QUALITY AWARDS AND PERFORMANCE EXCELLENCE MODELS

Quality and business excellence awards that recognize excellent organizational performance have emerged as a significant component of the productivity and quality promotion strategies of many countries. Several national and regional quality awards have been established to promote quality and serve as models of total quality management. National quality and business excellence awards have been a beacon and blueprint for driving a wide variety of organizations to their highest levels of sustainable achievement. There are at least 77 quality and business excellence awards being implemented in at least 69 countries and economies worldwide (Calingo, 2002). 

In the context of Asia-Pacific region, Calingo (2002) observes that there seems to be little doubt that the pursuit of quality and business excellence awards will be an enduring characteristic of the productivity and quality improvement programs of countries in the Asia-Pacific region. This poses an interesting question in the design of such programs. On the one hand, the gurus such as Philip Crosby, Joseph M. Juran, and W. Edwards Deming argue for the universality of expectations concerning an ideal system for quality management and business excellence. However, there is also evidence in the literature to support the view that contextual variables do have an impact on quality management practice. Therefore, while many Asia-Pacific countries have modeled after the Baldrige Award and the Deming Prize in developing their award systems, others have evolved their own evaluation criteria and systems taking socio-cultural backgrounds in view. Many member countries have expressed a desire to promote sharing of experiences so as to enhance the effectiveness of such award systems and also motivate those member countries that have not adopted such systems. There is indeed a great potential for business excellence frameworks such as the Baldrige Award to influence national efforts in Asia-Pacific countries to improve industrial competitiveness.
4.1 Malcolm Baldrige National Quality Award (MBNQA)

The United States Congress established the Malcolm Baldrige National Quality Award (MBNQA) in 1987 to recognize U.S. organizations for their achievements in quality and business performance and to raise awareness about the importance of quality and performance excellence as a competitive edge. Three awards may be given annually in each of the following categories: manufacturing, service, small business, and, starting in 1999, education and health care (Calingo, 2002).

The Baldrige Award defines “performance excellence” as an aligned approach to organizational performance management that results in: (1) delivering ever-increasing value to customers, contributing to marketplace success, (2) improving organizational effectiveness and capabilities, and (3) organizational and personal learning.

The Baldrige National Quality Program (BNQP) establishes the guidelines and the criteria that organizations can use to evaluate their performance or to apply for the Malcolm Baldrige National Quality Award. The BNQP encourages performance improvement in all sectors of the American economy, given that the concept of performance excellence is directly applicable to organizations of all types and sizes.

In the early and mid-1980s, many industry and government leaders saw that a renewed emphasis on quality was no longer an option for American companies but a necessity for doing business in an ever-expanding, and more demanding, competitive world market. But many American businesses either did not believe quality mattered for them or did not know where to begin. The Baldrige Award was envisioned as a standard of excellence that would help U.S. organizations achieve world-class quality. Many American organizations began pushing individually for quality awareness and improvement during the early and mid-1980s. The American Society for Quality (ASQ) strove to develop greater quality awareness through the chains of labor, management, and government. Top managers from both the public and private sectors concerned about improving competitiveness through quality formed the National Advisory Council for Quality.
Internationally, about 70 national quality and business excellence award programs are in operation. Most are modeled after the Baldrige National Quality Program, including one established in Japan in 1996.

4.1.1 MBNQA Framework

The Baldrige Award criteria for performance excellence are built upon a set of core values and concepts. These values and concepts are the embedded beliefs and behaviors found in high-performing organizations. They are the foundation for integrating key business requirements within a results-oriented framework that creates a basis for action and feedback. The eleven core values are as follows:

- **Visionary Leadership**: Senior leaders’ capacity for setting directions for the organization by action and by example.
- **Customer-Driven Excellence**: The organization’s focus on the customer and the ability to ensure that its operations meet their needs and expectations.
- **Organizational and Personal Learning**: The ability of the organization to acquire, share, and use information to improve.
- **Valuing Employees and Partners**: Commitment to employees and partners (such as suppliers and subcontractors) in order to optimize the opportunities for success in their work environment and contributions to the organization.
- **Agility**: Ensuring flexibility and the ability to act speedily.
- **Focus on the Future**: Operating strategically and ensuring a long-range orientation.
- **Managing for Innovation**: The capacity to develop creative and effective products, services, and processes.
- **Management by Fact**: Reliance on data and analysis in decision-making.
- **Public Responsibility and Citizenship**: Proactive and responsive commitment to the needs and concerns of the community and larger public.
- **Focus on Results and Creating Value**: The orientation to managing key outcomes for accomplishing the mission, meeting customer and market requirements, and creating value for key stakeholders.
• **Systems Perspective:** The ability of the organization to view its operations holistically and understand how its parts interact, and the ability to align activities effectively.

### 4.1.2 MBNQA Criteria

Applications for the Baldrige Award demonstrate achievements and improvements in seven assessment categories. The seven criteria categories, and their corresponding point values, are as follows:

1. **Leadership (120 pts.):** Examines how senior executives guide the organization and how the organization addresses its responsibilities to the public and practices good citizenship.

2. **Strategic Planning (85 pts.):** Examines how the organization sets strategic directions and how it determines key action plans.

3. **Customer and Market Focus (85 pts.):** Examines how the organization determines requirements and expectations of customers and markets.

4. **Information and Analysis (90 pts.):** Examines the management, effective use, and analysis of data and information to support key organization processes and the organization’s performance management system.

5. **Human Resource Focus (85 pts.):** Examines how the organization enables its workforce to develop its full potential and how the workforce is aligned with the organization’s objectives.

6. **Process Management (85 pts.):** Examines aspects of how key production/delivery and support processes are designed, managed, and improved.

7. **Business Results (450 pts.):** Examines the organization’s performance and improvement in its key business areas: customer satisfaction, financial and marketplace performance, human resources, supplier and partner performance, and operational performance. The category also examines how the organization performs relative to competitors.

The seven criteria categories are subdivided into 18 items and 29 areas to address. The Baldrige performance excellence criteria comprise a framework that any organization can use to improve its overall performance. The criteria are used by thousands of organizations of all kinds for self-assessment and training and as a tool
to develop performance and business processes. Almost two million copies have been
distributed since the first edition in 1988, and heavy reproduction and electronic
access multiply that number many times.

Figure 4.1 provides the framework connecting and integrating the seven criteria
categories. The framework provides a high-level overview of the criteria and
illustrates how the criteria provide a systems perspective for managing an
organization in order for it to achieve performance excellence.

![Baldrige Framework for Health Care Performance Excellence](image)

**4.1.3 MBNQA Scoring System**

The system for scoring applicant responses to the criteria requirements involves the
assessment of three dimensions, considers the factor of “importance” to the
applicant’s business, and employs Scoring Guidelines, an anchored rating scale. The
scoring of responses to Criteria Items (Items) and Award applicant feedback are based
on three evaluation dimensions: Approach, Deployment, and Results. Organizations
applying for the Award need to furnish information relating to these dimensions.
(a) **Approach:** Approach refers to how the organization addresses the criteria requirements (i.e., the *method(s)* used). The factors used to evaluate approaches include:

- the appropriateness of the methods to the requirements,
- the effectiveness of use of the methods and the degree to which the approach,
- is repeatable, integrated, and consistently applied,
- embodies evaluation/improvement/learning cycles,
- is based on reliable information and data,
- alignment with the organization’s needs,
- evidence of beneficial innovation and change.

(b) **Deployment:** Deployment refers to the *extent* to which the organization’s approach is applied to all applicable areas or work units. The areas or work units considered in evaluating deployment vary depending upon the criteria requirements. Deployment is evaluated on the basis of the breadth and depth of application of the approach to relevant processes and work units throughout the organization.

Before an organization’s deployment can be assessed for a criteria item, the Examiner needs to have a clear understanding of what constitutes “full deployment” for that item, based on the organization’s key factors. A key to the understanding of a Criteria Item’s full deployment is knowledge of the Item’s “unit(s) of deployment.” For example, full deployment for Item 1.2 (Public Responsibility and Citizenship) means that all employees at all levels of the organization every employee of the organization must be involved in the community support activities called for by the Areas to Address in this Item. Therefore, the individual employee is the appropriate unit for evaluating deployment of Item 1.2.

(c) **Results:** Results refer to *outcomes* in achieving the purposes given in the Item. The factors used to evaluate results include:

- the organization’s current performance, especially vis-à-vis its goals for the performance measures/indicators reported,
- rate, breadth, and importance of the organization’s performance improvements,
the organization’s performance relative to appropriate comparisons and/or benchmarks,

- the linkage of the organization’s performance measures/indicators to key customer market, process, and action plan performance requirements identified in the Organizational Profile and responses to Approach/Deployment Items.

Since 1988, the Baldrige criteria for performance excellence have undergone several cycles of improvement, becoming more focused on business management. Major changes include a reduction in the number of Criteria Items from 42 to 18 (or 19 for Education); more emphasis on “systems,” as opposed to “building blocks”; greater business results orientation; and a shift in emphasis from quality assurance of products and services to quality management to performance management, from human resource utilization to human resource focus, from quality planning to strategic thinking, and from quality improvement activities to organizational learning.

4.1.4 The Baldrige Health Care Criteria for Performance Excellence

The requirements of the Health Care Criteria for Performance Excellence 2009-10 are embodied in seven categories- Leadership, Strategic Planning, Customer Focus, Measurement, Analysis, and Knowledge Management, Workforce Focus, Process Management, and Results. Figure-1 provides the framework connecting and integrating the categories. From top to bottom, the framework has the following basic elements (NIST, 2010).

(a) Organizational Profile: Your Organizational Profile (top of figure) sets the context for the way your organization operates. Your environment, key working relationships, and strategic challenges and advantages serve as an overarching guide for your organizational performance management system.

(b) System Operations: The system operations are composed of the six Baldrige Categories in the center of the figure that define your operations and the results you achieve. Leadership (Category 1), Strategic Planning (Category 2), and Customer Focus (Category 3) represent the leadership triad. These Categories are placed together to emphasize the importance of a leadership focus on patients, stakeholders,
and strategy. Senior leaders set your organizational direction and seek future opportunities for your organization. Workforce Focus (Category 5), Process Management (Category 6), and Results (Category 7) represent the results triad. Your organization’s workforce and key processes accomplish the work of the organization that yields your overall performance results. All actions point toward Results—a composite of health care, patient and stakeholder, market and financial, and internal operational performance results, including workforce, leadership, governance, and societal responsibility results. The horizontal arrow in the center of the framework links the leadership triad to the results triad, a linkage critical to organizational success. Furthermore, the arrow indicates the central relationship between Leadership (Category 1) and Results (Category 7). The two-headed arrows indicate the importance of feedback in an effective performance management system.

(c) System Foundation: Measurement, Analysis, and Knowledge Management (Category 4) are critical to the effective management of your organization and to a fact-based, knowledge-driven system for improving health care and operational performance and competitiveness. Measurement, analysis, and knowledge management serve as a foundation for the performance management system.

4.1.5 National Institute of Standards and Technology (NIST)
The Department of Commerce is responsible for the Baldrige National Quality Program and the Award. NIST, an agency of the Department’s Technology Administration, manages the Baldrige Program. NIST promotes U.S. economic growth by working with industry to develop and deliver the high-quality measurement tools, data, and services necessary for the nation’s technology infrastructure. NIST also participates in a unique, government-private partnership to accelerate the development of high-risk technologies that promise significant commercial and economic benefits, and—through a network of technology extension centers and field offices located in all 50 states and Puerto Rico helps small- and medium-size businesses access the information and expertise they need to improve their competitiveness in the global marketplace.
4.2 European Foundation for Quality Management (EFQM) Excellence Model

The European Foundation for Quality Management is a membership based not for profit organization, created in 1988 by fourteen leading European businesses. The EFQM Vision is a world in which European organizations excel; its Mission is to be the driving force for sustainable excellence in organizations in Europe. By June 2001, EFQM membership had grown to over 850 members from most European countries and most sectors of activity (Seçkin, 2002).

In 1991, the EFQM launched the European Quality Award to recognize companies showing a high level of commitment to organizational excellence. The EFQM Excellence Model was introduced at the beginning of 1992 as the framework for assessing applications for the European Quality Award. It is the most widely used organizational framework in Europe and has become the basis for the majority of national and regional quality awards.

In 1996, the European Quality Award was extended to include a separate category for organizations in the Public Sector. In 1997, the Award was further extended to include operational units- significant parts of companies that are not eligible to enter as a business- such as factories, assembly plants, sales and marketing functions, and research departments. Also launched in 1997 was the European Quality Award for Small and Medium-sized Enterprises (SMEs), which is for companies of fewer than 250 persons.

4.2.1 EFQM Award Framework

The EFOM Model is a non-prescriptive framework that recognizes there are many approaches to achieving sustainable excellence. Sustained Excellence is defined as outstanding practice in managing the organization and achieving results, all based on a set of eight fundamental concepts. These Fundamental Concepts of Excellence, which underpin the EFQM Model, are described below:

- **Results Orientation:** Excellence is dependent upon balancing and satisfying the needs of all relevant stakeholders (this includes the people employed,
customers, suppliers and society in general as well as those with financial interests in the organization).

- **Customer Focus**: The customer is the final arbiter of product and service quality and customer loyalty, retention and market share gain are best optimized through a clear focus on the needs of current and potential customers.

- **Leadership and Constancy of Purpose**: The behavior of an organization’s leaders creates a clarity and unity of purpose within the organization and an environment in which the organization and its people can excel.

- **Management by Processes and Facts**: Organizations perform more effectively when all inter-related activities are understood and systematically managed and decisions concerning current operations and planned. Improvements are made using reliable information that includes stakeholder perceptions.

- **People Development and Involvement**: The full potential of an organization’s people is best released through shared values and a culture of trust and empowerment, which encourages the involvement of everyone.

- **Continuous Learning, Innovation and Improvement**: Organizational performance is maximized when it is based on the management and sharing of knowledge within a culture of continuous learning, innovation and improvement.

- **Partnership Development**: An organization works more effectively when it has mutually beneficial relationships, built on trust, sharing of knowledge and integration, with its Partners.

- **Public Responsibility**: Adopting an ethical approach and exceeding the expectations and regulations of the community at large best serve the long-term interest of the organization and its people.

The EFQM Excellence Model (Figure-4.2) is a non-prescriptive framework based on nine criteria. Five of these are “Enablers” and four are “Results.” The “Enabler” criteria cover what an organization does. The “Results” criteria cover what an organization achieves. “Results” are caused by “Enablers” and feedback from “Results” help to improve “Enablers.” The Model, which recognizes there are many
approaches to achieving sustainable excellence in all aspects of performance, is based on the premise that: “Excellent results with respect to Performance, Customers, People and Society are achieved through Partnerships and Resources, and Processes.”

![Figure-4.2: EFQM Excellence Model](image)

The arrows in Figure-4.2 emphasize the dynamic nature of the model. They show innovation and learning helping to improve enablers that in turn lead to improved results. The Model's nine boxes represent the criteria against which to assess an organization's progress towards excellence. Each of the nine criteria has a definition, which explains the high level meaning of that criterion. To develop the high level meaning further each criterion is supported by a number of sub-criteria. Sub-criteria pose a number of questions that should be considered in the course of an assessment. Finally below each sub-criterion are lists of possible areas to address. The areas to address are not mandatory nor are they exhaustive lists, but are intended to further exemplify the meaning of the sub-criterion.

**4.2.2 EFQM Award Criteria**

Applications for the EFQM demonstrate achievements and improvements in the following nine assessment categories. The nine criteria categories, and their corresponding point values, are as follows:

1. **Leadership (100 points):** How leaders develop and facilitate the achievement of the mission and vision, develop values required for long-term success and implement these via appropriate actions and behaviors, and are personally
involved in ensuring that the organization’s management system is developed and implemented.

2. **Policy and Strategy (80 points):** How the organization implements its mission and vision via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes.

3. **People (90 points):** How the organization manages, develops and releases the knowledge and full potential of its people at an individual, team-based and wide-wide level, and plans these activities in order to support its policy and strategy and the effective operation of its processes.

4. **Partnerships and Resources (90 points):** How the organization plans and manages its external partnerships and internal resources in order to support its policy and strategy and the effective operation of its processes.

5. **Processes (140 points):** How the organization designs, manages and improves its processes in order to support its policy and strategy and fully satisfy, and generate increasing value for, its customers and other stakeholders.

6. **Customer Results (200 points):** What the organization is achieving in relation to its external customers.

7. **People Results (90 points):** What the organization is achieving in relation to its people.

8. **Society Results (60 points):** What the organization is achieving in relation to local, national and international society as appropriate.

9. **Key Performance Results (150 points):** What the organization is achieving in relation to its planned performance.

### 4.2.3 EFQM Scoring System

The April 1999 revision of the EFQM Excellence Model included a new scheme for evaluating performance against the Model, best described by its acronym RADAR (Results, Approach, Deployment, Assessment and Review). The Assessors use the RADAR logic to allocate points to each of the sub-criteria in the EFQM Excellence Model. RADAR consists of four elements: Results, Approach, Deployment, Assessment and Review and is based on the logic that an excellent organization will:

- determine the *Results* it intends to achieve as part of its policy and strategy making process. These results will reflect present and future needs of stakeholders,
• plan and develop an integrated set of sound Approaches to deliver the required results.
• deploy the approaches in a sound way to ensure full implementation,
• assess and review the approaches and deployment by monitoring and analyzing the results achieved and ongoing learning activities. Finally identify, prioritize, plan and implement improvements where needed.

Assessors score each Results sub-criterion by consideration of the Excellence and scope of the results presented. The Excellence of the results takes account of: (1) positive trends and/or sustained good performance; (2) comparisons with internal targets; (3) comparisons with external organizations—including, as appropriate, competitors, industry averages and “best in class” organizations; and (4) the extent to which the results presented are caused by the approaches and deployment described in the Enabler criteria. The scope of the results takes account of: (1) the extent to which the results cover all relevant areas of the organization; (2) the extent to which a full range of results, relevant to the sub-criterion, is presented; and (3) the extent to which the relative importance of the results is understood and presented. Taking account of all of the above factors the Assessors use the RADAR scoring matrix to allocate a percentage score to the Excellence of results and scope and derive an overall percentage score to each of the Results subcriteria. Assessors score each Enabler sub-criterion by consideration of Approach, Deployment and Assessment and Review. Approach takes account of: (1) the soundness of the method or process described—the extent to which it has a clear rationale and is focused on stakeholder needs; and (2) the extent to which the method or process described is integrated—supports policy and strategy and is linked to other approaches where appropriate and is fully integrated into daily activities. Deployment takes account of: (1) the extent to which the approach has been implemented across different areas and layers of the organization; and (2) the extent to which the deployment of the approach is systematic.

Assessment and Review takes account of the steps the organization takes to assess and review the approach and the deployment of the approach. Assessors will consider: (1) the measurements that are taken; (2) the learning activities that are followed; and (3) the improvements that have been identified, prioritized, planned and implemented.
Taking account of all the above factors, the Assessors use the RADAR scoring matrix to give percentage scores to Approach, Deployment, Assessment and Review and derive an overall percentage score to each of the Enabler subcriteria. Percentage scores for the Results and Enabler criteria and subcriteria are converted into points according to the weights allocated to the criteria and subcriteria.

4.2.4 Adaptation of EFQM in Healthcare

The experiences of application of European Foundation for Quality Management (EFQM) in health care that have been published in the international academic literature widely agree on the conclusion that the EFQM is applicable to health care and it promotes improvement on the quality of the organizations and even on the quality of the treatment provided to patients (Vallejo et al., 2006).

Despite these benefits, some aspects make the application of EFQM challenging in the health care sector. One of these aspects is that this model is not specific enough to address all areas relevant to this field. Some authors consider that even when the criteria could be adequate, the subcriteria must be adapted to health care, especially for public organizations. It is also difficult to develop operative indicators to evaluate the result criteria on health care, because expected outcomes are not specified. The language used to describe the model is identified as one of its main difficulties, because it is complex, unclear, and distant for health care professionals who are used to clinical terminology. In general, all these opportunities show the challenges of covering aspects that are specific to health care with the EFQM model. This is not an unexpected finding, because the EFQM is a generic model and, by definition, a generic model will never cover the specificities of any given field.

The WHO Regional Office for Europe launched in 2003 a project aiming to develop a flexible and comprehensive framework for the assessment of hospital performance, which is called the Performance Assessment Tool for quality improvement in Hospitals (PATH). The PATH conceptual model of performance includes dimensions, sub-dimensions, and how they are related to each other. Because the purpose of this model is the assessment of hospital performance, indicators to assess each sub-dimension have been identified.
The PATH conceptual framework advocates a multidimensional approach with six interrelated dimensions that should be assessed simultaneously. Two of these dimensions (safety and patient centredness) cut across the other four dimensions (clinical effectiveness, efficiency, staff, and responsive governance), because they are interrelated. Safety relates to clinical effectiveness (patient safety), staff orientation (staff safety), and responsive governance (environmental safety), whereas patient centredness relates to responsive governance (perceived continuity), staff orientation (interpersonal aspects), and clinical effectiveness (continuity of care within the organization).

Even when health care professionals have found some challenges in the use of EFQM—mainly because being a generic model it may seem distant to health care—the fundamental concepts of excellence are close to a quality framework that is specific to this field. This work shows that four of the six dimensions that constitute the PATH framework are also present to some degree in the EFQM model. Regarding their divergences, besides the common dimensions, the EFQM contains concepts that are relevant to the management of an organization, whereas PATH contributes with specific concepts related to clinical practice and safety of the clinical work.

### 4.3 Japan Quality Award (JQA)

The accomplishments of the Malcolm Baldrige National Quality Award in promoting management innovation in the United States prompted a widespread view in Japan that companies should aim for quality enhancements not only in products and services, but also in the quality of their overall management. There was also a feeling during the mid-1990s that Japan should promote its own award system (Ueda, 2002).

In December 1995, the Japan Productivity Center for Socio-Economic Development (JPC-SED), Japan’s national productivity organization, took the initiative of setting up the Japan Quality Award (JQA) “to support a structure that will create values needed by customers and markets, and that can maintain long-term competitiveness.” The JQA system is aimed at awarding companies that have a “management system with excellent performance” and that continue to create new values driven by customers through selfinnovation so that they may improve the quality of Japanese companies and organizations towards globally competitive management systems.
In June 1996, JPC-SED established the Japan Quality Council as “an organization to promote the movement of improving management quality (performance excellence) of Japanese enterprises.” The JQA has become the core of the “Japan Quality Program” that supports the construction of a management system to bring out “excellent performance driven by customers.”

The JQA Core Values consists of eleven factors. It shows how to take measures in the most important matters in any management situation and management environment, in a manner consistent with the four Concepts. These eleven Core Values, which are similar to the Baldrige Award’s core values, are as follows—Quality, Leadership, Process, Knowledge Management, Agility, Partnership, Social Responsibilities and Environmental Preservation, Management by Fact, Globalization, Fairness, and Innovation.

4.3.1 JQA Framework

The Japan Quality Award examines the entire management system of each organization using a framework common to all business categories. In other words, it is a model to examine universal management components. Eight categories, beginning with “Leadership,” form a large frame to evaluate the entire management system. There are five basic factors in this framework that are common to all companies and/or organizations.

- **Direction and Driving Force:** Direction and driving force indicate the future image OR direction of an organization. Senior leaders themselves should exercise their leadership as a driving force to create a system that constantly enables the creation of highly appreciated value by customers and business improvements as an organization, including affiliate and cooperating companies. It is also important for senior leaders to exercise leadership in creating a system that is constantly aware of the environment needs, contributes to society, and abides by the laws and regulations, while maintaining clear management.
• **Operation System:** The “operation system” responds to the organization’s future image and direction shown by senior leaders and actualizes them through a wide range of activities, such as detailed strategies or plans, employee training, and the creation and offering of products or services that reflect the expectations of targeted customers or markets. This system includes a wide range of corporate activities, such as management that combines work activities and processes to meet the demands and expectations of customers and markets, along with the necessary recruitment and training of employees.

• **Goals and Results:** As part of the “operation system,” it is necessary to understand established “Objectives and Results.” They allow you to understand the accomplishment level of objectives and execute necessary plans and activities towards accomplishing them. They also enable you to verify the validity of an objective through: internal evaluation, such as information and data obtainable in one's organization, and external evaluation; such as customer satisfaction and market appraisal, and make a comparison of the external evaluation with other companies.

• **Information and Analysis:** Effective communication and use of necessary information by management are essential for organizational performance. A properly arranged communication system well communicates the direction and future image of the organization indicated by senior leaders. It ensures execution through quick response to the performance of daily work activities and to the demands and expectations of the customer and the marketplace. The approach used to actualize an optimum communication system, the quick and reliable communication of necessary information to the necessary persons, is the same regardless of the business category or size of the organization.

• **Understanding Customers and Markets:** Customers and markets are the base of an organization's activities. They need to be clearly defined and their present and future demands need to be understood in order to develop appropriate company or organizational activities. For consistent and excellent response to customers and markets, departments and employees need to
understand the relationship between the work activity they are responsible for and the added value to the customer and market.

4.3.2 JQA Criteria

Management performance is evaluated by Category, based on the eleven Core Values. The eight categories consist of 23 items (Assessment Items) that are universally essential to management systems in every organization. Within each Assessment Item are Areas to Address, which explain in detail the multiple requirements of the Item. There are a total of 65 Areas to Address. The Theory of Assessment Item explains each Item’s basic purpose, presents its multiple requirements, and provides comments for further understanding. The eight categories and their weightage are as follows—Leadership and Decision Making (120 points); Social Responsibility of Management (50 points); Understanding and Interaction with Customers and Markets (110 points); Strategic Planning and Deployment (60 points); Improvement of Individual and Organizational Capability (100 points); Value Creation Process (100 points); Information Management (60 points); and Activity Results (400 points).

4.3.3 JQA Scoring System

The Japan Quality Award evaluates the applicant’s response to each Assessment Item in relation to the information in the Organizational Profile. The Scoring Guidelines are created based on the idea of organizational maturity levels and indicate the level of goals that the organization will aim for. The Scoring Guidelines, which has three evaluation dimensions (Approach, Deployment, and Results), indicate six levels of management conditions. This theory of using six levels to evaluate is based on the “maturity level model.” The “maturity level model” helps the organization understand the difference between immature and mature organizations by comparing the two, and helps you realize how to improve your organization. Through this, the progress of organizational growth is presented in various levels by using the term “maturity level” in order to express growth levels.
4.4 Singapore Quality Award (SQA)

The Singapore Quality Award (SQA) was launched in 1994 to help Singapore organizations strive for and attain world-class standards of business excellence. The Award supports the national strategy of building up a pool of world-class organizations that serve as key drivers of economic growth. With the Prime Minister as its Patron, the SQA is considered as the highest national recognition and benchmark for business and organizational excellence in Singapore (Foo, 2002).

4.4.1 SQA Framework

The SQA criteria are derived from a set of core values that essentially represent best practices of world-class organizations. They provide a comprehensive framework for organizations to compare themselves against world-class standards of performance. The core values or principle underpinning the framework provide a current view of organizational performance excellence. The ten core values are Visionary leadership; Customer-driven quality; Innovation focus; Organizational and personal learning; Valuing people and partners; Agility; Knowledge-driven system; Societal responsibility; Results orientation; and Systems perspective.

4.4.2 SQA Criteria

These core values are integrated into a comprehensive framework comprising seven categories that make up the SQA framework. The seven categories are explained below.

1. **Leadership (120 points):** Focuses on top management commitment and personal involvement in setting clear directions and visible goals for the organization, creating and sustaining quality values and systems, reviewing employees' performance and development and recognizing their participation and achievements.

2. **Planning (80 points):** Focuses on the organization's planning process and how key requirements are integrated into the organization's plans.

3. **Information (80 points):** Focuses on the management, analysis and use of data and information including knowledge to improve and support decision-making at all levels of the organization.

4. **People (110 points):** Focuses on how the organization taps the full potential of the workforce, emphasizing on the workforce training needs and career
development, health and satisfaction, performance and recognition, as aligned with the organization's objectives.

5. **Processes (100 points):** Focuses on the key processes the organization uses to pursue its objectives and goals, including the innovation and design processes, production and delivery processes, and supplier and partnering processes; to improve and add value to its operational performance.

6. **Customers (110 points):** Focuses on how the organization determines customer and market requirements, enhances relationship with its customers and determines and improves on customer satisfaction.

7. **Results (400 points):** Focuses on the organization's performance and improvements in areas of importance to the organization. It also examines performance levels relative to those of competitors and/or benchmarks and how it contributed positively to the achievement of key organizational performance goals.

### 4.5 Australian Business Excellence Framework (ABEF)

In 1988, the Australian Quality Awards were launched to provide a national focus on quality improvement and competitiveness. The Awards, which were among the earliest of their type in the world, were developed with the support of major Australian organizations and with the endorsement of the Commonwealth of Australia. The Awards were based on a rigorous process of evaluation against the Australian Quality Awards Criteria. These criteria were based on a set of principles that underpinned quality-based management (Vogel, 2002).

From small beginnings, the stature of the Awards grew steadily, as did the number of applicants. Awards Evaluators were also drawn from a cross-section of industry and Government, and the Awards process was established as a highly credible peer evaluation, not influenced by any commercial considerations. In 1998, the Awards were renamed the “Australian Business Excellence Awards” (ABEF) to better reflect their purpose, and the Awards criteria were renamed the “Australian Business Excellence Framework.” In 2001, the Awards and Framework continue to grow in terms of their national importance and participation rate. The national Evaluator Panel now comprises 140 Evaluators.
4.5.1 ABE Framework

The ABEF is underpinned by a set of 12 principles reflecting global contemporary thinking on quality and business excellence. They can be referred back to published research and are summarized as follows:

- Clear direction allows organizational alignment and a focus on the achievement of goals.
- Mutually agreed plans translate organizational direction into actions.
- Understanding what customers value, now and in the future, influences organizational direction, strategy and action.
- To improve the outcome, improve the system and its associated processes.
- The potential of an organization is realized through its people's enthusiasm, resourcefulness and participation.
- Continual improvement and innovation depend on continual learning.
- All people work in a system; outcomes are improved when people work on the system.
- Effective use of facts, data and knowledge leads to improved decisions.
- All systems and processes exhibit variability, which impacts on predictability and performance.
- Organizations provide value to the community through their actions to ensure a clean, safe, fair and prosperous society.
- Sustainability is determined by an organization's ability to create and deliver value for all stakeholders.
- Senior leadership's constant role modeling of these principles and their creation of a supportive environment to live these principles, are necessary for the organization to reach its true potential.

4.5.2 ABEF Criteria

These principles are operationalized by presenting them as a set of criteria arranged into seven categories (Figure- 4.3) and 22 items. The following paragraph enumerates the seven categories and 22 items comprising the ABEF criteria. A scoring matrix for each of these dimensions provides a basis for generating a scoring profile across all items and categories, as well as an aggregate score out of 1,000 points.
1. **Leadership and Innovation** (Strategic Direction; Organizational Culture; Leadership throughout the Organization; Environmental and Community Contribution)

2. **Strategy and Planning Processes** (Understanding the Business Environment; The Planning Process; Development and Application of Resources)

3. **Data, Information and Knowledge** (Collection and Interpretation of Data and Information; Integration and use of Knowledge in Decision-Making; Creation and Management of Knowledge)

4. **People** (Involvement and Commitment; Effectiveness and Development; Health, Safety and Well Being)

5. **Customer and Market Focus** (Knowledge of Customers and Markets; Customer Relationship Management; Customer Perception of Value)

6. **Processes, Products and Services** (Innovation Process; Supplier and Partner Processes; Management and Improvement of Processes; Quality of Products and Services)

7. **Business Results** (Indicators of Success; Indicators of Sustainability)
4.6 Iran National Quality Award (INQA)

Instituted in 2003 by the Institute of Standards and Industrial Research of Iran. This award helps the industry develop and promote quality culture in various sectors of the Industry. The INQA framework (Figure-4.4) originates from the EFQM model (ISIRI, 2010).

![Figure-4.4: Iran National Quality Award]

4.7 National Quality Awards in India

India promotes quality performers in various industries through three different national level awards (COER, 2010). One of them, CII-EXIM award is especially instituted for the banking sector and is based on the EFQM model. The IMC Ramkrishna Bajaj National Quality Award, instituted in 1997, is presented every year to companies in the manufacturing, service, and small scale sectors to recognize their quality achievements (BEL, 2010). The award criteria have been developed using the MBNQA model. The Rajiv Gandhi National Quality Award was uniquely designed and instituted by the Bureau of Indian Standards in 1991. The objective of the award
is to encourage the Indian manufacturing and service organizations to strive for excellence and giving special recognition to those who are considered to be the leaders of quality movement in India. This award is intended to generate interest and involvement of Indian Industry in quality programmes, drive their products and services to higher levels of quality and equip the Industry to meet the challenges of domestic and International markets (BIS, 2010).