

A Study and Assessment of New Dimension to Quality: The Business Excellence Models

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Abstract – The quality movement has gone through many transformations. Earlier Quality and now Excellence is gaining attention in today's global competitive scenario. The quality award models, such as the Malcolm Baldrige National Quality Award (MBNQA) and the European Foundation for Quality Management (EFQM) Excellence Model, Deming Model are used as a guide and standard to achieve Quality and Excellence in Business. The purpose of this paper is to make comprehensive study and analysis of these Business Excellence Models. This research is an attempt to find out distinction between Quality and Excellence. It also covers similarities, variation and casual linkage between core value and procedures of selected models.

Quality and Excellence are an important competitive factor or achieving competitive advantage and is also considered as an essential seal of approval in the eyes of customers. Earlier Quality and now Excellence is and was always being a major concern since World War II. The wave of globalisation makes "The customer king," truer than ever before. The society has become knowledgeable and selective while making purchase decisions which results in the shift towards customer focused strategies. The criteria for success in this global, internationally oriented market have been changing rapidly. Excellence is imperative in order to expand business, enter new markets, and set realistic, competitive long-term objectives. The Quality and Excellence of the product or service offered is pre-requisite, an entry requirement for any company that wants to remain successful over the years. The Quality Literature and various studies witnessed Quality and Excellence has becoming significant factor in the business strategy planning process in order to respond the highly competitive environment and the market's expectations. These days, Business Excellence (BE) is one of the most popular approaches which is being used when we discussed Quality. Therefore it is important for the organisation regardless of industry, size, structure or stage of development to formulate effective approaches to enhance their management efficiencies and capabilities to achieve Total Quality and Business Excellence (BE).

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OBJECTIVES OF RESEARCH

The main purpose of selecting the topic is that present era is "The Era of Excellence". The organisation and its human resource who understands the importance of Quality and Excellence get the "MANTRA FOR SUCCESS" and that also reflected in terms of goodwill. The objective of this paper is to make comprehensive description and comparative analysis of selective Excellence models aims at evaluating various Business Model Excellence Criteria.

RESEARCH DESIGN/METHODOLOGY/APPROACH

This research is based on analysis of Quality Literature (research and conceptual papers, public documents, organisational documents) and own experience and observations. The methodology adopted in this paper is the secondary data source, namely companies official web site, research papers

and any other published material on the net for evaluation of Business Excellence Models. The paper also provides a synthesis of the quality literature by identifying core values and criteria for evaluation. This research is also an attempt to find out whether Quality and Excellence are one and the same.

REVIEW OF LITERATURE

Quality is a subjective term and can be defined as inherent feature or a characteristic. According to the Oxford Dictionary, "Quality is defined as being 'the degree of excellence, relative nature or kind or character; class or grade of thing determined by this; general excellence'". The definition by Wikipedia (2011) stated that Business Excellence is the systematic use of Quality Management Principles and Tools in business management, with the goal of improving performance based on the principles of customer focus, stakeholder value, and process management. The business excellence initiative

helps organisations by assessing and improving their performance against the requirements of an internationally benchmarked business excellence framework. Now a days organisations used various quality framework /awards as the models for improvement, for benchmarking, self-assessment, for setting up quality strategies, and for the overall spread of quality culture leading to better results, (Stading and Vokurka, 2003). Researchers (Lee et al., 2003) have also investigated the impact of the quality award on the organisational quality performance. The well recognised and most reputed quality awards at the international level, are: Deming prize from Japan, Malcolm Baldrige National Quality Award from USA, Foundation Quality Award from the European Union.

THE DEMING PRIZE

The Deming award is the world oldest and prestigious Japan's national quality award for industry. It was established in 1951 by the Japanese Union of Scientists and Engineers (JUSE) and it was named after W. Edwards Deming. The award has three award categories: Individual, the Deming Application Prizes, and the Quality Control Award for factory. The Deming Application prizes are awarded to private or public organisations and are subdivided into small enterprises, divisions of large corporations, and overseas companies.

MALCOLM BALDRIGE NATIONAL QUALITY AWARD (MBNQA)

This is the highest level of national recognition for performance excellence in quality improvement and quality management. This award was established by the U.S. Congress in 1987 and was administered by ASQ. The award is presented annually to the US organisations that demonstrate quality and performance excellence. It sets very high standards for quality and excellence in the systems, processes, and consumer satisfaction. The awards can be given annually in six categories: manufacturing, service, small business, education, healthcare and nonprofit. The Baldrige performance excellence criteria provide a framework that organisation can use as guideline to improve overall performance in seven categories mentions in Table I and II.

THE EFQM EXCELLENCE MODEL

The European Foundation for Quality Management (EFQM) was founded by 14 European Business Leader in 1988 when majority of European companies had realised that the Quality is the seal for approval and success. The Foundation set up a team of experts, from industry and academia, to develop the EFQM Excellence Model, a holistic framework than can be applied to any organisation, regardless of size or sector. The EFQM Excellence Model consists of nine criteria. Five of these are

'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organisation does. The 'Results' criteria cover what an organisation achieves. 'Results' are caused by 'Enablers'. At the heart of the model lies the logic known as RADAR. The Table II describes the nine criteria, and the specific elements of the RADAR concept that should be addressed for both 'Enablers' and 'Results'.

These awards provide a basis and on similar guidelines several quality awards have been set up in India and prominent among them are:

1. Rajiv Gandhi National Quality Award (Unique national model) set up by BIS (Bureau of Indian Standards)
2. CII-EXIM Bank Award (based on EFQM) set up by Confederation of Indian Industries and EXIM Bank of India Exim Bank of India (National model)
3. Golden Peacock Award (National model developed from MBNQA & EFQM) set up by the Institute of Directors.
4. Ramakrishna Bajaj National Quality Award (based on MBNQA) set up by IMC (Indian Merchants Chamber)

ANALYSIS AND INTERPRETATION OF BUSINESS EXCELLENCE MODELS

The comparative synthesis of business excellence criteria established by the three popular business excellence models is presented in Table 1 (source: Vokurka et al. 2000).

Deming Japanese Model of TQM (importance of criteria)	Baldrige Model - American Model of TQM (importance of criteria)	EFQM Model - European Model of TQM (importance of criteria)
I. Basic Policies (100 points)	Leadership (10%)	Leadership (10%)
• Management policies and their deployment regarding quality management (20 points)	Information and analysis (5%)	Policy and Strategy (8%)
• New product development and/or	Strategic planning (10%)	People management (9%)

<p>work process innovation (20 points)</p> <ul style="list-style-type: none"> Maintenance and improvement of product and operational qualities (20 points) Establishment of systems for managing quality, quantity, delivery, costs, safety, environment, etc. (10 points) Collection and analysis of quality information and utilisation of information technology (15 points) HRD (15 points) 	Human resource focus (17%)	Partnerships and Resources (9%)
II. Outstanding TQM Activities (5 points)	Process management (17%)	Processes management (14%)
	Business results and company performance (24%)	Customer Results (20%)
III. Role of Top Management (100 points)	Customer focus and satisfaction (17%)	People Results (9%)
<ul style="list-style-type: none"> Understanding of and enthusiasm toward TQM Top management's leadership, visions, strategic policies and insights into environmental changes Organisational strength (maintenance and strengthening core technology, speed and vitality) Employee Development Organization's Social Responsibility 		<p>Society Results (6%)</p> <p>Key Performance Results (15%)</p>

Table I. Business Excellence Models Criteria

In this paper, three major Business Excellence Framework/Models (The Deming Model, EFQM and

the MBNQ), their difference and features are briefly described in terms of the following aspects: (see Table II).

Table I. Summary of Deming, MBNQA & EFQM Features, Attributes and Criteria for Evaluation

Features	Deming Model	Malcolm Baldrige National Quality Award (MBNQA)	European Quality Award (EQA)
Name (year)	1951	1987	1991
Country	Japan	USA	European
Responsible organisation	Union of Japanese Scientists and Engineers	NIST	EFQM
Core Values and Concepts	Deming points 14	<ul style="list-style-type: none"> Visionary Leadership Strategic planning covers the way organisation establishes and plans to implement strategic directions. Customer and Market-Driven Excellence Organisational & Personal learning Valuing Workforce Members and Partners Agility Focus on the Future Managing for Innovation 	<ul style="list-style-type: none"> Leadership & Constancy of Purpose Customer Focus by adding value Management by Processes & Facts People Development & Involvement Continuous Learning, Innovation & Improvement Partnership development Corporate

		<ul style="list-style-type: none"> • Management by Fact • Societal Responsibility • Focus on Results & Creating Value • Systems perspective • Human resource focus is to empower and involves its workforce 	<ul style="list-style-type: none"> • Value people and create a culture that allows the mutually beneficial relationship
Criteria scoring system and	<ul style="list-style-type: none"> • Top Management Leadership, Vision, Strategies • TQM Frameworks • Quality Assurance Systems • Management Systems for Business Elements • HRD • Effective Utilisation of Information • TQM Concepts & Values • Scientific Methods • Organisational Powers • Realisation of Corporate Objectives 	<ul style="list-style-type: none"> • Leadership and governance • Strategic planning • Customer focus • Measurement analysis & knowledge management • Workforce focus • Process management • Business Results 	<ul style="list-style-type: none"> • Leadership • Policy & Strategy • People • Partnership & resources • Process & Product / service • People results • Customer Results • Society results • Key results

Evaluation dimensions	<ul style="list-style-type: none"> • Management Vision and leadership • Mapping Out and Deploying Strategies • Understanding and Interaction with Customers and Markets • Human Resource Development and through Education and training of human resources • Process Management: Continuous improvement of systems and processes 	Process Approach, Deployment, Learning, Integration (ADLI) Result: Level, Trends, Comparisons, Integration (LeTCI)	Result, Approach, Deployment, Assessment, Review (RADAR) Award procedures
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There is always a debate about the popularity of business excellence framework. COER's research in 2015 showed that 61 countries have a national business excellence award with the EFQM model being used most often. It was found that more countries use the EFQM Excellence Model primarily because there are so many countries in Europe. However, the countries that use the Baldrige are the United States and China. It is also found that the Deming Prize places more emphasis on process control and improvement while MBNOQ and EFQM are customer and result focussed. The Central idea of Deming philosophy is 14 points, MBNQ focused on Visionary Leadership while EFQM believed Leadership in terms of constancy of purpose. Deming Prize is mainly concerned with company-wide quality control focuses on organizational quality management. Both, EFQM and MBNOQ focusses on continuous learning and improvement and in creating Value. It was found that more or less EFQM and MBNOQ are same with excellence is the central idea. They have similar criteria, the approaches and definitions but they vary in terms weightage given to evaluation criteria.

QUALITY AND EXCELLENCE

There is always a debate about Quality and Excellence. Few experts considered it as one and others are of views that a reasonable difference exist in between. The interesting results arrived while doing research that usually quality and

excellence were used interchangeably which led to some more thinking and extensive studied. The 60 percent respondents of middle level were of few that both are one and same, 10 percent neutral while 20 percent considered it to be different but could not explain it. The research suggested that Quality is generally extrinsic and is driven by external demands. It means Quality can be achieved when the organisation adopted best practices in line with industry standards to meet the needs, demandes and expectations of customers. Excellence is always intrinsic. It is one's innate desire to deliver a superior experience, not because someone else demands it. It is one's desire to excel for one's own satisfaction. The research concluded that quality and Excellence are complementing each other. Sometime it happened Quality is a route to excellence or vice a versa because excellence has a lot to do with people's motivation to do a great job. It is their choice. Getting people to exercise their choice of delivering excellence is a leadership challenge.

SUGGESTION AND CONCLUSIONS

Quality and excellence are different, and should not be treated as one and the same. The desire to excel is exclusive not for someone else to notice. It is drive from inside for inner satisfaction. The dynamic duo can be used as catalyze to quality consciousness. Pursuing excellence is a worthy goal. Defining and knowing the close inter-relationship between quality and excellence is important. It is important for Leader to be visionary and know the direction to lead by motivating people to excel, driving their motivation, creating a constantly improving culture and environment to develop and grow. This also requires striking balance between adherence and motivation which is a big challenge to leaders. Secondly, whatever model is to be adopted out of three (Deming, MBNQ, EFQM or combination) need to be localized and blended with various Quality Concepts such as Kaizen, Breakthrough, TPM etc. and applied across functional areas to achieve business excellence.

To Conclude, there is a strong need to shift from a "Quality focus" to an "Excellence focus" to face and tackle fast changing economic conditions such as global competition, declining profit margin, customer demand for high quality product, product variety and reduced cost and lead time , etc. This Research highlighted that Quality and Excellence both complement each other and considered to be a two faces of the same coin. Business Excellence is more holistic provides a framework that can be used by organisation to improve overall performance.

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