problems with communication, comfort and many more other problems.

4. **Social distancing:** Believe it or not, humans thrive on interaction and touch from a hug to a handshake and even a pat on the shoulder. These gestures convey non-verbal communication cues that give a sense of security, belonging and teamwork. We now expect all our employees not to touch at all (some companies reprimand employees for any touching), do the elbow shake (very awkward) and stand 2m apart - this is not natural and requires a huge effort.

5. **Anxiety, depression, solitude:** Its uncertain times. Economies have plummeted, companies are struggling to make budgets with some companies cutting employees' salaries and undertaking sudden retrenchment processes. All of this has resulted in increased levels of anxiety, depression and even suicide rates. Its early days and psychiatrists are still studying the effects of this pandemic on suicide rates, etc. The evidence is stronger when it comes to the impact of economic hardship. Suicide rates in the United States have been rising steadily since 2000 — by 35% overall, across most age groups — but the rate of increase roughly doubled in the wake of the 2008 downturn.

   Historically, the job losses, evictions and displacements caused by recessions tend to lead to an increased number of suicides. Some employees live alone and have had to stay for eight weeks during the lockdown in solitude, with no interaction from family, friends or work colleagues. People also tend to make more mistakes due to these mental health issues.

6. **Slower processes, more red tape:** Smaller companies may not have digital platforms for process approvals, signatures and intranet communications systems. This will significantly slow down company management system affecting services, customer satisfaction and employee morale.

So how does one deal with the new normal?

First of all, there are no guaranteed answers. We are all in unchartered territory.

However, there are some strategies that help to reduce the above problems as much as is reasonably practicable.

1. **Appoint somebody in the organization as the COVID champion:** I have said this before, health and safety professionals are now the cornerstone in preventing and controlling the spread of the disease in organizations. A well trained, experienced and qualified OHS (Occupational Health and Safety) specialists will be trained in health, aspects of medicine, hygiene and COVID-19 (many courses are available on COVID-19). Should you not have one of these in your employment and you need to appoint a compliance officer, there are many free webinars available as well as advice from the CDC (Centre for Disease Control) and WHO (World Health Organization). Some training providers

are also providing COVID 19 compliance officer training but beware first do your homework. In the company I work, our division was running many free webinars for our clients, suppliers and other interested public parties on planning, hygiene, legal requirements, etc.

2. **Adopt a COVID-19 mitigation and management plan:** Peter Drucker once said "If you fail to plan, you plan to fail" Although the government has laid out the requirements for a workplace COVID 19 plan, and this should be your first point of call to structure your plan, it involves so much more. Your plan should start by conducting a thorough risk assessment of all processes, facilities, equipment and people, this will guide you on developing mitigation and control strategies. Our company's COVID 19 plan includes office set-up, cleaning and hygiene, travel, accommodation, isolation and quarantine, vehicle use, dealing with employees over 60 and comorbidities, what to do in emergencies, as well as testing and a lot more. Ensure you communicate your plan with relevant employees and review the plan regularly as circumstances change.

3. **Communicate with your employees:** As mentioned in the first point on problem areas, you need to communicate, communicate, communicate! Keep employees informed of regulatory changes, the situation regarding the pandemic, as well as changes to company policies and rules. This is not so easy, and one will need to use social media platforms, such as WhatsApp groups as well as company intranet systems, virtual meeting platforms such as Skype / Zoom, and of course email. Remember to be patient sometimes these platforms are slower or interrupted, or there is a problem with the internet signal.

Only by talking will we find out the wellbeing of our employees, I don't mean talking down or interrupting or minimising, I mean listing, and asking empathic probing questions. At our company, the Health and Safety Coordinators weekly go and talk to our people they ask questions such How are you? How are you coping? What are your challenges? You may not be able to solve all the problems listed, but just taking the time to listen shows that you care – remember employees are the companies most valuable asset.

4. **If your employees work from home, make sure that they have the required resources**, this can include data, paper, printing, screens and in some cases desks and chairs if required. Remember this is not going to go away overnight, so regularly communicate with your employees regarding work resources, you need to be patient, have empathy and understanding, working from home is not easy, so people are going to make mistakes, forget, and have kids running around in the background making noise.

5. **Set-up external mental health counselling support for employees that may need it**, this is critical and the most misunderstood aspect of employee health. In 2019 the Health and Safety Executive in the UK published statistics regarding work-related stress, anxiety, and depression. The results were shocking - it showed Work-related stress, depression or anxiety accounts for 44% of work-related ill health and 54% of working days lost, in 2018/19. It also showed that Females had statistically significantly higher rates of work-related stress depression and anxiety compared with the average for all persons. This is evident in the age range of 25-54 years. There is still a lot of ignorance and stigmatisation regarding mental health in the workplace, mainly due to a lack of misunderstanding from managers at all levels. Other issues to consider is that staff may take a lot more abuse due to frustrated customers, suppliers and the public. Appoint a senior member of management who has training in mental health first-aid, to identify issues and direct to the professionals for help.

6. **Things are getting tough:** Companies are laying off staff so this is going to be very difficult to maintain a harmonious workplace. When these processes occur be honest, never lie to staff and communicate as often as possible the steps that will be followed as well as changes, etc.

Good luck! Stay strong! and remember this too shall pass!

Jacques Krog

Jacques is a SAQI Director and the Group SHEQ Manager for the Refraline Group. He has numerous qualifications in health, safety and environmental management including the NEBOSH International Diploma in OHS, The NEBOSH Diploma in Environmental Management and is qualified in mental health first aid and managing mental health and stress in the workplace. He is a graduate member of the Institute of Safety and Health, a specialist's member of the International Institute of Risk and Safety management as well as a practitioner member of the Institute for Environmental Management and Assessment. He lectures both national and international of various HSE topics.

People Side of Quality

by Paul Simpson | Chair of ISO TC 176 Sub Committee 2 - Quality Systems

Introduction

The 'people' side of quality is probably the least understood of the activities in quality. It is one of the principles that make up my personal 4Ps of quality management. The people principle is expressed as 'Right people, right place.' This is essential if we want "Quality for Everyone and Everyone for Quality".

This is not to say that people are not involved in the other three principles, Purpose, Process and Performance, they are. We need people, particularly leaders, to establish the company's Purpose in support of the organisation's strategic direction and to then design, manage and operate all the organisation's Processes. They should challenge each strategy and every activity to ensure it has real purpose and adds value either directly to the customer or indirectly by supporting a process that delivers customer value. People work with others in the process to ensure the activities they carry out are the best way of doing work and engage with them in looking for better ways. They should also be involved in putting in place 'heartbeat' measures of Performance for the activity, process and, ultimately, the organisation.

Whether developing strategy, operating to procedures, making decisions based on information available an effective QMS relies on having competent, engaged people inside and outside the organization. We need the synergy of people working together to deliver greater results than we could achieve as individuals.

People create competitive advantage by:

- Working in processes
- Designing processes
- Dealing with customers

For our core and support processes to operate effectively and deliver our purpose we need competent people in all our roles. There is the story of the janitor sweeping up at a NASA launch site. When asked by President J F Kennedy what he is doing the answer came 'I'm helping to put a man on the moon.' Now the story has been debunked many times but we all love the idea that it might be true. If so, it would be a classic case of the organisation's purpose having been effectively communicated and his support process having been clearly aligned with the core process of the moon mission.

In terms of effective engagement of people, the classic example I always come back to is Toyota. The system they use, The Toyota Way is built on 2 pillars Continuous Improvement and Respect for People, including two elements in the 2nd pillar: respect for individuals and teamwork. This requires employees to understand the company's goals and for them to be working towards achieving them. As a company, Toyota commits to provide opportunities for people to contribute and shared accountability for results. Further aspects of this principle are a commitment for stable employment, no hire and fire, and opportunities for individuals to develop their skills.

How often have we heard the statement 'Our people are our greatest asset'? If we make this commitment then all of our actions have to match the statement. Your employees will judge the truth of your statements by what you do. If you say you value diversity and your senior management team are, to coin a phrase, 'male, pale and stale' then why would they believe you. If you say you value teamwork but the people you promote are manipulative, political 'rent a gobs' then your credibility disappears. Abraham Lincoln is attributed with: 'You can fool some of the people all of the time, and all of the people some of the time, but you cannot fool all of the people all of the time.' So think carefully before you try to cut corners or pull the wool over the eyes of those people you rely on to put the hours in and go the extra mile.

If we want to understand more about how to treat people as quality professionals, we don't need to start our research from scratch. We are building on solid foundations. There is a long history of research and publications on organisational development and psychology including of Douglas McGregor's Theory X/Y/Z yet often our managers revert to type and believe employees are less intelligent, lazy and avoid responsibility. There may be more Theory X in each of us than we are ready to admit. We need to face our own prejudices, research examples like Toyota and their work with self-directed work teams and quality circles that preceded them and come up with our own plan for tapping the human potential in all our organisations. You can look wider than manufacturing companies. The internet is swamped with articles about how sports clubs over-achieved through the use of teamwork and, somehow, the whole becomes greater than the sum of all the parts.

It is no coincidence that one of the 7 ISO Quality management

principles is Engagement of people and the principle features strongly in TC 176 standards including ISO 9001 and 9004. The role of People in quality brought me to TC 176. I joined as a UK expert contributing to the development of ISO 10018:2012, Quality management — Guidelines on people involvement and competence, now ISO 10018:2020 Quality management — Guidance for people engagement.

The technical committee produces standards on competence and has embarked on an ambitious piece to provide guidance on how to evaluate and improve quality culture to drive sustained success, ISO/WD 10010.

In ISO 9001, the world's first and most popular management system standard, people feature strongly. With sections on Leadership, Organisational roles, responsibilities and authorities through into Organisational knowledge, Competence, Awareness and Communication the standard requires organisations to plan for and set up processes aligned with leading, engaging and managing its people. The PDCA cycle also requires these leaders to evaluate the effectiveness of its plans and processes and ensure the results demonstrate the organisation remains on course.

Conclusions

Returning to my 4P model we need, then, to consider how we engage our people in the other three principles:

Purpose

- Leaders understand how crucial it is to help create clarity and resolve for their followers and how difficult that can be.
- Leaders recognize differences in the way individuals obtain their own motivation and provide messages in a range of ways to suit their employees.
- People are aware of how their work contributes to satisfying customers.
- The organisation communicates its purpose to all people who might impact its ability to deliver the organisation's purpose.
- People have input to refining and further developing the organisation's purpose.
- People are aware of how we are doing in satisfying

customers, perhaps through a net promoter score system to feedback into process design.
- Leaders empower people to look after customers and to make decisions in the interest of the customer – even if there may be a short term financial penalty for the business.

Processes

- All core and support processes consider opportunities and risks presented by people involved in running the process.
- People are involved in process design and in improving their own processes.
- Are designed and aligned around the needs of people working in the process and the effect of knowledge of people operating the process, their ability and limitations.
- People are encouraged to think of processes as aligning the organisation around delivering customer requirements rather than within functions.

Performance

- People have access to the results of process monitoring and measuring to provide them with feedback and identify opportunities for involvement in improving process efficiency and effectiveness.
- People are involved in designing and improving process measures for the processes they work in.
- In designing a set of process measures (KPIs) leaders consider the balance of quantitative and qualitative measures as we, as individuals, relate more to stories of how good service is seen).

The importance of people in our organisations should be better understood. We need to reject the draw of Theory X and engage our people in the organisation's Mission. This quote from Theodore Roosevelt encapsulates the importance of our people.

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly; who errs and comes short again and again; because there is not effort without error and shortcomings; but who does actually strive to do the deed; who knows the great enthusiasm, the great devotion, who spends himself in a worthy cause, who at the best knows in the end the triumph of high achievement and who at the worst, if he fails, at least he fails while daring greatly. So that his place shall never be with those cold and timid souls who know neither victory nor defeat."

Quality for Everyone and Everyone for Quality

by Paul Harding SAQI Chairman

Introduction

This year's SAQI theme for National Quality Week that takes place from the 9th to the 13th November attempts to encompass the broad responsibility of creating a culture of Quality. The global Covid 19 pandemic has highlighted the many diverse opinions as to how individuals should interact as a collective in order to achieve a desired result. The disturbing trend is for people to think of themselves rather than the good of the community as a whole.

It is interesting to see the reaction of various groups to the compulsory wearing of a mask in public or enclosed spaces. Of course there is no guarantee that wearing a mask is 100% effective but what medical advice does say is that it will reduce the chance of infection. If two people who are interacting together both wear masks then the risk is further reduced. Social distancing is also recommended to reduce the risk of infection even further. Individuals can accept this scenario and think of the collective impact rather than individual preferences or they can make a stance against it. Now I am not a medical practitioner but most of my wife's family are and all of them wear masks when interacting with other people. So it makes sense for me to follow suit. Would you be happy going into an operating theatre where the surgeon and the support staff are not wearing their personal protective equipment? If you have worked on the shop floor in a manufacturing environment then the compulsory use of PPE will not be strange to you. I never questioned wearing safety glasses when entering a welding area or wearing earplugs when entering a stamping plant. These regulations were developed for a purpose and that purpose was to protect individuals from harm.

Looking at the bigger picture

So where is the link to Quality? Many people do not like the idea of following rules. This is particularly so in the adoption of Quality Standards. For example a lot of people see an ISO 9001 Quality requirement as blindly following some rule or regulation that is forced upon them and restricts an opportunity for creativity or innovation or freedom to act independently. This is a pity as no single requirement found in the ISO 9001 requirements standard should be looked at in isolation and should rather be seen as a collection of requirements when applied together give a desired result. The theory being is that of systems thinking where the whole is greater than the sum of its individual parts. The same theory applies to regulations introduced to prevent the spread of Covid 19. ISO 9001 cannot guarantee a Quality product or service as wearing a mask cannot guarantee not contracting Covid 19 but it will certainly help to deliver consistency and continual improvement of a product or service if applied correctly.

Quality for Everyone and Everyone for Quality

Can we therefore, expect to receive a Quality product or service if we are not totally involved in the whole system of producing Quality? A business Quality culture requires that everyone is bought into the concept that a Quality product or service is paramount to the survival of a business. For a society to prosper all citizens should also buy into this concept of sacrifice of personal interests for the greater good of society.

The lockdown has had a number of negative connotations but has also led to some positive life style changes in the Harding household. We have started growing our own vegetables and baking our own bread. This has been a very satisfying exercise of forgetting for a moment the corporate life style and going back to basics. One non-negotiable during the lockdown has been the early morning walk around the neighbourhood. The initial South African Government requirement at the start of the lockdown was we were only allowed to walk between 6h00 and 9h00, we could not walk in groups and the wearing of masks was compulsory. Most people followed these instructions even though the times allocated didn't really make sense and not everyone was prepared to wear a face mask. But how safe was the walking? Part of our regular walking route involves crossing a busy road. The local council recognised that pedestrians use the road regularly and installed a pedestrian crossing for the convenience of the public. There is also a traffic sign a few meters before the crossing informing motorists to give way to pedestrians. Do motorists follow the rules? Well you tempt fate if you think you can step onto the pedestrian crossing if a vehicle is less than 25 metres away. Maybe one in ten cars will slow down and signal you to cross safely. Of course this phenomenon does not happen in every society particularly those societies that generally are happy to follow rules. Certainly I have been in Countries where even if you are within a few metres of a pedestrian crossing vehicles will stop just in case you may decide to cross. A culture has been instilled in these countries that road safety is paramount to a Quality of Life and rules are made to be obeyed.

All for One and One for all

"All for one and one for all" is best known as the motto of the title characters in the book The Three Musketeers, by the nineteenth-century French author Alexandre Dumas.

The internet defines this saying as: "All the members of a group support each of the individual members, and the individual members pledge to support the group." This concept was easy to understand in Dumas' book where a group of four musketeers all looked out for each other. The question is can we apply this principle to an organisation or a community or even an entire Country? Developing a Quality Culture requires that everyone understands and believes in the concept of teamwork in delivering a Quality product or service. Or in the case of the pandemic everyone is looking out for each other.

The Law of the Jungle

*"Now this is the law of the jungle, as old and as true as the sky and the **wolf** that shall keep it may prosper, but the **wolf** that shall break it must die. As the creeper that girdles the tree trunk, the law runneth forward and back; for the strength of the pack is the **wolf**, the strength of the wolf is the pack".*

Rudyard Kipling

About Aubrey Jansen Design

In early 2009 SAQI decided to move away from our hard copy centre fold newsletter placed in the monthly magazine Management Today and publish an electronic version that was both environmentally friendly and could reach a much wider audience. At the time our monthly newsletter, the Quality Edge, was circulated to 225 recipients. We approached our printer Aubrey Jansen Design to assist us in this new venture. Aubrey had been printing our training certificates for some time and we knew he was competitive and reliable as a supplier. In April 2009 SAQI published its very first e Quality edge in its new digital format. Aubrey has been using his talents putting together our newsletter ever since for the past eleven years. Today our e Quality edge is distributed around the world and is passed on to thousands of readers.

Unique layout

Aubrey Jansen Design gives our newsletter a unique touch and feel that brings life to our articles that otherwise may not catch the full attention of our readers. We do not prescribe to Aubrey when we send him the plain text of our articles for publication. He uses his unique creativity to bring the articles to life with his various illustrations to emphasise the message and has formed an important part of the SAQI team.

Quality Education News

Apart from publishing the E Quality Edge Aubrey also publishes our quarterly Quality Education News that is put together by our education specialist Dr. Richard Hayward. Along with our eQe the QEN goes all over the world and is well received on many continents.

Positive feedback

Aubrey is very much the unsung hero of SAQI. We receive lots of positive feedback from our many overseas readers and the credit seldom falls on Aubrey's shoulders. We take this opportunity to say thanks for a job well done over the last eleven years and a big thank you for putting together this edition.

SAQI, like a lot of other Not for Profit Organisations, have gone through a difficult period during the Covid-19 lockdown. Aubrey has stepped in this month to make this long overdue edition possible.

Aubrey is a true team player.

ASSUPOL
SERVING THOSE WHO SERVE SINCE 1913

Quality - at the core of the Assupol business

Assupol is a proudly South African company with a rich history that dates back to 1913.

Our success was built in the emerging market where most insurers did not operate. We have remained focused on our strategy, that of delivering cost-effective and efficient needs-based insurance to the LSM 4 to 10 markets.

Ensuring quality is one of the ways through which we have maintained this success over the years. In 2018, we established a dedicated Quality Assurance and Services department whose mandate is to enhance our ability to offer affordable, appropriate products and advice to our clients. Our quality strategy follows a decentralised approach where everyone in the pipeline of products and services, is responsible for quality.

We follow various concepts for ensuring enhanced quality:

Plain language documents

We use plain language throughout our documents including in application forms and marketing communication to ensure that our clients understand what we mean and are clear of the offering and their benefits.

Enhanced sales process

Our sales process is enhanced to ensure that our clients have access to their policy information as soon as the application is completed. Each application form consists of a 'client copy' where the application reference number is appended to ensure that the client can make easy reference to his or her policy beyond the point-of-sale.

First-class complaints process

Our complaints process meets the quality objectives set out in the ISO 9001 requirements standard and the feedback that we receive from clients and stakeholders remains positive.

Leveraging technology

One of the most common ways that our clients measure us is through the time it takes to settle a claim and respond to queries. Our digital platforms are designed to give clients easy access to information when they need it.

The Assupol Client and Rewards Portal allows clients to view their policy information, communication from Assupol, submit certain claims and access Assupol's free Rewards programme. The portal is data-free and our clients do not incur any data costs when using it.

The USSD number is used to submit new claims and for the resolution of general queries.

Our new No Touch™ sales process enables clients to consult with our financial advisors and to sign-up for policies online without ever leaving their homes or places of work. This is an added benefit especially at this time when Covid-19 has impacted our mobility.

Quality control at point-of-sale

We have implemented a quality control function at the point-of-sale to improve the quality of the policies we write. The system evaluates the quality of the client's history with us, looking at issues such as premium payment trends and client complaints. In this way, we know what to flag and what to action from the early stages. Data analysis based on factual decision making is a key driver in our business.

These and other quality enhancement processes have resulted in a fast and hassle-free payment of claims where we pay 74% of valid funeral claims within four hours.

Assupol has been recognised by the Capital Finance International (CFI.co) as the Best Life Assurer Southern Africa for five consecutive years. Every year, CFI.co identifies individuals and organisations that contribute significantly to the convergence of economies who add value to all stakeholders. Assupol received this recognition for several reasons including the relevance of our product offering, excellent customer service and our treating customers fairly (TCF) value, which is also a principle outlined in the Financial Advisory and Intermediary Services Act, 2002. Most importantly, we were recognised for the low incidence of unclaimed benefits due to our efforts in identifying and locating beneficiaries of unclaimed benefits.

Training of our employees remains key and the foundation of our quality strategy. The more employees understand our quality standards, the better the outcome that is delivered to the clients.

Our clients are hardworking men and women of South Africa. We want to add value to their lives by serving them with affordable products that are easy to understand and that give them peace of mind when they need it most. To achieve this, we ensure that quality standards are implemented throughout the value chain.

Editor's note

SAQI would like to thank Assupol for their continued support to the Institute as a Corporate member in ensuring the Quality message is being passed on to the citizens of South Africa.

Serving those who serve.

Assupol Life is a proudly South African insurance company with a history that dates back to 1913.

As a pioneer who is highly recognised in the emerging market segment, we offer affordable products and give people peace of mind when they need it the most.

We pay **74%** of valid funeral claims within **4 hours**. Whether you are looking for funeral cover, life cover, savings products or a retirement annuity, Assupol has a comprehensive offering to meet your needs.

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SERVING THOSE WHO SERVE SINCE 1913

The E and C Question
WHO COMES FIRST - EMPLOYEE OR THE CUSTOMER?

by Prashant Hoskoté | President and Lead L & S Custodian at Striking Ideas LLC

So how genuine, are you really about 'Customer First'?

Is it Customer First or Employee First?

These are questions that probably bother and confuse us.

In this piece, let's talk about customer first. If one is truly serious about it, is it just about developing customer insights, surveys, research, customer value mapping and so on? Or is there something more?

Have you asked yourselves, "Does this activity benefit our customers? And if not, can you stop doing it?" At times, this calls for 'Sacrificing' something that you would have earlier 'valued' or perhaps something that is actually making money for the company.

But if you don't feel like you can make every sacrifice required yet, then let's not talk about 'Customer First'. Let's not talk about treating our employees with maturity, dignity and honesty, when they can see quite clearly, that you are not serious about placing Customers First. What's worse is that leaders would be viewed as hypocritical. The Corporate Values, displayed prominently in fancy frames, become meaningless.

So are there companies that actually sacrifice profitability (and thereby, forfeit profits) at the cost of being true to their principle or motto of 'Customer First'. Are there companies who truly 'live their values'?

Here's an example from my own experience:

Over these last few weeks, most companies have struggled to cope with COVID-19 pandemic related pressures, and e-commerce companies have just about begun operations. I placed an order with Amazon. Everything went well and my order got confirmed. But, a few days later, I received a call from Amazon to apologize that they cannot deliver the order and that the item ordered was unavailable and restocking was not expected in the near future.

My expectation was that they would simply apologize for the inconvenience, offer the refund, and close the transaction.

However, this was different. This caller, obviously an employee of Amazon:

1. Was empowered to take a decision
2. Had a basis for what he went on to offer i.e. there was a process and a policy in place
3. Had a well-understood procedure to follow.

The employee informed me that since it was their error, for which they are very apologetic, they would now send a replacement of a similar product. This product was being sent for the price of the original product, when it was actually Rs 2500 more expensive than the originally one. "Good service recovery", I thought.

This was a big sacrifice which was made to keep a loyal customer (me), truly loyal.

To be honest, had they simply apologized and refunded the money, I would have been a bit disappointed, but given my past experiences with Amazon, I would have continued to place my orders and shown my Loyalty towards them. As a customer, I would have 'sacrificed' and perhaps overlooked the inconvenience, given that I am loyal to the Amazon Brand and Organization.

I am sure we all have had similar experiences and stories to share. **Please do share them here...**

Also, what is your view? Customer First or Employee First?

South African Technical/ Quality Infrastructure Institutions strengthen collaboration amidst COVID-19

A moderated virtual Strategic Multi-Stakeholder Technical/ Quality Infrastructure Institutions (QII) workshop was attended by 30 stakeholders representing public and private sector QII Stakeholders on 19 May 2020. This workshop marked the inaugural meeting of the South African Multi-Stakeholder QII forum and was aimed at gathering a small Focus Group in order to explore synergies and areas of collaboration within the QII in both the public and private sector. The theme and objective of the workshop was premised on the implementation of South Africa's COVID-19 Risk Adjustment Strategy, in particular to identify opportunities to improve collaboration and synchronization between the different QIIs as well as to raise awareness of the contribution of the QII. This workshop was a key activity under the SECO funded, UNIDO implemented Global Quality and Standards Programme (GQSP) South Africa project and was organized jointly with the Chief Directorate of Technical Infrastructure of **the dtic** (Department of Trade, Industry and Competition).

Each of the participating organizations described the immediate response to COVID-19, viz., the effects on the operations of the QIIs as well as adjustments that were required to continue rendering services required by industry to demonstrate safety of goods and services supplied to the industry during the pandemic. The strong demand for services related to the Personal Protective Equipment industry was prominent. Besides the adjustments to the mode of service delivery, necessary internal organization operational adjustments were highlighted as well. The stakeholders proposed actions for further collaboration and coordination and it was agreed that specific topics and areas would be identified and focused on for in-depth exploration. This would avoid reliance on broader coordination efforts, which tend to have no clear action plans. The need to support already ongoing initiatives was emphasized as well.

This was followed by a 2nd workshop that was held on 5 August 2020 where work started to refine the five thematic areas, namely: i) Improved communication on the collective role of SQAM during COVID-19; ii) Support to testing laboratories at risk of closure due to COVID-19 impact; iii) Consequences of the emergence of remote assessments and the impact on the quality practitioners; iv) Raising awareness of the collective role of the public and private sector QI institutions in protecting health and safety of consumers and in facilitating trade; and v) Developing terms of reference for the Multi-Stakeholder Quality Forum to continue as a means of encouraging collaboration and coordination between stakeholders.

These Themes were confirmed as the workplan for the MSQF for 2020/21 and the respective Themes will be implemented by Working Groups. The GQSP-SA project will perform the Secretariat function for the MSQF until 31 March 2021. The Working Groups were mandated also to explore ways to engage with a broader range of stakeholders such as other regulators, consumers or users of the system, where appropriate.

It was clear from the active participation in this workshop that participants see the value for South Africa in closer cooperation and improved synergies between the QIIs and associations/organisations directly involved in the Quality Infrastructure fraternity from the public and private sector.

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Theme for SAQI's 2020 National Quality Week

SAQI will be celebrating **National Quality Week** from
9 – 13 November 2020.
World Quality Day will be held on
Thursday **12 November**.

"Quality for Everyone and Everyone for Quality"

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This years' theme looks at Quality from two directions; from the perspective of the producer and the perspective of the receiver or the end user. Whether we are talking about a commodity or a service everyone wants Quality. But everyone involved in producing the product or delivering the service should also be focused on Quality. This should not just be the Quality department but everyone involved in the process including the supply chain.

SAQI senior personnel will be available on a first come first serve basis to assist our member organisations during National Quality Week, with presentations to your workforce and/or suppliers.

For more information email **vanessa@saqi.co.za**

Internal Auditors Play An Important Role In Strengthening The Governance Of An Organisation

by Glen Talbot(CA) SA and Terrance Booysen and peer reviewed by Jene' Palmer CA(SA)

People who occupy positions of authority include not only executive and non-executive directors of the board, but also managers who have the means of influencing or causing material changes in the organisation. The latter, according to the South African Companies Act of 2008, are known as 'prescribed officers' and together with the organisation's directors and internal auditors, can all be held liable for not ensuring that the interests of the organisation are being adequately served and protected.

It is therefore concerning that when the board or internal auditors are asked to comment on whether the organisation has a governance framework in place and to describe *how* this system serves the organisation, the answers are as numerous and varied as the number of individuals being asked.

Perceptions of what constitutes a governance framework vary across organisations and generally include -- as examples -- the organisation's organogram, or the organisation's delegations of authority, and most often the organisation's obligations to a code of governance, generally under the custodianship of its Company Secretariat or legal department. Rarely does it include a response where the board -- including the executive and internal audit - - describe their governance framework as a *daily control system* for keeping their finger on the pulse of the organisation to mitigate unwanted risks across all the dimensions of the business.

Not only is there a limited and narrow view of what GRC (governance, risk and compliance) matters should be tracked to ensure the organisation is being protected from harm, these groups of people, including the organisation's prescribed officers, all appear to function with a different perspective of GRC, and its relevance to a governance framework. They tend to lack a common GRC understanding and even a common GRC language which in turn leads to misaligned expectations, often resulting in unintended consequences. Rather bizarrely, the governance framework which is meant to create common ground and provide assurance that proper systems and controls are in place at all levels within the organisation, is most often missing.

Given the countless failures of governance in organsations across the world, it begs the question regarding the current role of internal audit and their purpose in the organisation's risk management and related processes. If there is no GRC consensus across the people in positions of authority, nor proper (effective and efficient) systems and controls in place, it stands to reason that the primary functions of internal audit have not had the desired effect. Moreover, internal auditors have tended to be narrowly focused on *value preservation* with a strict 'control-mindset', and arguably have not fulfilled their role -- whilst remaining objective in their functions --to act as contributors toward *value creation* within the business.

Internal auditors are increasingly being expected to broaden their strict 'compliance role' and to also focus on other governance elements. Studies performed by the auditing profession support the view that the board, senior organisational leaders, regulators and key outside stakeholders now expect internal auditors to play a more meaningful role in matters such as strategic planning, raising capital, mergers and acquisitions, as well as operational growth initiatives.

In a PwC survey conducted globally amongst 1,600 Chief Audit Executives (CAEs) and their key stakeholders, fifty-four (54) percent of the stakeholders believe internal audit has increased their value, this being an improvement upon previous years. Interestingly however, sixty-two (62) percent of stakeholders still expect more value from their internal auditors.

> *"Traditionally, internal audit has been reactionary, but that approach is changing. Our value to an organization depends on furthering this change in course."*
>
> *Richard F. Chambers, CIA, QIAL, CGAP, CCSA, CRMA, Global President and Chief Executive Officer of the Institute of Internal Auditors (2014)*

Since the writing of the last two King Reports on Corporate Governance in South Africa, produced in 2009 (King III™) and 2016 (King IV™), these codes have received significant attention locally

and abroad and have also been referenced in case law in some jurisdictions. Both codes make reference to the importance for organisations to implement a governance framework as a GRC mechanism to assist the organisational leaders to direct and control their businesses. Considering the broad scope of a robust Corporate Governance Framework®, this presents a perfect opportunity for internal auditors to expand their remit to meet expectations to deliver more value.

There is much debate about how the role of internal audit should change so as to underpin confidence in an organisation's financial and non-financial information. Expectedly, the role should evolve to include the implementation, management and monitoring of an organisation's Corporate Governance Framework®. The internal audit function should test the veracity of the organisation's GRC reporting by scrutinising and assessing corroborating evidence. In this way, internal audit will be able to strengthen the organisation's combined assurance processes and provide greater comfort to the organisation's stakeholders regarding the validity of management's GRC health claims.

Having experienced the business impacts of Covid-19, the world has largely agreed that business is no longer "business as usual", and the role of internal audit will probably never be the same again. The typical reactive approach to risk management will need to evolve into a proactive approach, where internal auditors understand their value within the broader combined assurance model. The required skill sets for internal audit and the CAE will need to evolve rapidly to include a greater understanding of the business drivers, business volatility and the impacts of current decisions on future prospects that affect the long-term viability of the organisation.

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Quality in Schools

Many of our readers are parents themselves or interact often with children. We have asked our education editor, a retired headmaster, to share thoughts on how to get Quality principles and practices instilled in young people.

By Dr Richard Hayward

"Mom, I'm so bored!"

Being made to stay at home for weeks on end due to lockdown can be boring. During the corona virus lockdown there were those times when children were bored. The usually busy afternoon routine of sport and cultural activities had to be cancelled. There weren't the chances to play team sports and simply have fun times with friends. No wonder that children didn't always know how to fill up all the ample free hours.

Too much time doing absolutely nothing is harmful. There are negative consequences. Children become irritable and irritating. They get up to mischief and it can result in bad behavior. Depression can also set in if too much time is spent entirely on one's own. A commonly used term to describe what can become a serious mental condition if not dealt with, is 'cabin fever'.

Yet a certain amount of boredom can also be good for one. Teresa Belton, of the University of East Anglia in England, makes the point that it's difficult to justify the 'encouragement' of boredom. Yet on occasion, it's important to let children experience boredom. She says that it teaches them to develop a sense of independence, initiative, of responsibility for themselves and resourcefulness (Page 2020: 22). When children have free time, they're able to try things out without the fear of failure. The only critical voice is their own. They gain confidence and grit as they solve problems on their own.

Too often the children's day is filled externally by others. Teachers, parents, sport coaches as well as others, programme their day from dawn to dusk. Often the children's time is even scheduled into the night too.

Too little time is allowed for children to simply 'be'; too often they're expected to 'be doing'. When children are given time to simply 'be', they are able to think about who they really are and to understand themselves better.

There's the story of Sir Isaac Newton, the English scientist, who one day had time to spare and was relaxing under an apple tree. He was daydreaming and was watching the clouds drift gently by. Suddenly an apple dropped from the tree and on to his head. It shook him out of his reverie. That tiny incident was a catalyst that helped him discover his now-famous law of gravity about falling objects being attracted to the earth.

So, what should be done when a youngster whines to a parent, "I'm so bored"? Being bored isn't a pleasant experience. There's a need for an empathic parental response. The child needs to be helped to deal with boredom. Obviously, a parent can make a number of suggestions as to what can be done to fill the gap. Yet it's not to be expected that the parent is always responsible for ensuring that the child never experiences a boring moment.

The tough reality is that the child has to learn that there will be times to personally do something. The child has to internally find ways to manage the situation.

In every child's life there will be downtimes with absolutely nothing scheduled. At the end of the school day it might be a long wait for the bus ride home or to be collected at the school gate. Going on a long journey might involve time in which there's nothing planned. Such times are occasions to enjoy watching the world go by. Look at the folk who one sees for a fleeting moment; observe the passing countryside. Ask questions. Who are those people? What are they doing? What bird is in that tree? What type of tree is it? Observe. Enjoy our world.

In the 2020 pandemic lockdown, millions have had moments of boredom. Yet those were also the very moments which brought flashes of inspiration of what to do and think of next. Let children experience boredom … but not too much! Let them experience what usually follows: more creativity, more inspiration and more resilience by which to live their lives.

References

https://theschoolrun.com/benefits-of-boredom-for-kids

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