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A Study of National Strategies for Business Excellence

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ABSTRACT

Business excellence frameworks (BEFs) play an important role in promoting, and assisting organisations towards achieving, performance excellence. Many countries see them as a key strategic tool to improve national competitiveness. This paper provides an overview of a project to enhance the Australian Business Excellence Framework (ABEF) and increase its use within Australia. The methodology for the project comprised: desk-top research involving a review of academic and practitioner literature and international excellence framework custodian websites; key informant interviews and surveys involving Australian BE evaluators and client organisations; and further surveys involving international custodians of excellence frameworks, evaluators of organisational excellence, organisational clients and users of excellence models, and Australian businesses in general. The BEF custodians that participated represented the following 16 regions: Australia, Brazil, Canada, Czech Republic, Europe, India, Ireland, Japan, Mexico, New Zealand, Scotland, Singapore, Sweden, Turkey, United Kingdom, and the United States. The findings indicate that Australia and BEF custodians in general should focus more on creating an awareness of BE and providing a range of effective tools and methods to assist organisations along the BE journey. Less emphasis is required on the design and development of the frameworks and on the awards process (as both are generally accepted by businesses and proven to be effective). Of key importance to a successful national BE strategy is an integrated approach which provides a clear road-map towards achieving excellence and which has the buy-in of key organisations that influence businesses (such as the government, universities, consultants and trade/management associations).

Introduction

Business Excellence (BE) frameworks (hereafter referred to as BEFs) and associated national quality awards play an important role in promoting and assisting organizations towards performance excellence. Moreover, they can be viewed as a key mechanism for raising the economic prosperity of a country. The 'custodians' of BEFs (a term which is used herein to refer to the organizations or bodies entrusted to promote and administer a national BEF) face various and often similar challenges in promoting and engaging organizations in BE. This paper describes a project which was initiated by SAI-Global the present custodian of the Australian Business Excellence Framework (ABEF), with the aim of addressing these challenges and helping to achieve higher levels of engagement of BE in Australia. The findings, although focused towards the Australian context, draw upon a range of international sources and hence are of relevance to all BEF custodians.

To the authors' knowledge this is the first project that has been sponsored by a BEF custodian which not only investigates the appropriateness of the design of a BEF to a particular business

environment (in this case Australia) but also endeavours to identify best practices in relation to successfully administering and deploying a national BEF. The project was initiated in September 2004 and completed in November 2005. In this paper, we begin by summarizing the challenges faced by BEF custodians; we then describe the research methodology used for the project; and finally we present key findings from the project.

Previous research on the reported benefits of Business Excellence

Researchers who have previously investigated BEFs include Douglas & Judge, 2001; Ford & Evans, 2000; Hausner, 1999; Hendricks & Singhal, 1999; Pannirselvam & Ferguson, 2000; and Wilson & Collier, 2000. This research generally indicates that organizations with a BE approach obtain significant benefits. Beyond improvement in financial indicators, other benefits include enhanced innovation and idea generation, customer satisfaction, organizational growth (employees), employee satisfaction and involvement, efficiency and effectiveness and product reliability. Notwithstanding these benefits, of which there is considerable evidence and also debate, one key benefit of award-based models is that, even if nothing else, they provide a 'balanced scorecard' of criteria and measures against which organizations can objectively evaluate their management systems and performance, and compare that performance with world standard benchmark levels, or with the performance of other organizations.

Sources of evidence of the financial impact of BE include the US 'Baldrige index'. This was used over the past ten years to track the share value performance of award winners against a control group of Standard & Poor's 500 companies. A notional US\$1000 was invested in Baldrige award winners and its subsequent growth compared against the equivalent amount invested in the S&P companies. After eight years of outperforming the S&P 500 companies by as much as 6.5 to 1 on stock price performance, Baldrige award winners underperformed against the comparison group in 2003 and 2004. This is attributed to the relatively poor performance of technology companies in recent years, and the index has now been discontinued for reasons that are detailed in NIST (2005). A similar index was developed in Australia, whereby AU\$5000 was notionally invested in BE award winners stock in 1990 and compared against the same amount invested in S&P companies. This index reported improved share performance of a factor of 3.5 to 1 among award winners over thirteen years up to 2003 (SIRCA, 2003). No more recent data on this index are currently available.

Hendricks & Singhal (2000) studied the long-term effects of implementing effective BE programs. Using the winning of Criteria for Performance Excellence (Baldrige) awards as the criterion to select organizations their research shows a strong link between BE and financial performance. The study found that US BE award winners experienced increased income, sales and total assets during their respective post-implementation periods as compared with their control organizations. In a similar study sponsored by the European Foundation for Quality Management and British Quality Foundation of 120 award winners it was found that the winners outperformed comparison companies similar in size and operating in the same industries over a 11 year period (Centre of Quality Excellence, 2005).

In terms of general benefits, a PhD study by Hausner (1999) at the University of Wollongong, Australia, examined the performance of 15 manufacturing firms that had participated in the Australian Quality Awards (not only award winners) between 1992 and 1997 and demonstrated improvements against a range of KPIs. Hausner requested 15 firms to list the 10 most important performance indicators, and provide quantitative data in respect of those KPIs over an 8 year period (1991 to 1998). Hausner found a strong positive correlation between KPI improvement and total BE score, and hence concluded that striving for improvements against the ABEF is of interest to all stakeholders as organizational success is tied to the effectiveness of its management practices as reflected through the ABEF.

Mann and Saunders (2005) identified a strong correlation between "Enablers" and "Business Results" when studying Baldrige self-assessment results. Their data indicated that organizations

with excellent approaches to leadership, strategic planning, customer and market focus, information and analysis, human resource focus and process management are more likely to achieve excellent Business Results (composed of customer satisfaction results, financial and market results, human resource results, and organizational effectiveness results).

Finally, as part of the *Beneath the Surface* project, organizations that used the ABEF were asked to assess whether or not their performance had changed as a result of following a BE approach. Figure 1 shows the feedback. This graph indicates that all organizations except one reported benefits and the one that did not report any benefits had only recently begun to use the ABEF. There also appeared to be a trend that those organizations which had used the ABEF for a longer period of time were more likely to indicate that their performance improvements had been greater.

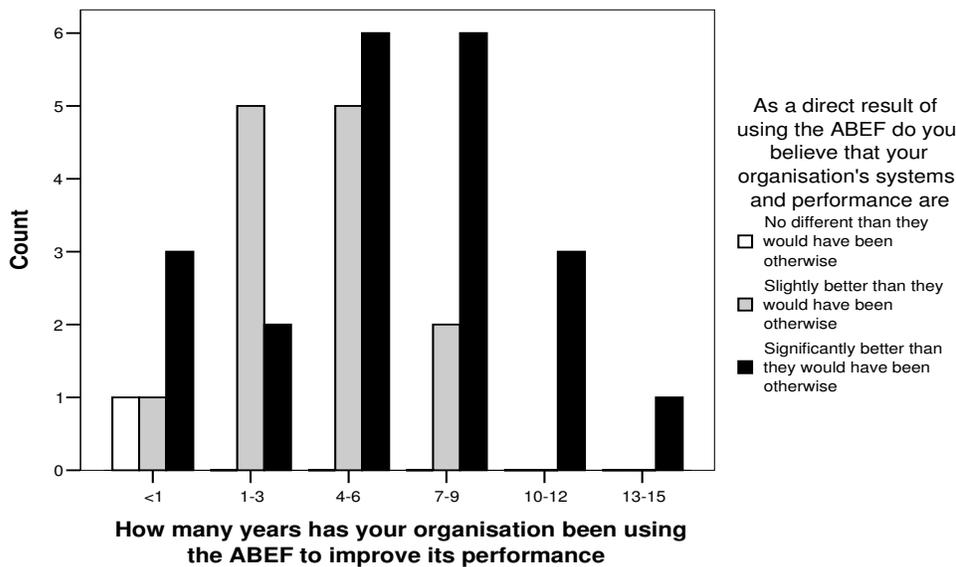


Figure 1 Benefits from using the ABEF (categorised by length of use)

The perceived benefits of BE frameworks can be further inferred from the extent of their use. It was recently estimated that there are at least 76 countries operating a national BE award (Miguel, 2004) and in Europe alone, the European Foundation for Quality Management (EFQM) believes that at least 30,000 organizations are using the EFQM model (Mann and Grigg, 2006). The EFQM's figure was based on the number of EFQM members, the members of its national partners, and those organizations that they know are utilizing the model in their business.

Issues in administering and promoting BEFs, and implications of these

A number of published studies and reports (Booz-Allen-Hamilton, 2003; Anon, 2001; Hermel and Ramis-Pujol, 2003; and Ronalds, 2004) have identified issues and perceptions relating to the efficacy and implementation of frameworks that are likely to be impacting the uptake of BE in some countries, these are summarized below:

- The evidence available to verify the value of BE frameworks is perceived by organizations as either insufficiently comprehensive or ineffectively communicated;
- The underlying detail (for example, the scoring mechanism/weighting of categories and items) of BEFs has not been empirically proven. This provides a basis to undermine their credibility;

- BEFs assist in delivering long-term stretch goals and building competencies. However, few organizations (for example, only 18% of NZ firms; MED, 2002) set goals for more than one year;
- Achieving a return on investment may take a few years after using a BEF (Hendricks, 2000). This however appears to be contradicted by the recent BQF and EFQM study which indicated that benefits can be obtained within one year of winning an award (Centre of Quality Excellence, 2005);
- There is a lack of understanding of how BEFs are positioned against competing improvement methods;
- Awareness and use of BEFs in industry sectors outside large business are likely to be modest without targeted criteria and specific support;
- Lack of local (country specific) success stories from which peer advocacy can be leveraged.
- Some BEF custodians do not have the resources to effectively promote and support the framework;
- The plethora of regional and national awards that are not aligned to BE tend to confuse businesses;
- There is a perceived lack of a unified approach by governments, public institutions, and management/trade associations to promote BEFs.

Such issues have led to an increasing recognition by BEF custodians of the need to pool resources and learn from each other to maximize the impact of their frameworks to ensure interest in BE is maintained and continues to grow. This new focus on collaboration and networking is demonstrated through the work of the Global Excellence Model (GEM) Council which was formed in 2000. This network brings together the key custodians of unique BE models that cover a continent or large geographic area. Members include the EFQM (Europe); SAI Global (Australia); Baldrige (USA); Japan Productivity Center for Socio-Economic Development (Japan); South African Excellence Foundation (SA); SPRING (Singapore); Confederation of India Industry (India) and REDIBEX - Red Iberoamericana para a Excelencia de la Gestión (Iberoamerican Network for Excellence of Management). The group meets each year to discuss how they can improve their frameworks and supporting systems. These meetings serve as useful inputs to their strategic planning processes especially when major reviews of their frameworks are occurring. Most award custodians undertake minor reviews of their frameworks on a yearly basis with major reviews being conducted every three to five years. Examples of major reviews include the EFQM's 'Above the Clouds' project which is a major review of the design of the EFQM's excellence model (recently put on hold in March 2005 due to the appointment of a new CEO); the JQAC 2004 review of the Japan Quality Program marking 10 years since its introduction; Mexico's 2004/5 review of the Mexican National Quality Award; and NIST's 2003 review of the Baldrige National Quality Program that included the commissioning of the "Booz Hamilton" leadership attitude survey (Booz-Allen-Hamilton, 2003). Through sharing this information BEF custodians keep up-to-date with world-wide initiatives and improve their systems. This has also led to, particularly with the awards process, a greater standardization of approach as the custodians have all learnt from the better practices of each other.

Beneath the surface project methodology

The remainder of this paper focuses on Australia's project, '*Beneath the surface: A project to review and enhance the Australian BE Framework (ABEF)*'. This is the first major review of the ABEF since it was created in 1987, although minor adjustments have usually been made on an annual basis.

Aims and objectives

The aims of the project were to provide recommendations leading to:

- an improved framework and framework development process;

- effective ways in which SAI Global can increase framework awareness and use within Australia;
- an improved recognition/awards process.

The aims of the project addressed the key functions of a typical BEF custodian. Typically BEF custodians perform one or both of the following two roles: framework development; and framework deployment. These roles can be further refined as illustrated in Figure 2. The diagram shows that the development process leads to the design of the framework itself, and that the deployment process consists of: creating awareness of the framework; assisting organizations in its use; and finally recognizing those organizations that achieve excellence as assessed against its criteria. Finally, successful framework development and deployment should lead, according to the previous research findings as summarized above, to a significant improvement in the management practices and performance of organizations that use a BEF framework. In addition to showing the project scope, Figure 2 presents the current design of the ABEF. The ABEF has seven categories containing a total of 22 separate scoring items, and it is based upon twelve core principles. An organization's performance against each item of the framework is assessed against four 'dimensions', where the items are evaluated by exploring how the organization puts plans and structures into place; deploys those plans and structures; measures and analyses the outcomes; and learns from its experience. These dimensions form a cycle of Approach, Deployment, Results, and Improvement (ADRI). Unlike most other models, therefore, the 'results' and 'enabler' criteria are not explicitly separated. Instead, each main criterion contains items that relate to enabler activities and results.

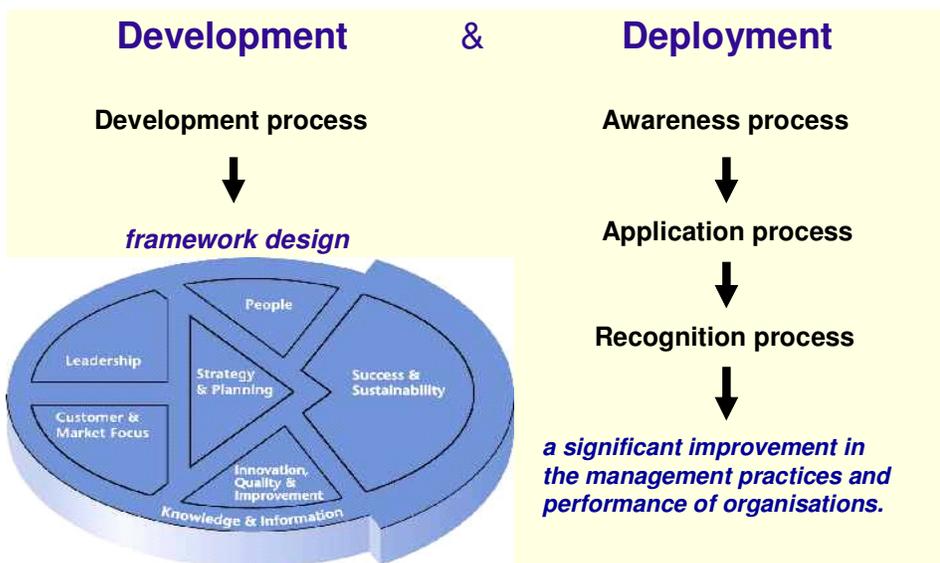


Figure 2 **The role of a BEF custodian**

Model development objectives were to develop a framework with the following characteristics:

- globally and locally responsive to a changing business environment
- internationally comparable
- reflects best practice
- improvements as assessed against the framework will lead to long-term business success
- supported by research evidence
- simple to understand
- its design facilitates the use of multiple types of assessment.

Under model deployment, objectives relate to:

- awareness: to create maximum awareness of the framework
- application: to assist organizations in understanding and applying the framework
- recognition: to provide recognition to role model organizations and promote best practices

Project Stages

A consultative research approach was adopted for the project to help ensure that the objectives of SAI Global and other stakeholders were met, and that maximum buy-in to the project and its findings were obtained. The methodology consisted of desk-top research (stage 1); focus groups (stage 2), and surveys / structured interviews (stage 3). Each of these stages and methods aimed to collect relevant information for one or more of the processes shown in Figure 1. A brief overview of each of the research methods will now be given.

In stage 1, desk top research consisted of a general review of international research on worldwide trends in BE, performance improvement, profitability, and long-term sustainability to see if the current design of the framework fits the current understanding of what makes a successful organization in today's business environment. For example, to see if new categories or items were required or if the score weightings should be changed. A particular focus was given to analyzing business literature/research from Australia so that that the framework could be designed to reflect Australia's business environment. Desk top research also involved studying the websites of BEF custodians. This provided valuable information on the BE services offered by BEF custodians and the current design of other BEFs enabling comparisons of model criteria, items and core principles.

In stage 2, focus groups were conducted consisting of people that had a sound knowledge of at least one or more development or deployment process. In total there were six focus groups with a typical size of 12 people. Five of these consisted of volunteers who were either ABEF evaluators or users of the framework (including award winners). The focus groups were held in Adelaide, Melbourne, and Sydney so that representation from key geographical regions was obtained. The sixth focus group comprised the ABEF Steering Group who had previously led the development of the framework. All participants were asked for their views on framework development, design, promotion and awareness, application, and the recognition process. In relation to each they were asked to identify strengths, opportunities, and solutions / recommendations. A large number of comments were collated and analyzed. This information was important in identifying priorities for the project and in some cases providing instant solutions to key issues. The focus groups were deliberately undertaken before the surveys were designed to inform the survey design process to ensure that questions were asked in priority areas.

In stage 3, three surveys were undertaken. The first was a telephone-based 'Awareness Survey' (AS). The purpose of the AS was to assess the current awareness of the ABEF in Australia; and for those organizations that were aware of the ABEF, whether they used it to improve their performance. The measures of "awareness" and "use" would serve as benchmarks so that in the future the impact of SAI Global's strategies could be assessed. Further questions were asked on why the interviewees used or did not use the ABEF. This information was considered useful for identifying the current challenges facing SAI Global. One previous study on ABEF awareness levels in Australia had been conducted in 2000 (AQC and Deloitte Touche Tohmatsu, 2000) and recorded a high level of awareness and use with between 70-90% of organizations being reportedly aware of the framework and 40% actually using it. From discussions with SAI Global and workshop participants it was felt that these figures may be overestimating true levels of awareness. Reasons for such high figures were thought to be related to the fact that the survey focused on the top 500 organizations, and secondly, that a postal survey was used which may have introduced bias, since it was possible that those organizations with a greater interest in BE

and the ABEF would be more likely to complete and return questionnaires. Finally, it was unclear from the report precisely to whom the survey was sent in these organizations.

To reduce the likelihood of bias for the AS it was decided that a telephone survey conducted on a (stratified) random sample of Australian organizations represented the most statistically valid means of obtaining awareness data. Telephone contacts were obtained from a Kompass directory, the target contact being the CEO or a member of the senior management team. In most cases these were named in the directory and in other cases the researcher asked the organization's receptionist to speak to a member of the senior management team who was available. The interview was designed to take a maximum of five minutes to complete. A mix of quantitative and qualitative questions were asked, responses recorded verbatim and a statistical and textual content analysis carried out. The researchers were given a target number of five interviews to complete within each state and organization size category. Table 1 shows the resulting sampling plan and the number of responses achieved per cell. The organizations were selected at random from the population within each resulting cell. It was felt that this sampling plan would prove useful in identifying patterns in BE awareness and use¹.

Table 1 *Number of organizations interviewed by State and organizational size*

State	Organization size (number of employees)								Total
	1-10	11-20	21-50	51-100	101-250	251-500	501-1000	>1000	
Australian Capital Territory	6	5	5	5	4	5	5	5	40 (13.1%)
New South Wales	5	5	5	5	5	6	5	5	41 (13.4%)
Northern Territory	5	5	5	5	5	2	0	3	30 (9.8%)
Queensland	5	5	5	5	6	5	5	5	41 (13.4%)
South Australia	5	5	5	5	5	5	5	5	40 (13.1%)
Tasmania	5	5	5	5	5	5	0	2	32 (10.5%)
Victoria	5	5	5	5	5	5	5	5	40 (13.1%)
Western Australia	5	5	5	5	6	5	5	5	41 (13.4%)
Total	41 (13.4%)	40 (13.1%)	40 (13.1%)	40 (13.1%)	41 (13.4%)	38 (12.4%)	30 (9.8%)	35 (11.5%)	305

The second survey, the 'User Survey (US)' was designed to be completed by individuals who were most familiar with the design of the ABEF or SAI Global's services used to promote its use. The survey respondents were BE evaluators or organizations that were current users of the ABEF. The purpose of this survey was to obtain high quality, in-depth feedback on how to enhance the ABEF and SAI Global's associated BE services. In order to maximize the validity of responses the instructions for the survey emphasized that respondents were only to complete the parts of the survey on which they had knowledge. A guide for the time taken to complete each section of the questionnaire was provided to the respondents so that they could decide in advance whether to complete the whole survey or focus on specific areas. In total it was estimated that the survey would take up to two hours to complete if all the questions were answered. SAI Global sent the survey via email to all evaluators and users of the framework,

¹ The researchers found it difficult to obtain responses from larger organizations in the Northern Territory and Tasmania as there were few or none listed in the Kompass directory.

and it was also hosted on their website. In total 46 surveys were completed. Responses revealed often strong and even passionate views on the framework.

The third survey, the 'BEF custodian survey', was designed to identify better or best practices in terms of how BEF custodians develop and deploy BEFs. This survey was most important as it would enable SAI Global to benchmark its key processes against other BEF custodians and obtain innovative ideas on how SAI Global could improve its services. Prior to sending out the survey the commitment of the GEM Council members to completing the survey was obtained - this helped to persuade other countries to participate. The main incentive for BEF custodians to complete the survey was that they would be given a copy of the findings; all strongly welcomed the research and many stated that they would be using the findings for strategic planning purposes. The survey questions addressed all BEF custodian processes but no questions were included on the end-design of the frameworks (as this information was obtained from their websites). The survey was expected to take an estimated two hours to complete. This survey was followed up with telephone interviews to clarify the information and obtain further information on those practices that were rated as innovative or a better/best practice by the BEF custodian. In total 16 custodians took part. The custodians² that participated are shown in Table 2.

Table 2 *BEF Custodians and the regions / countries that they represent*

Country	Organization
Australia	SAI-Global
Brazil	National Quality Award Foundation
Canada	National Quality Institute of Canada
Czech Republic	Czech Society for Quality
Europe	European Foundation for Quality Management (EFQM)
India	Confederation of Indian Industry
Ireland	Excellence Ireland Quality Association
Japan	Japan Productivity Center for Socio-Economic Development
Mexico	Premio Nacional de Calidad, México
New Zealand	New Zealand Business Excellence Foundation
Scotland	Quality Scotland
Singapore	SPRING Singapore
Sweden	Swedish Institute for Quality
Turkey	KalDer, Turkish Society for Quality
United Kingdom	British Quality Foundation
United States	Baldrige National Quality Program (BNQP)

Key Project Findings

The key findings from the project, as presented in the following sections, have been categorized into: overarching issues; the development process; framework design; awareness process; application process; and recognition process.

Overarching issues

² Participating countries are listed individually according to whether they have a separate custodian organization for their national framework. Thus, for example, whilst Scotland is part of the UK it was represented by the Scottish Quality Foundation, which is a membership based organization that only serves Scotland. The UK was represented by the British Quality Foundation which has members from the whole of the UK (including Scotland). Both organizations promote the EFQM Excellence Model. Europe was represented by the European Foundation for Quality Management, a membership based organization that is responsible for the design of the EFQM Excellence Model.

Overarching issues are issues that impact to some extent on all BEF custodian processes. One of the areas investigated was the ownership status of the BEF custodians. As Figure 3 shows, SAI Global are the only privately operated company, while SPRING Singapore and the US Baldrige National Quality Program (BNQP) are the only two currently funded directly by government.

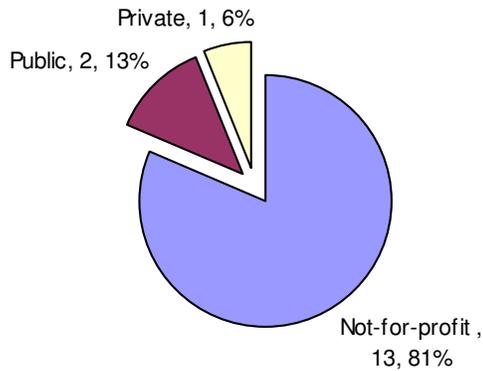


Figure 3 – Ownership status of BEF custodians

The impact of the ownership structure was perceived by some users of the ABEF to be important. The concern that they stated was that SAI Global’s focus on revenue generation may mean that SAI Global does not commit enough resource to building awareness of the framework as this activity does not have an immediate impact on the SAI Global bottom line. By contrast, others stated that SAI Global’s financial muscle and general expertise in business improvement, as Australia’s leading standards/business improvement service provider, would enable them to achieve greater awareness of the ABEF than the previous not-for-profit custodians of the ABEF.

A closer examination of all the BEF custodians revealed differences in their structures in terms of revenue generation. Figure 4 shows the average breakdown of revenue streams within BEF custodians. One key finding was that half of them had seen their income rise in the last three years from product/services sales. The area which had seen the largest decline was in membership income with five BEF custodians indicating a reduction.

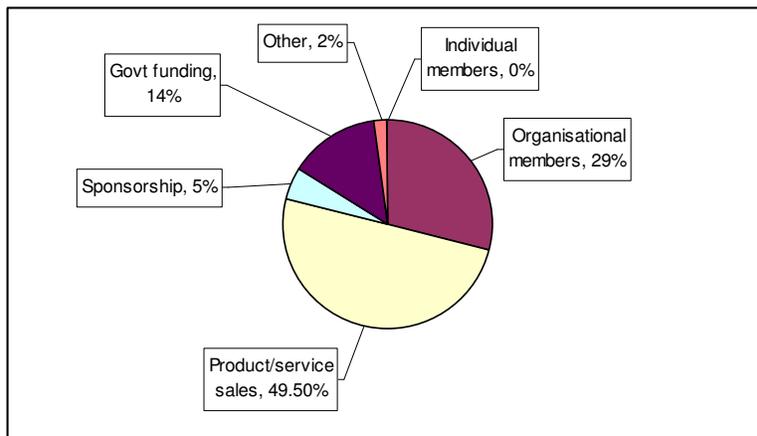


Figure 4 Revenue streams of BEF custodians

The number of staff working within each BEF custodian varied enormously from 1.5 full time employees in the Czech Republic and 3 full-time employees in New Zealand and Ireland to 34 for the BNQP and 26 for the EFQM. Obviously the number of full time employees impacts greatly on what can be achieved in each country. Of interest was a breakdown of revenue by employee size. This shows large differences from country to country as shown in Figure 5. The names of the countries remain anonymous due to the confidentiality of the information.

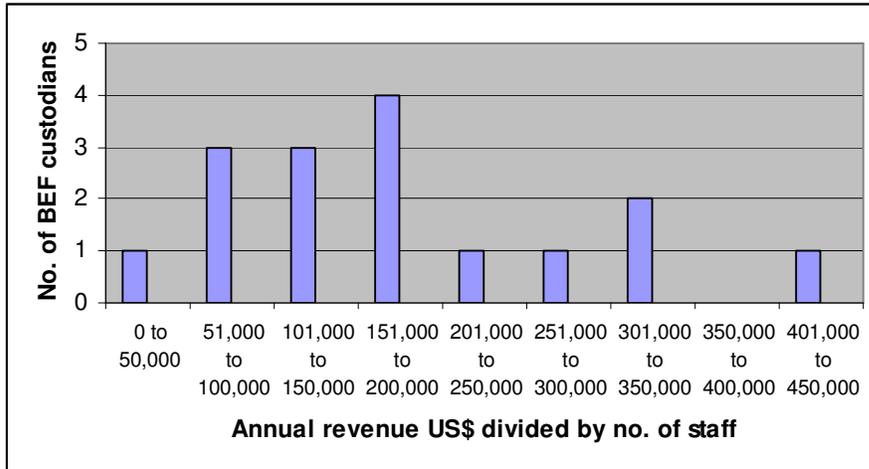


Figure 5 *BE Staff 'productivity' benchmarks*

An attempt was made to determine whether there was a relationship between the various business structures and national levels of BE awareness and deployment within each country. No statistical relationships were identified. Further observations on this are discussed in the penultimate section of the paper.

Framework development process

The rigor and frequency of the framework development process varied from custodian to custodian. Most custodians undertook minor reviews of their framework on a yearly basis. Major reviews were considered yearly by Japan, and conducted two-yearly by the US, three yearly for Brazil and Mexico, and four yearly for Sweden (on average) and five yearly for Canada, Singapore and the EFQM. The Beneath the Surface review was the first major review of the ABEF since it was introduced. Other BEF custodians included in the study were users of either the EFQM or Baldrige model and therefore did not undertake the reviews themselves.

Over 90% of ABEF users and evaluators felt that annual reviews resulting in even minor changes was overly frequent, and that less frequent changes would be sufficient if fully justified and explained. A major reason cited for this was the confusion and lack of consistency that annual changes introduced. Forty-three per cent of users favoured biennial review, with another 26% supporting triennial minor review (Figure 6). In relation to major review cycles, almost 50% of users support a quinquennial (five-year) major review period.

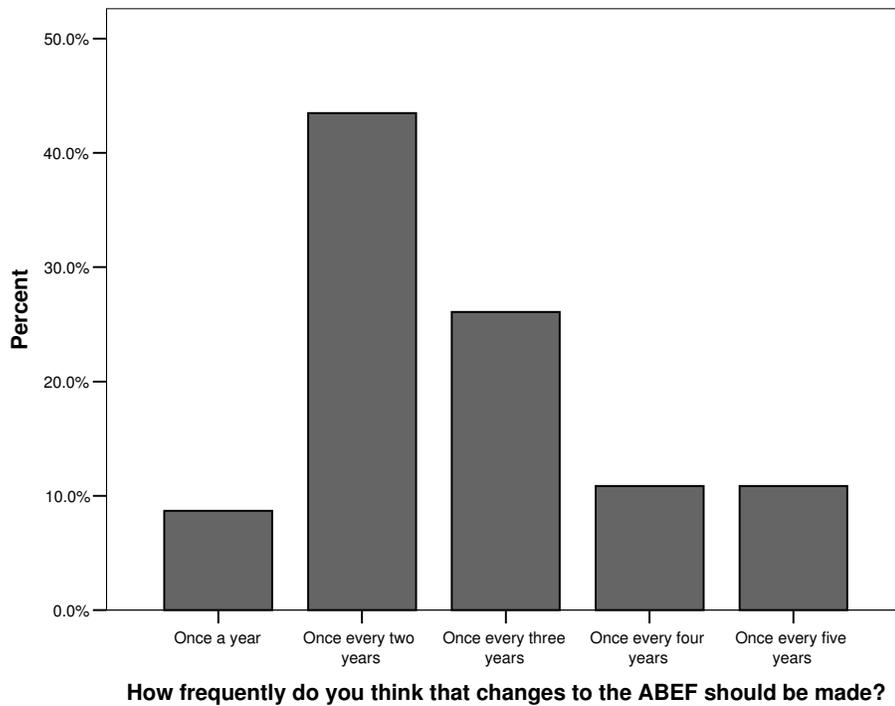


Figure 6 *Users' opinion on how frequently the ABEF should be updated*

The frequency of review is important since not only should it reflect the changing business environment, but it also has an impact on

- a) Resourcing the process and funding the subsequent changes in documentation for the BEF custodian
- b) Evaluator training as evaluators need to be re-trained so that they understand the changes to the framework.
- c) Client training and costs which may be incurred by the client in producing new internal publications/documentation to reflect the changes
- d) Benchmark comparisons of historical scores. This is difficult to do on an item by item basis if the items keep on changing

The processes used for major reviews varied in detail. Mexico's review methodology, shown in Figure 7, was considered to be one of the most rigorous and had many similarities to that of the methodology used for the Beneath the Surface project

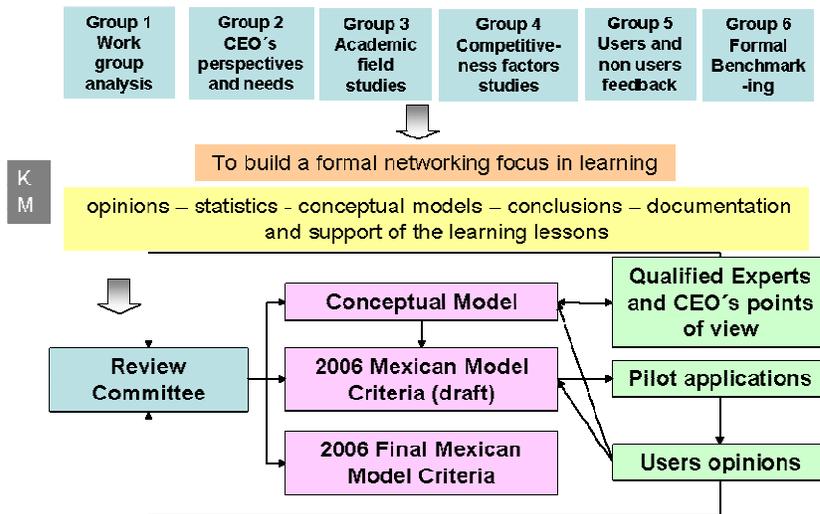


Figure 7 Mexico's model development process

When considering the various approaches to major reviews there was general agreement among custodians that the following stakeholder groups should be consulted; clients, evaluators, research experts on BE, other BEF custodians; research experts on economic/management trends; influential associations/membership associations; government; businesses not using the framework and BE consultants.

Framework design

In terms of the Australian model, there was widespread support for the current design of the ABEF. 78% of users reported being either "very confident" or "extremely confident" that the design is based on sound principles and facilitates a reasonable assessment of BE. Users specifically reported it to be an intuitive, integrated, and balanced framework with clear links between different business drivers, and appreciated its flexibility for use in all types of organizations; large, small, for-profit, and not-for-profit organizations. There was support for: the ABEF's principles (as "broad theoretical drivers for improvement that assist in encouraging appropriate behaviours, values and fundamental truths"); its items (as a valid basis for scoring); the ADRI dimensions; and its perceived non-prescriptive approach. However, 60% of users believed that the current design is a little too complex (40% believing the language is "too academic").

Surprisingly, based on the support for the framework, 61% reported that a switch to an international BE model (such as the Baldrige model) should at least be considered if the cost to administer such a model is significantly reduced for SAI Global and the advantages of other international models can be obtained (for example, tailored BEF guides for specific industry sectors, such as produced by BNQP). This finding will need to be investigated by SAI Global with the advantages and disadvantages of a change in model being thoroughly considered. The finding is at variance with some of the findings from other Australasian-based research (e.g., Cocks, 2004), which indicates that certain principles and practices that are successful in US organizations do not translate well to the Australasian context - an example being the application of 'stretch targets'.

From the users' and evaluators' perspectives, it was apparent that the main issue of concern to them was not the design of the framework, but issues relating to framework deployment and (in particular) framework awareness and application.

Framework awareness

The awareness survey revealed that 90.5% of surveyed Australian organizations (276 organizations) had not heard of the ABEF and only 1.3% had used the ABEF to improve their performance over the last 5 years. A chi-square (χ^2) test of association revealed that significantly more public sector organizations were aware of the ABEF than private sector (23.1% of public sector versus 7.1% of private sector). These data indicate that SAI Global has a major challenge ahead if it is to raise awareness levels substantially in the future (considering that it has taken over 15 years since the development of the ABEF to reach this level of awareness). This level of awareness is lower than that reported by other nations' custodians with the exceptions of Japan and the UK (Mann & Grigg, 2006). There is an opportunity for SAI Global to learn from those nations, such as Brazil, India, Singapore and the United States, that reported considerably higher levels of awareness.

Table 3 shows how BEF custodians perceive that awareness of BE has changed in their countries over recent years. The data indicate that only Brazil and Canada have managed to increase awareness levels substantially. Brazil cites the increase as due to the introduction of a number of regional and sectoral programs and awards aligned to BE and the teaching of BE at universities. Canada cites their increase due to the introduction of programs that complement BE like the Healthy Workplace program.

Table 3 *Trends of national BE awareness (perceptions of BEF custodians)*

Please rate below the extent to which, in your opinion, awareness of BE within your country has changed over the last three years		
A	Increased substantially	2 (Canada and Brazil)
B	Increased slightly	10 (Japan, United States, Mexico, Czech Republic, New Zealand, India, Singapore, Scotland, Turkey and Europe (EFQM))
C	Stayed the same	1 (United Kingdom)
D	Decreased slightly	3 (Sweden, Australia and Ireland)
E	Decreased substantially	-

Most of the awareness figures should be treated with caution, however, as surprisingly few of the BEF custodians have a formal measurement system in place to objectively measure awareness levels. Some of the methods which are in use are described below:

- Brazil records those who participate at its events and have bought its publications.
- Japan has recently conducted a survey among non-members.
- The US conduct external surveys to gauge awareness and interest (for example, Booz-Allen-Hamilton, 2003). They also monitor 'traffic' on their website, and the number of free copies of the framework given out.
- Singapore records attendance at BE training programs and other excellence schemes
- Turkey conducts an annual membership survey and records those that participate in its events.

Table 4 shows the main approaches used by BEF custodians to increase awareness of BE and how they ranked in terms of importance.

Table 4 Custodian self-rating of the impact of awareness activities

Rank of importance	Awareness Activity
1	Provision of workshops/training in BE
2	Provision of a BE award
3	Provision of seminars/ conference in BE
4	Forming strong relationships/partnerships with industry/ membership based associations to assist in the promotion of BE
5	Linking local and regional business awards to BE criteria
6	Marketing of BE to CEO's/senior managers
7	Production of articles and publications promoting the benefits of BE
8	Leveraging off the relationship with evaluators and clients to promote BE
9	Forming strong relationships/partnerships with the government to assist in the promotion of BE
10	Marketing of BE to managers/employees
11	Forming strong relationships/partnerships with university/tertiary institutions to assist in the promotion of BE
12	Promotion of BE via a website
13	Forming strong relationships/partnerships with schools to assist in the promotion of the BE
14	Press releases on BE

An example of one custodian's approach to workshops/training in BE was provided by BNQP (Mann & Grigg, 2005): Each year, staff and senior Examiners conduct Examiner training for approximately 500 Examiners. These Examiners use a case study approach to learn the Criteria, and how to evaluate an applicant and to identify strengths and opportunities for improvement. In addition, they are able to serve as outreach ambassadors for the program by encouraging organizations to apply the award. To encourage participation in Examiner training and use of the Criteria, the Program provides the opportunity for all award applicants to identify one individual to participate in training that does not need to go through the standard Examiner application process. To support Examiners in their outreach efforts, the program provides PowerPoint modules and other resource materials.

Asked to identify the most important promotional activities for SAI Global to concentrate on over the next few years, users came up with the top five priorities (from 12) shown in Table 5 below. These were areas that SAI Global were aware of but had not had the time or resource to address since becoming the ABEF custodian.

Table 5 Top 5 priorities for ABEF promotion identified by framework users.

Rank	Which promotional activity should SAI Global concentrate on most over the next few years?	% of sample
1	Forming strong relationships/partnerships with the government to assist in the promotion of the ABEF	39.1
2	Marketing of the ABEF to CEO's/senior managers	34.7
3	Forming strong relationships/partnerships with industry/ membership based associations to assist in the promotion of the ABEF	30.4
4	Forming strong relationships/partnerships with tertiary institutions to assist in the promotion of the ABEF	28.2
5	Articles and publications promoting the benefits of business excellence	17.4

Framework application

From the user survey, the following top five priority activities (from 19, in Table 6) for SAI Global were indicated as those of most importance for helping organization derive the maximum benefit from the ABEF.

Table 6 *Top 5 priority activities for helping organizations derive benefit from the ABEF*

Rank	How can SAI Global assist organizations to obtain the most benefit from the ABEF	% of sample
1	Provision of an information resource that provides case studies, best practice, and benchmarks from Award winners/leading organizations from all around the world	33
2=	Business Excellence mentoring (e.g. access to ABEF evaluators/experts for advice)	28
2=	Program that assists organizations in integrating together tools such as six sigma, knowledge management, quality systems, balanced scorecard, benchmarking, and management standards within a business excellence approach.	28
3=	Case studies highlighting the practices of organizations that have scored highly against the ABEF.	20
3=	Networking meetings for CEO's /senior managers of business excellence users	20

SAI Global intend to now learn from other BEF custodians that have provided effective services in the above five areas. Table 7 shows which BEF custodians rated their services highly in these areas (with the exception of a “Program that assists organizations in integrating together tools” as this was not included in the BEF custodian survey). It names the countries that rated their services as “Good” or “Excellent” but does not disclose the names of the countries that rated their services as Poor or Average.

Table 7 *BEF custodian self-rating of BE application services*

Application services	How would you rate your own service provision in this particular area				
	Not Provided	Poor	Average	Good	Excellent
On-line service/database of BE information	1	7	3	3 (US, India, Europe (EFQM))	1 (UK)
BE mentoring (e.g. access to BE evaluators/experts for advice)	6	1	6	2 (Turkey, Ireland)	1 (India)
Publications on BE	2	2	8	2 (Brazil, India)	1 (US)
Networking meetings for BE users	2	0	4	7 (US, Brazil, NZ, Singapore, Turkey, Europe (EFQM),UK)	1 (India)

For the on-line service/database of BE information, the British Quality Foundation rated their service as excellent. This service includes providing free access for all of their members to the

Business Performance Improvement Resource (www.bpir.com) a resource containing benchmarks and best practices that have been categorized by the EFQM Excellence Model. The resource is used by its members as an input into the action planning process after an assessment or as a reference resource when undertaking a business improvement project.

Table 8 shows the main approaches used by BEF custodians to assist in the application of BE and how they ranked in terms of importance.

Table 8 Custodian self-rating of the impact of application activities

Rank of importance	Application Activity
1	Tours of best or good practice organizations
2=	Publications on BE *
2=	On-line service/database of BE information*
4	Provision of workshops/training in BE
5	Provision of seminars/ conferences in BE
6	Benchmarking services and consulting (activities to learn from best practices)
7	Networking meetings for BE users
8	Provision of tailored BE guides/criteria to meet the needs of specific sectors
9	BE award service (having an awards process)
10=	Provision of BE self-assessment tools (on-line)
10=	Provision of an external BE assessment service (e.g. conducted/facilitated by consultants)
12=	Provision of BE submission/application documents from award winners
12=	Additional frameworks, guides and awards that stem from BE and focus on specific topics **
14	Provision of BE self-assessment tools (off-line)
15	BE consulting via endorsed consultants
16	BE consulting via your staff
17	BE mentoring (e.g. access to BE evaluators/experts for advice)
18	Evaluator training courses
19	Networking meetings for CEOs /senior managers of BE users
20	Provision of formal qualifications in business excellence
21	On-line BE forums/discussions

* For example, showing best practice case studies, examples of BE applications, the types of BE assessments that can be used, benchmarks, descriptions of business improvement tools and techniques.

** Such as Corporate Responsibility, Knowledge Management, Environmental Sustainability, Leadership and Healthy Workplace.

As Table 8 shows, the activity that ranked as most important was “Tours of best or good practice organizations”. Canada indicated that they had particularly effective best practice tours that were very well attended and for which they received great feedback from participants. Entitled “Tour du Force”, these tours are one or two days in duration. They explained: “*We visit award winners or organizations that have been certified at a high level through our PEP program. Generally we visit an organization and they have prepared a presentation and a site tour to reveal their better practices. What makes these tours so special is that we visit different towns/cities and all participants travel together in a coach. The coach trips themselves are fun and we use the time in the coach to discuss what we have learnt. We have been running the tours for 5 years*”.

Framework recognition process

It was noticeable that all BEF custodians rated their “framework recognition” processes considerably higher than their other processes. Indeed all but one believed that assessed organizations and evaluators who went through their awards process obtained 'good' to

'excellent' value from their experience (Mann and Grigg, 2006). Recognition processes included the following: provision of a launch event for the award; evaluator selection process; evaluator and senior evaluator training; eligibility criteria for applying for the awards; guidelines and assistance for potential applicants on submitting an award application; a guide to explain the BE Model and Criteria; support to ensure evaluator teams follow due process; site visits by evaluators on award applicants; consensus meetings; feedback reports to applicants; the judging process; award ceremony; publicity surrounding the awards; providing opportunities for applicants and evaluators to suggest improvements to the awards process; and general management of the awards process. These processes have generally been refined over many years through considerable "best practice" sharing between BEF custodians using mechanisms like the GEM Council.

The feedback obtained directly from ABEF evaluators and clients also showed that this was the process that seemed to be working most effectively. Users on average rated SAI Global's recognition activities as "good", its application services as "average" and its awareness activities as "below average" (Mann and Grigg, 2006). These results are not surprising since much of SAI Global's time since becoming the BEF custodians has been spent in understanding the awards process and ensuring that it continues and maintains its rigour and credibility. The suggestions received to improve the recognition process included: improving feedback reports (for example providing best practice advice); raising the profile of the awards; providing multiple sectoral awards; and providing assistance for organizations to attend the awards.

Factors that make a successful BEF custodian

The findings resulting from this research project were discussed with the GEM Council members in November 2005 (Mann, 2005) with a particular focus on identifying the characteristics of a successful BEF custodian. The following are some of the key conclusions from the discussion.

Firstly, the strengths of the BE movement were considered. It was concluded that whilst there were inadequate measures of BE awareness and framework use, there was enough evidence to suggest that the BE movement had been a great success with over 70 countries having an award based on a BEF. This was considered to be a considerable achievement in a relatively short space of time (approximately 15 years dependent on the framework). Secondly, those organizations that use BEFs are generally strong advocates of BE, they agree with the design of the frameworks, and obtain significant benefits from applying them. Thirdly, the awards process is well-established and respected as thorough and accurate by clients and evaluators.

Considering next the opportunities for improvement, there were several that were debated and agreed upon. The key ones relating to each process were as follows

- The model development process can be improved through greater sharing of management research information between BEF custodians (perhaps through a central repository)
- Model design needs to be supported by more research particularly in terms of Category and Item score allocation
- Awareness needs to be measured so that the impact of strategic initiatives can be assessed. There needs to be a unified approach to raising levels of awareness within each country involving the government, public institutions and management/trade associations. Also, in many countries there is a shortage of case studies and published material relating to business excellence.
- Concerning the application process there is a great opportunity for BEF custodians to learn from each others' successful practices. There are many effective tools and resources to assist organizations in using a BE approach but these are fragmented between countries. Also, there is a lack of country specific case stories from which peer advocacy can be leveraged.
- In most countries the awards process is well established but due to its robustness it might be having an adverse impact on uptake. In addition, within a number of countries

that have a national BE award there are also a plethora of regional and national awards that are not aligned to BE. This can create confusion amongst businesses as different award processes and models may encourage contradictory behaviours in organizations and often the organizations themselves do not have the expertise or knowledge to determine which is the best award process or model to follow.

A number of over-arching opportunities that impact on all processes were discussed. A key issue for many custodians is the lack of resource to promote and support BE. This emphasizes the need for them to become more effective in establishing and leveraging off partnerships to assist in the promotion of BE. The second key issue was the changing role of a BEF custodian. Many BEF custodians originally developed as primarily award giving bodies. Over time this role has changed to one where they need to provide more value adding services to assist organizations in improving their performance. However, many BEF custodians have struggled to adapt to these changes. This has meant a significant part of their often limited resource is still focused on administering the awards rather than providing a more balanced set of services.

The final and arguably most important opportunity relates to the need for BEF custodians to be aware that they need to develop an integrated approach to deploying a national BE program. The provision of an integrated approach to take organizations forward from "awareness" to "use" to "advanced/ world-class performance" is probably the most important learning to take from those countries that are achieving high levels of awareness and use of business excellence. Integration is not only required between the BEF custodians own processes but also in terms of getting external buy-in/support from key partners at a national level to assist with these processes. Therefore obtaining support from the government, business consultancies, industry associations and universities. For a national BE strategy to be successful it requires an integrated and united approach.

A good example of an integrated approach is provided by Singapore. To assist organizations in their journey to world-class business excellence, SPRING Singapore has implemented the SQA Business Excellence Program to guide organizations in aligning their systems, practices and performance with the Singapore Quality Award (SQA) model, shown in Figure 8. This program clearly explains the linkages of BE with other improvement approaches and provides a path towards world-class performance. Under this program, organizations are first required to undergo a BE assessment using a questionnaire approach. This questionnaire is provided free of charge to encourage as many organizations as possible to assess their business and learn about business excellence. Those organizations that score 400 points are then short listed for a site visit to verify the results. A feedback report on the strengths and areas for improvement is then given to all organizations participating in the site-visit. Based on the outcome of the site assessment, organizations, which have 400 points or more, are invited to become a Singapore Quality Class organization – a status highly valued in Singapore. Quality Class organizations have preferential access to other continuous improvement programs to assist them in becoming world-class organizations, including an invitation to apply for the Singapore Quality Award. The "best of the best" organizations are conferred the Singapore Quality Award in recognition of their attainment of world-class standards of business excellence. Throughout this process SPRING Singapore works with other associations/consultants to assist organizations through the various stages of improvement. Also, they assess the success of the program through monitoring the number of companies progressing through each stage.

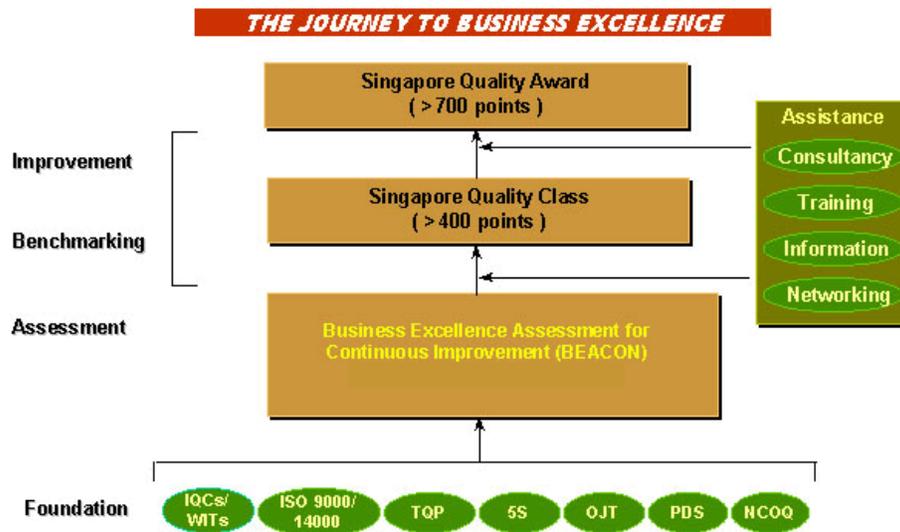


Figure 8 Singapore Quality Award Business Excellence Program

Conclusions

The challenges faced by BEF custodians worldwide are similar and are being addressed through initiatives such as the GEM Council and independent projects such as the project outlined in this paper.

To the authors' knowledge this project was the first that has been sponsored by a BEF custodian which not only investigated the appropriateness of the design of a BEF to a particular business environment (in this case Australia) but also endeavoured to identify best practices in relation to administering and deploying a national BEF. As such it was also the first project that clearly clarified the typical role of a BEF custodian and the key processes involved.

The findings from the project can have a major impact on shaping the future of business excellence on a global scale if they are acted upon by BEF custodians. The findings indicate that Australia and BEF custodians in general should focus more on creating an awareness of BE and provide a range of effective tools and methods to assist organisations along the BE journey. Less emphasis is required on the design and development of the frameworks and on the awards process (as both are generally accepted by businesses and proven to be effective). Of key importance to a successful national BE strategy is an integrated approach which provides a clear road-map towards achieving excellence and which has the buy-in of key organisations that influence businesses (such as the government, universities, consultants and trade/management associations).

Finally, it is intended that the data from this project will be used to develop extensive benchmarks for BEF custodians, and that custodians across the world will benefit from the results of this study. It is anticipated, moreover, that the methodology described will be used extensively by custodians in improving their own frameworks and supporting services.

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Bios

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