



# Deployment of business excellence in Asia: an exploratory study

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## Abstract

**Purpose** – The purpose of this research is to investigate the use of business excellence in Asian organisations. The study examines the effectiveness of business excellence in the organisations that adopt it as well as the approaches used to deploy business excellence. Finally, the study investigates the attitudes of organisations with respect to business excellence awards.

**Design/methodology/approach** – A questionnaire survey of 74 organisations across five Asian countries was carried out in order to collect quantitative data. In addition, qualitative data was collected from 21 discussion groups held in all five countries and from 13 interviews held with senior executives of organisations that had won business excellence awards.

**Findings** – The organisations believe that business excellence is important in helping them reach their organisational goals. The results also show that participation in and winning business excellence awards is a key objective for many organisations in the region. However, the region still suffers from some barriers to long-term commitment to business excellence including lack of development of a business excellence culture, a lack of resources and a failure to fully educate the majority of staff in business excellence.

**Research limitations/implications** – The study was directed at organisations that were deploying business excellence. It therefore provides an insight into their activities but it does not explore levels of adoption of business excellence in the study countries and consequently, does not investigate reasons for non-adoption in organisations that have not used business excellence.

**Practical implications** – National productivity organisations and national award administrators have a crucial role to play in ensuring that Asian organisations are aware of business excellence initiatives and that the necessary support structures and activities to facilitate deployment are made available.

**Originality/value** – While there are many studies on the adoption of business excellence in western countries, no such studies have been carried out in Asian countries to date. Even in the west, few studies have obtained the views of so many national award winners (30 in this study) and few have investigated the role of the award administrators. Given that the adoption of business excellence in Asia lags western countries, it is important to understand how it has been adopted in Asia and the perceptions of the organisations that have adopted it.

**Keywords** Business excellence, Organizations, South Asia, Far East, South East Asia

**Paper type** Literature review



## Introduction

This paper presents the findings of a study to identify the value and impact of business excellence within Asia. It reports on how business excellence is helping business excellence adopters and award winners to achieve their short and long term goals. The

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study describes how these organisations pursue business excellence and the attitudes of these organisations towards national business excellence awards as well as the role of national business excellence custodians (the organisations responsible for administering national business excellence awards).

The study was commissioned by the Asian Productivity Organisation (APO). The APO serves the national productivity institutions of 20 Asian countries. The research was focussed on those countries/regions that were considered, by the APO, to be the most active in business excellence and willing to participate in the research – these were India, Japan, Republic of China, Singapore and Thailand. It is expected that the results of the study will provide objective evidence to guide the future activities of the APO as well as the national productivity organisations.

While there are a number of studies on the effectiveness of business excellence in western countries, there are much fewer studies about Asian countries (Young and Wilkinson, 2001; Arumugam *et al.*, 2008). This is probably due to the two most recognised business excellence models, the Baldrige Criteria for Performance Excellence and the European Foundation for Quality Management Business Excellence Model, being developed in the West, and their use in Asia following later. This study, as it had the support of the APO and national productivity organisations, provided a unique opportunity to research business excellence across multiple Asian countries. The support of these institutions was crucial in order to gain access to organisations that were business excellence adopters and national award winners. In total, 30 of the 74 organisations that completed the survey were past or current national award winners.

The next section presents a review of the literature related to the study. This is followed by the study aims and a description of the research methodology adopted. The study findings and discussion of the findings are then presented and, finally, the conclusions of the study are provided.

## Literature review

### *History*

The concept of business excellence is deeply rooted in the history of Total Quality Management (TQM). TQM originally burst onto the global scene in 1984, with Rehder and Ralston's (1984) paper the first to contain the words "Total Quality Management". Interest in TQM continued to grow in the 1980s as organisations and governments saw it as the panacea that would address the decline of the manufacturing sector in the West.

In 1987, the development of the Malcolm Baldrige Award in the United States provided a major step forward in quality management. The Baldrige Criteria for Performance Excellence, on which the award was based, represented the first clearly defined and globally recognised TQM model. (Other similar models were developed before or shortly after, such as the Australian and Canadian models, but they did not have the same international impact.) The Baldrige Criteria were developed by the US government to encourage companies to improve their competitiveness. In 1991, the EFQM Excellence Model was developed by the European Foundation of Quality Management to promote quality throughout Europe.

Following on from their western counterparts, South Korea and the Republic of China are believed to be the first Asian countries/regions to adopt similar quality

awards in 1989 and 1990 respectively. (English information on the design of these quality award models and on the awards process used is not available. Therefore an assessment of their similarity with the Western models at this period of time could not be made although both now do have a similar design and award process.) India has a number of national quality awards based on different business excellence models. Two of the most prestigious are administered by the Confederation of Indian Industry based on the EFQM Excellence Award model since 1994, and the Indian Merchant's Chamber's award based on the Baldrige Criteria for Performance Excellence since 1996. Singapore's Quality Award began in 1994 and is adapted from the Baldrige Criteria for Performance Excellence.

In the mid 1990s there was a change in terminology from "quality" and "TQM" to organisational (or business) excellence in the West with the previously called "Quality or TQM Models" being rebranded as business excellence models (Adebanjo, 2001). The rebranding was to distinguish the new TQM, which was now clearly defined through assessment models, from the old TQM, which lacked clarity as it had a philosophy, core values and concepts, but there were many interpretations of what needed to be done to implement it (Mann, 2008). A debate on this change in language is provided by Dale (2000) who believed that TQM was "found wanting" when attempting to live up to the initial promise and expectations it gave many managers. In 1996, Japan created their own Quality Award based on the Baldrige Criteria, and by 2001, the Republic of China Award was redesigned to more aligned with the MBNQA and the first Thailand Quality Award, based on the Baldrige Criteria for Performance Excellence, was awarded.

As of 2010, 86 countries are known to have a Business Excellence Award of some kind, with the idea of guiding their nation's organisations "toward higher standards of business performance and better operational results". Of these 86, 40 have adopted the EFQM business excellence model in its entirety or a tailored version of it, and 17 have adopted the Baldrige Criteria for Performance Excellence in its entirety or a tailored version of it, 18 have unique models, and the remainder promote multiple models or the models used are unknown (Mohammad and Mann, 2010).

#### *Approaches to deploying business excellence*

Business excellence (BE) can be defined as "excellence in strategies, business practices, and stakeholder-related performance results that have been validated by assessments using proven business excellence models (BEMs)" (Adebanjo and Mann, 2008, p. 1). The models themselves were developed from a set of core values and principles that are considered to be essential for long-term organisational success (these are called "Fundamental Concepts" in the EFQM Excellence Model and "Core Values and Concepts" in the Baldrige Criteria for Performance Excellence. Essentially awards and assessment tools measure the level of deployment of BE within an organisation.

Organisations which score highly when assessed against a business excellence model are considered to be a BE organisation as they will have embedded many of the core values and principles of BE. However, there is no one route or road map to achieve this status. Organisations must decide for themselves, after taking into account their business environment, culture and current position, how best to advance using the business excellence model as a guide. As there are hundreds of improvement initiatives an organisation can choose to implement (from six sigma to customer satisfaction

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surveys to reward and recognition systems) it can be challenging to prescribe which ones will be the most effective at a particular point in time.

To help organisations to deploy BE, Saunders *et al.*(2008) identified a number of methods which were used by the national business excellence administrators of 16 countries. The most successful, as considered by companies, were (in order of impact magnitude): tours of best-practice (or good practice) organisations; publications/online resources on BE; using BE workshops, training events, seminars and conferences; the availability of benchmarking data from other organisations; regular networking meetings for BE users; BE guides tailored to specific industries; opportunity to gain a BE award; and provision of external (or self) assessments.

It is thought that the approaches used to achieve business excellence may differ between Western and Asian companies, due mainly to cultural differences. Chuan and Soon (2000) highlight the difference between American and Japanese attitudes: American corporations are results-oriented, believing that achievements are “self-initiated ventures”, whilst incorporating a strong level of individualism within their corporate culture. Japanese firms, in contrast, use more of a “consensus approach to achieving success”.

Khoo and Tan (2003) highlight other cultural differences that affect the various aspects of management and work culture between the USA and Japan: in Japan, people’s concept of quality management is shaped by spiritual teachings such as Buddhism and Shintoism and promotes team-oriented approaches. The West, by comparison, uses creative thinking and individual freedom, creating competitiveness via the entrepreneurial culture.

Whilst the authors’ research will not investigate the differences between Western and Asian companies, the research will show whether Asian companies are benefiting from business excellence.

### *Effectiveness of business excellence*

Tari *et al.*(2007) believe that the successful adoption of TQM (or BE) impacts on the performance of a firm, and they cite a number of studies that support this argument – Hendricks and Singhal’s (1997) findings indicated that firms’ financial performance improved once effective BE programmes had been adopted. Curkovic *et al.*(2000) believed that BE techniques may have an impact on firm performance, whilst Douglas and Judge (2001) found that the level of BE adoption affects the performance of the firm. Escrig *et al.*(2001) found that BE has an impact on a firms’ financial performance, and Kaynack (2003) found that BE has a positive effect on firm performance, whilst Oakland and Tanner (2008) state that BE “is of benefit to organisations”.

Reasons for adopting BE were identified by Saunders *et al.* (2008):

- BE provides a rigorous and sensible approach to identifying strengths and opportunities;
- BE guides the organisation’s continuous improvement effort;
- BE co-ordinates a range of initiatives;
- BE provides an external measure of performance;
- BE educates staff on the characteristics of successful organisations;
- BE allows companies to become “world class”;

- BE improves organisational performance; and
- BE allows benchmarking against others in the same industry as well as those from other industries.

*Business excellence awards*

Grigg and Mann (2008) state that business excellence awards have been “a primary means of formally and publicly recognizing the efforts of organizations that have achieved significant improvements or world-class performance”. The first of these awards was the Deming Award of 1951. The next major internationally recognised award was the MBNQA which was developed in 1987 and first awarded in 1988.

There are several advantages to participating in the business excellence awards process. Biazzo and Bernardi (2003) and Khoo and Tan (2003) state that even competing for (and not necessarily winning) a business excellence award gives the company a heightened level of public recognition. However, the awards are not just a reputation enhancer – several studies have shown that award-winning companies can outperform their competitors. For example, Jacob *et al.* (2004) compared 18 MBNQA winners with the industry averages across several industries – the results showed that award winners “perform significantly better than the industry medians in terms of profitability and assets utilization”. Hendricks and Singhal (1997) found similar results with award winners outperforming those without “on operating income-based measures”, concluding that these awards improve the operating performance of firms that win (or even compete for) them. The feedback companies receive from the evaluator teams also allows them to identify areas of improvement, thus forcing companies to focus on current and future performance levels (Lee, 2002).

Grigg and Mann (2008) highlight, however, that several scholars have reported little to no evidence of the improvements mentioned above, citing Williams *et al.* (2006), Wilford (2007) and Tuck (2005a; 2005b) as examples. Adams *et al.* (1999) state that “in a strictly financial sense, TQM matters but awards may not”. Lee (2002) also states that the approval process is lengthy and can sometimes stop companies from focusing on core activities. Another criticism is that the award structure is very rigid, resulting in some companies struggling to match their current processes with those in the award criteria. However, Grigg and Mann (2008) conclude that although debates continue around the operational and financial benefits of competing for or obtaining business excellence awards, there is little doubt that competing for such awards ensures that firms concentrate on their processes, measurements and performance, and that winning the awards gives valuable publicity and commendation.

The general process of applying for a business excellence award is summarised by Grigg and Mann (2008) as follows.

Applicants begin by submitting an application detailing how their organisation functions and the results they have obtained from using the business excellence framework. Evaluator teams from the award administrator organisation review the application against the business excellence model criteria and principles. A number of finalists are selected, and these organisations are visited by the evaluator teams; during the visit, the applicants are given a feedback report on their application and the evidence of the site visit. A panel of judges then select the winners and runners up, who receive their awards at an annual ceremony. A more extensive description of the

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assessment processes for the majority of the business excellence awards is given by Chuan and Soon (2000).

Awards are generally divided into categories, and can be awarded based on industry, organisation size, region or a combination of all of these (Grigg and Mann, 2008). Due to the prestigious nature of the awards, it is important that evaluators are trained rigorously (Chuan and Soon, 2000). Training is therefore repeated annually to make sure the awards preserve their quality and consistency year on year.

### *Summary*

BE models are used as a key strategic tool by countries worldwide to improve the quality of products and services, increase customer satisfaction and national competitiveness. BE awards, based on the core values and concepts of TQM, assist in promoting the use of business excellence models as a means to improve organisational performance. We know that business excellence models were first adopted in the West and followed by Asia however; as yet there has been little insight into Asian firms' perception, use and success of BE. This paper will address these gaps in the following sections.

### **Research aims**

The primary aim of the study was to investigate the deployment of business excellence in five Asian countries. The study, based on the perception of organisations that had deployed business excellence, had three objectives as follows:

- (1) evaluation of the effectiveness of business excellence in helping organisations achieve their business goals;
- (2) determination of the approaches used in the deployment of business excellence initiatives; and
- (3) investigation of the involvement and awareness of Asian organisations in business excellence awards processes.

### **Research methodology**

The study was undertaken from August 2009 to March 2010. The key phases of the research methodology were – a questionnaire survey of organisations in all five countries, discussion groups of senior managers from multiple organisations and semi-structured interviews of senior executives from some of the organisations. The mixed methodology approach enabled the researchers to collect both qualitative and quantitative information, thereby providing a rich basis for the findings of the study. The three key phases mentioned above are now described in more detail.

Discussion groups were held during national workshops on business excellence that were organised by the national productivity organisations. The discussion groups were held in all five countries although the numbers of groups differed from country to country. Six discussion groups were held in India, four each in Singapore, Thailand and Republic of China and three in Japan. Each discussion group, typically consisting of between four and eight people from different organisations, was given specific issues relating to business excellence to discuss. The key findings were written down in discussion notes. In addition, attendance at the workshop also enabled the promotion of the questionnaire survey. Participants at the workshops were senior managers with responsibility or experience of the business excellence initiatives within their organisations.



A comprehensive survey was designed with the input and support of the national productivity organisations in five countries and the Asian Productivity Organisation. Initially, a survey template was designed by the study team. This was sent to the Regional steering Committee of the Asian Productivity Organisation for review and agreement of the questionnaires focus and questions. The steering committee, consisting of representatives from five countries, suggested some changes. The changes were made and incorporated in a draft questionnaire which was then sent back to the committee as well as the APO secretariat for more comments and suggestions. A final survey was then designed based on the comments received. The survey was targeted for completion by organisations that were “for profit” and had “undertaken at least one assessment (either internal self-assessment or external assessment) of its performance using a business excellence framework” – these criteria were clearly displayed on the front of the survey. One section of the survey was devoted specifically to national business award winners. Instructions on the survey stated “the survey should be completed by the person (or team of people) that have a good understanding of your company’s business excellence approach and its impact on your company’s performance. This person(s) is likely to be a member of your senior management team or obtained the views of these people when completing the survey”. The survey could be completed on-line or as a hard-copy and was translated into Chinese, Thai, and Japanese. A total of 74 valid questionnaires were completed (of which 30 were completed by current or previous national business excellence award winners).

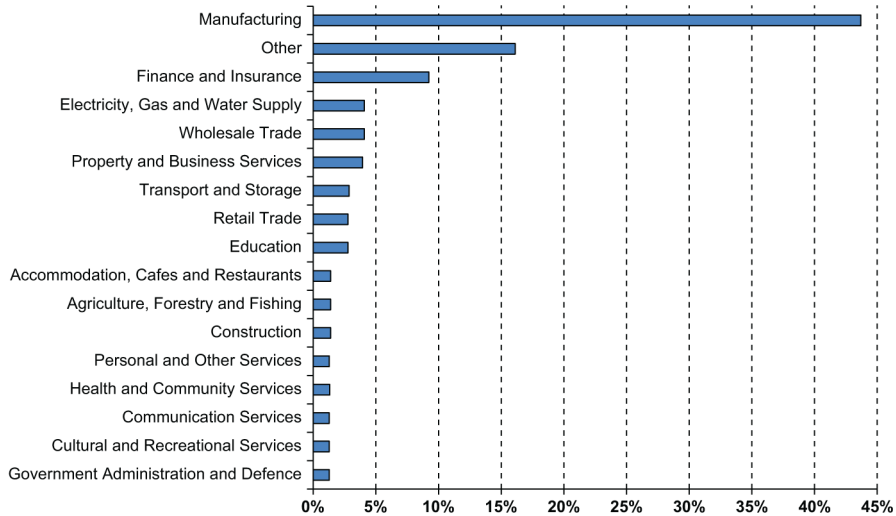
The third phase of the study methodology was the interviews that were carried out with senior executives (typically Chief Executive Officers) of organisations that had won business excellence awards. A total of 13 interviews were carried out – three each in India, Japan, Singapore and Thailand and one in Republic of China. These interviews enabled further qualitative information to be obtained from senior people whose firms had completed the questionnaire.

### **Study findings**

Figure 1 shows the distribution of the questionnaire survey respondents by business sector. Organisations in the manufacturing sector accounted for more than 40 per cent of the total survey population. In addition, the respondents comprised organisations of different sizes ranging from less than 100 employees to more than 10,000 employees. This distribution is presented in Figure 2. Furthermore, 65 of the responding organisations were private commercial organisations, six were public sector organisation and two were not-for-profit organisations.

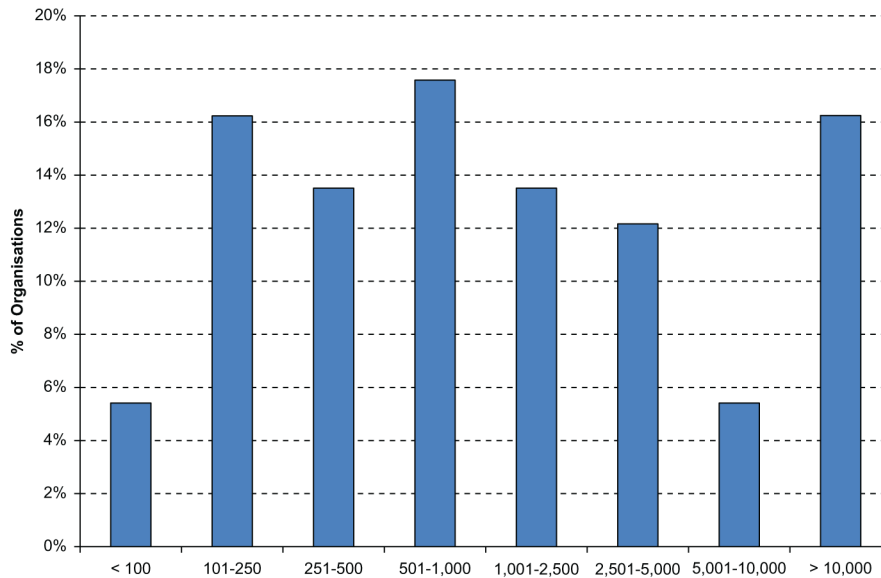
#### *Business excellence and company goals*

Survey respondents were asked about their most important short-term goals and the ability of business excellence to help them achieve these goals. They were required to select their five most important short-term goals from a list of 48 goals. Figure 3 shows that goals related to “leadership and vision” (36 per cent of 49 responses), “cost reduction” (33 per cent) and “customer satisfaction” (33 per cent) were the most popular overall. Figure 4 shows that, on average, business excellence was considered to be, at least, very important in achieving 11 of the 15 most popular short-term goals.



**Figure 1.**  
Distribution of  
questionnaire respondents  
by business sector

**Note:**  $n = 74$

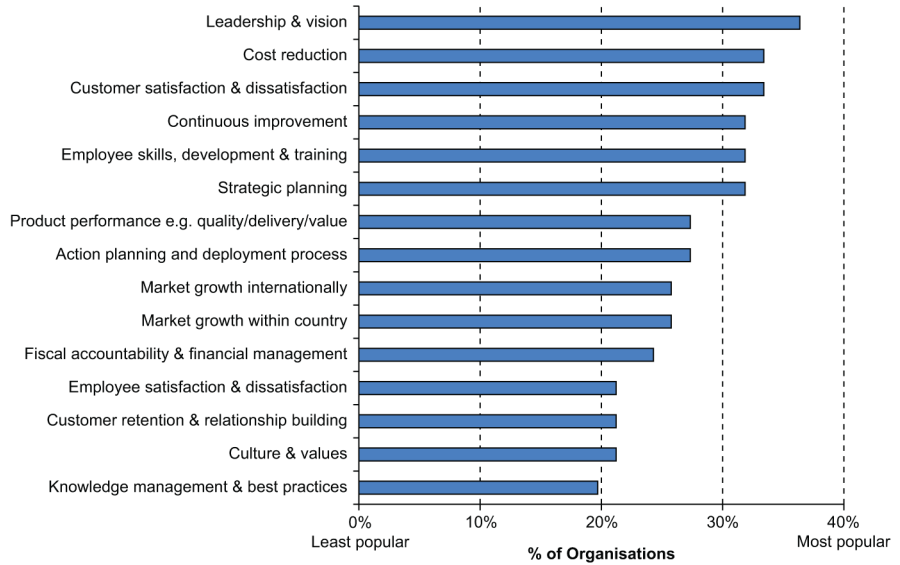


**Figure 2.**  
Distribution of  
questionnaire respondents  
by employee numbers

**Note:**  $n = 74$

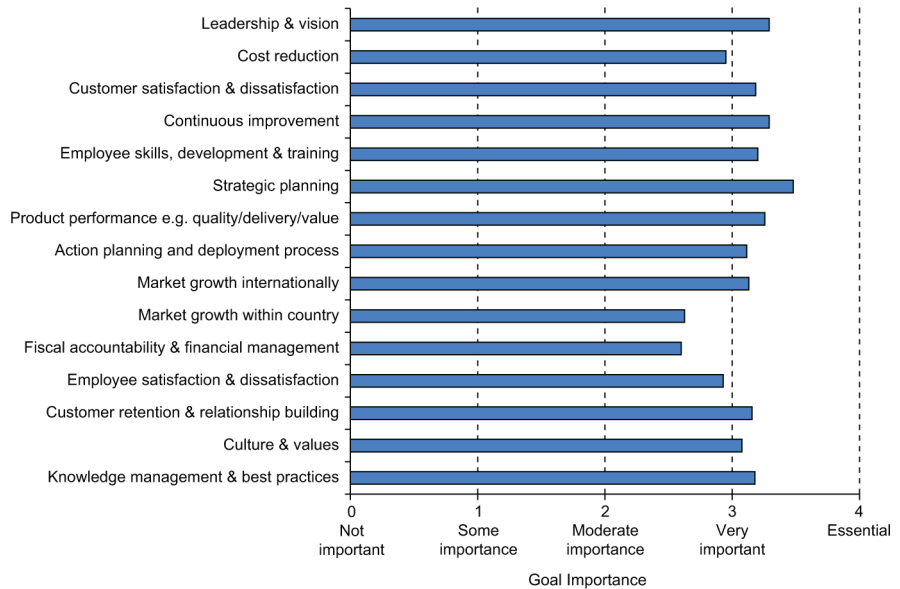
Respondents were also asked about their long-term goals and the ability of business excellence to help achieve these goals. They were required to select their five most important long-term goals from a list of 48 goals. Figure 5 shows that goals related to “strategic planning” (54 per cent of 65 responses), “leadership and vision” (48 per cent) and “market growth internationally” (34 per cent) were the most popular overall.





**Figure 3.**  
Most important short-term goals

**Note:** *n* = 49

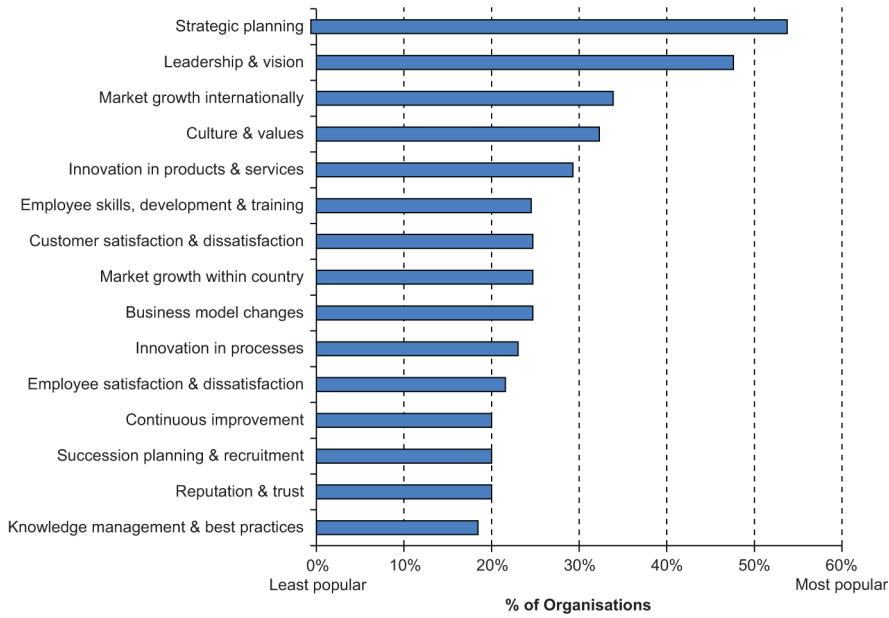


**Figure 4.**  
Importance of business excellence in achieving short-term goals

**Note:** *n* = 66

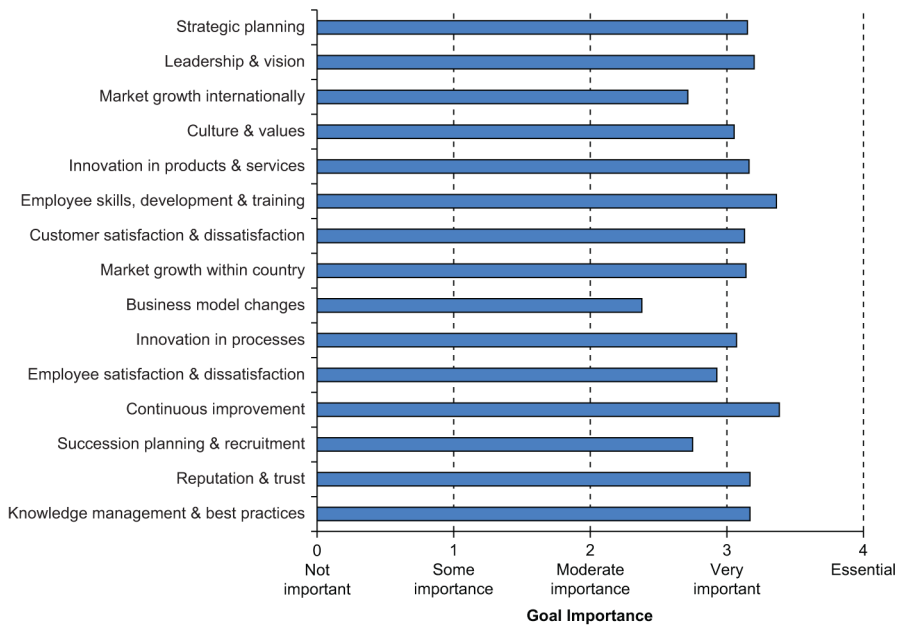
Figure 6 shows that, on average, business excellence was considered to be, at least, very important to achieving 11 of the 15 most popular short-term goals.

The respondents were also asked if they were confident that their business excellence framework was good for assessing sustainable competitiveness. Almost a



**Figure 5.**  
Most important long-term goals

Note: n = 65



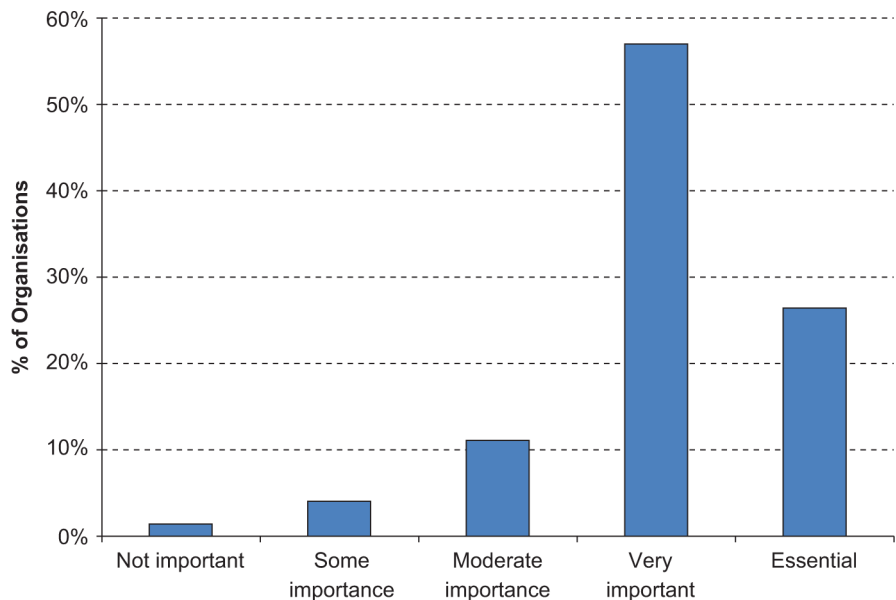
**Figure 6.**  
Importance of business  
excellence in achieving  
long-term goals

Note: n = 65

third (33 per cent; 24 out of 73 respondents) were extremely confident and believed the business excellence framework design was perfect. Almost half (49 per cent) were very confident but believed the framework required a few minor changes. The remaining 18 per cent were reasonably confident but believed the framework requires a number of changes. None of the respondents needed convincing and none thought that the framework required major changes or a major overhaul. Finally, the respondents were asked how important business excellence was in terms of helping their company gain competitive advantage for the future. More than a quarter (26 per cent) of 72 respondents believed it was essential while 57 per cent believed it was very important. The results are presented in Figure 7.

*Application of business excellence*

The respondents were asked to provide information regarding their approaches to applying business excellence. The information requested focussed on five areas – education and training, type of assessments, frequency of assessments, scope of assessments and supporting structure for business excellence. The respondents were asked to identify statements that were relevant to their organisations. The results, based on 73 responses, are presented in Table I. They show that education and training programmes on business excellence for both the senior management team (60 per cent) and majority of staff (56 per cent) are provided by the organisations. However, this indicates that a significant minority of Asian organisations are not training the majority of their staff on the application of business excellence. With respect to the type of assessments used, 67 per cent use internal self-assessments and 63 per cent external award-based assessments. Just over half of the respondents (52 per cent) carry



**Figure 7.** Importance of business excellence in gaining a competitive advantage

Note: n = 72

		%	Deployment of business excellence in Asia
<i>Education and training</i>			
A	Education and training programmes on business excellence are provided to a few of our staff	22	
B	Education and training programmes on business excellence are provided to the majority of our staff	56	
C	Education and training programmes on business excellence are provided to our senior management team	60	
D	We use the business excellence framework for reference purposes when developing our own company's business excellence framework/approach	38	
<i>Type of assessments</i>			
E	We undertake business excellence self-assessments (internal assessments)	67	
F	We hire outside consultants who undertake business excellence assessments on our company (external assessments)	26	
G	We are assessed when we apply for our national business excellence award (external assessment)	63	
<i>Frequency of assessments</i>			
H	We assess our business excellence performance every year	52	
I	We assess our business excellence performance every two years	19	
J	We do not undertake regular business excellence assessments	10	
<i>Scope of assessments</i>			
K	We undertake one business excellence assessment that covers the whole company	53	
L	We undertake many business excellence assessments that cover our business units and departments	30	
<i>Supporting structure for business excellence</i>			
M	We allocate people within our company to be category leaders. These are responsible for leading improvement initiatives within a business excellence category	23	
N	We have set up a number of Improvement Teams to address our opportunities for improvement	25	
O	We implement and monitor improvement actions based on assessment findings	27	
P	We have one Business Excellence Team that oversee all our business excellence related activities	52	
Q	We have one person whose full-time role is on business excellence	55	
R	We have a team of people who work full-time on business excellence initiatives	60	
S	Our senior managers are fully involved in our business excellence initiatives	62	
T	A culture of excellence is embedded within our systems and does not require specific business excellence related interventions for it to continue and prosper	62	
U	Other – please specify		
<b>Note:</b> $n = 73$			<b>615</b>

**Table I.**  
Business excellence  
activities of respondents

out an annual assessment of their business excellence while (53 per cent) ensure that their assessment covers the whole company. Finally, with respect to the supporting structure for business excellence, 62 per cent of respondents fully involve their senior managers in business excellence initiatives while 60 per cent have a team of people who work full-time on business excellence. Furthermore, 62 per cent of the organisations have embedded a culture of excellence within their systems. However, only a minority of organisations have set up improvement teams to address improvement opportunities (25 per cent) and to implement and monitor improvement actions based on assessment findings (27 per cent).

The respondents were also asked to identify a maximum of three internal and external barriers to long-term commitment to business excellence within their organisation. The results, based on 69 responses, are presented in Table II and show that the biggest barriers are internal with the top three being lack of understanding of how to develop a business excellence culture (38 per cent), lack of clarity of business excellence benefits (36 per cent) and lack of time for business excellence (30 per cent).

*Business excellence awards in Asia*

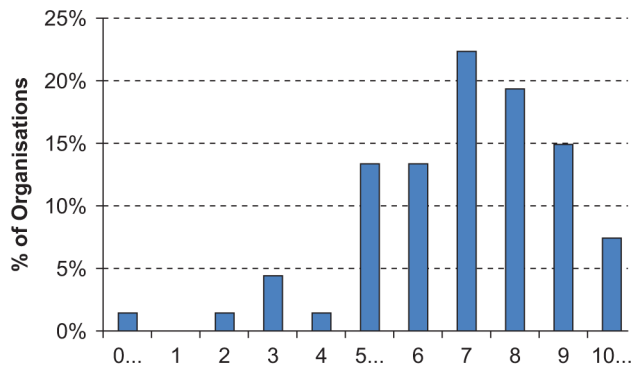
The respondents were asked to describe the profile of their country's/region's business excellence awards. Out of 67 responses, 60 (89 per cent) believed that the business excellence award had a moderate-to-high profile (Figure 8). With respect to the business excellence awards process, the respondents were required to identify activities that they believed the country's/region's business excellence administrator

**Table II.**  
Barriers to long-term  
commitment to business  
excellence

	%
<i>Internal issues</i>	
A Lack of leadership commitment	13
B Frequent changes of personnel in our senior leadership team (leading to a change in direction)	16
C Lack of understanding of the meaning of business excellence	25
D Lack of understanding of how to develop a business excellence culture	38
E Lack of understanding of business excellence assessment methods	12
F The benefits from business excellence are not clear	36
G Lack of time to devote to business excellence	30
H Lack of resource to devote to business excellence	29
<i>External issues</i>	
I The BE training courses that are available do not meet our needs	6
J Lack of consultants with expertise in BE	6
K Lack of opportunities to learn from other companies	26
L Lack of business excellence assessment methods/tools that we can use	6
M Lack of assistance (in general) to help our company gain the most from business excellence	17
N Other – please specify	17

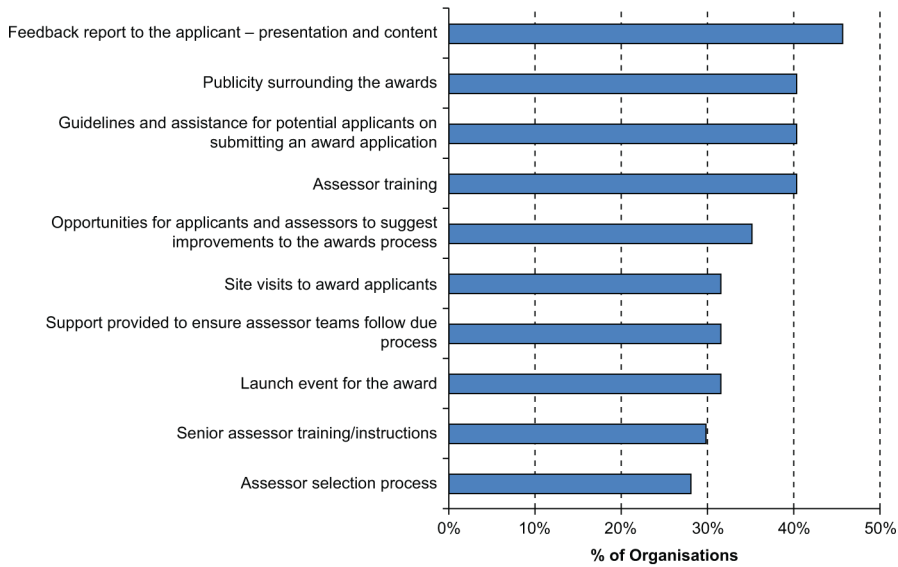
**Note:** n = 69

**Figure 8.**  
Perception of the profile of  
national business  
excellence awards



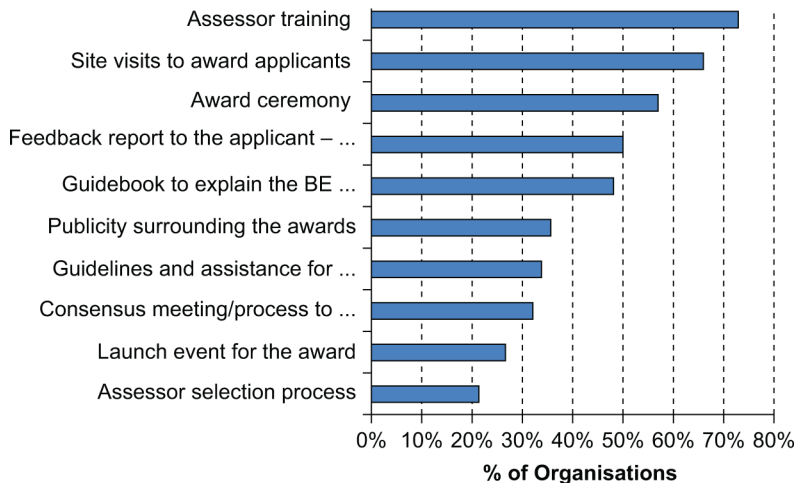
**Note:** n = 67, 0 = low profile, 10 = high profile

should focus on to improve over the next few years (Figure 9), the activities that had been experienced most (Figure 10) and the activities that were seen to be most beneficial (Figure 11). Figure 9 shows that the feedback report to applicants in terms of its presentation and content (46 per cent of 57 responses), publicity of the awards (40 per cent), guidelines and assistance for potential award applicants (40 per cent) and assessor training (40 per cent) were regarded as the highest priority activities to improve for national business excellence administrators.



**Figure 9.** Highest priority activities related to the awards process for national business excellence administrator to focus on to improve

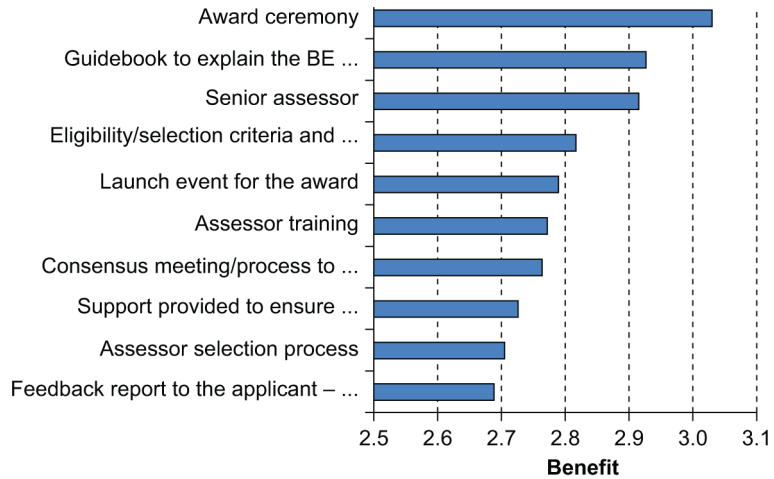
Note:  $n = 57$



**Figure 10.** Top ten award-process related activities experienced by respondents

Note:  $n = 56$

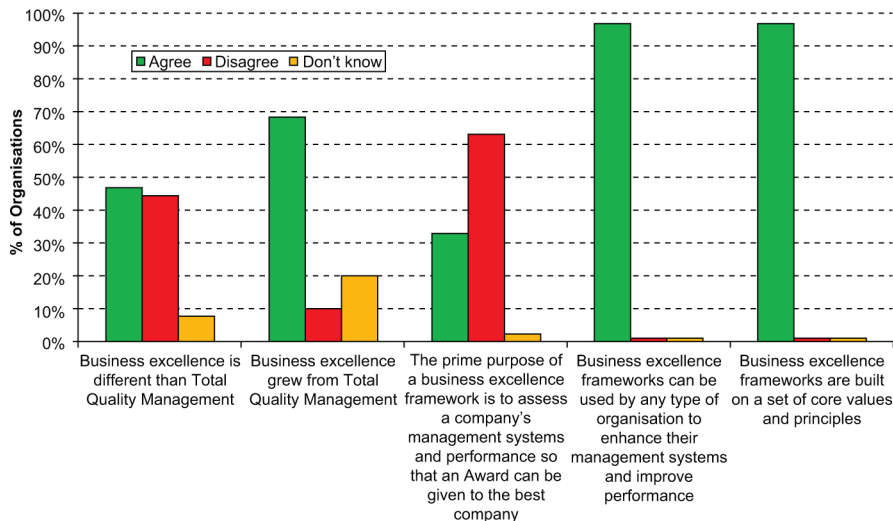




**Note:**  $n = 56$ , 0 = Very poor, 1 = Poor, 2 = Average, 3 = Good, 4 = Excellent

**Figure 11.**  
Top ten most beneficial  
award-process related  
activities

Figure 10 indicates that the business excellence award activities that have been experienced most are assessor training (73 per cent of 56 responses), site visits to award applicants (66 per cent), attendance at award ceremonies (57 per cent) and feedback report from the assessors (50 per cent). However, on average, the activities that were considered to be most beneficial were attendance at the award ceremony, a guidebook to explain the business excellence framework and senior assessor training. The lowest ranked activity was the feedback report to the applicant (Figure 11) presumably because the quality of the feedback report needed to be improved as indicated in Figure 9. The organisations were also asked to identify the highest priority application activities (activities that help companies to improve) that the country's BE administrator should focus on improving or undertaking more often. Almost half (48 per cent) of 71 respondents believed that a website of business excellence information as well as publications of business excellence were most important. A total of 34 per cent believed that best practice tours were important while 32 per cent believed three other activities – benchmarking services and consulting, networking meetings for senior executives and workshops/seminars on business excellence should be prioritised. The respondents were asked for their perceptions on whether the awards process represents good value for the time/resource investment of the applicant companies. Out of 67 responses, more than two-thirds (71 per cent) believed the value was good or excellent while more than a quarter (27 per cent) believed it was of average value. Only one organisation (1 per cent) felt the investment in applying for an award was of poor value. Finally, the respondents were asked about their perceptions of business excellence. The results, shown in Figure 12, indicate that 47 per cent of 74 respondents believe that business excellence is different from total quality management while 34 per cent believed that the prime purpose of a business excellence framework is to assess a company's systems and performance in order to give awards.



**Figure 12.**  
Perceptions of business  
excellence

### *Discussion groups and interviews*

Each discussion group focused on a number of issues relating to business excellence deployment and the comments were recorded. Participants were asked to identify the main barriers to applying and sustaining business excellence with their country/region and how these barriers can be overcome. The findings are presented in the lists below.

Discussion groups findings on barriers to business excellence:

- Top leadership do not see the need (India).
- Business excellence needs to be covered in leadership training programmes (India)
- Leadership commitment (plus longevity of top leadership in public sector leading to reduced willingness to change) (India).
- Companies are not aware of business excellence (India).
- Managers do not understand business excellence and how it differs from other initiatives/approaches (India).
- Results from business excellence are not seen quickly (India).
- Business excellence is not seen as an overarching framework (India).
- No demand from customers or from internal leaders (India).
- Companies use it for assessment rather than embedding excellence (India).
- Business excellence needs to make clear business sense and at the moment this is not loud and clear (India).
- There are multiple business excellence awards (CII, Rhavi Ghandi, Qimpro, Peacock awards etc) and some have little credibility. This creates confusion and impacts on the general perception of business excellence (India).
- Short-termism of CEOs/senior leaders leading to focus on short-term profits (Japan).

- Outcomes from BE are less tangible than other initiatives such as Kaizen (Japan).
- No government support (Japan).
- Business excellence in Japan was initially thought to be primarily directed at customer satisfaction. Now this is no longer the case and there is a much better understanding (Japan).
- Mindset is top-down and business excellence encourages empowerment etc. – therefore does not appeal to some senior managers (Singapore).
- Difficult for some companies to understand how business excellence can be integrated with its other initiatives. It needs to be seen more as an overarching framework (Singapore).
- Results from business excellence are difficult to quantify (Singapore).
- Companies do not have the time to document and produce evidence as to why they follow a certain path and take certain actions. (Singapore).
- Business excellence can be difficult to sustain due to staff turnover and lack of resources (Singapore).
- Large Enterprises: CEO is not convinced by BE or TQM. They have their own way to run the company and have their own focus. (ROC).
- Small and Medium Enterprises: TQM creates extra loading on employees. (ROC).
- Limited education and understanding (ROC).
- Business excellence is perceived as not linking to performance (ROC).
- Business excellence primarily focuses on strategic perspectives and is time consuming (ROC).
- Commitment of top management team (ROC).
- It can be hard to understand for businesses (Thailand).
- The positioning of TQM and business excellence is not widely understood and this may lead to some TQM companies not embracing it (Thailand).
- Business excellence is considered to be costly as primarily promoted as awards programme (Thailand).
- Too much focus on short-term profits (Thailand).
- Leadership vision and attitude – hard to change (Thailand).
- It is seen as a nice to have and not an essential ingredient for success (Thailand).

Suggestions by discussion groups on overcoming business excellence barriers:

- Barriers can be overcome by more success stories, adopt a single model throughout India and have supporting regional programmes, we need a curriculum on business excellence so that it is taught in schools and universities, a supporting program with visits by senior management to best practice companies needs to be set up throughout India, legitimacy and higher profile of business excellence required with key business excellence advocates in organizations reporting to the CEO (India).
- The support of prefectures is valuable and the awards at this level have been successful in many prefectures (Japan).

- Government support (Japan).
- Greater promotion of business excellence (Japan).
- Business excellence needs to be a top priority of senior managers (Japan).
- Need to promote the core values and principles of business excellence in addition to the model itself (Japan).
- We need the baton of excellence to be passed from manager to manager, particularly important that CEOs pass it on to the next CEO (Japan).
- Barriers can be overcome through better education, regular training, regular publicity, constant reminders and ensuring that companies have a system in place to ensure that business excellence maintenance is a key part of the business (Singapore).
- Government should set effective incentives. Such as tax reduction to NQA winners, special fund for companies which continue to be winners in ten years (ROC).
- Greater education and sharing between companies required (ROC).
- Leadership training is required for CEOs (Thailand).
- CEO forums and business excellence sharing (Thailand).
- Train the trainer training to develop more experts (Thailand).

The key barriers centre around the following themes:

- lack of leadership commitment to business excellence;
- failure to link business excellence to results;
- cost of business excellence in terms of time and employee resources;
- failure to fully integrate business excellence as an overarching framework; and
- organisational focus on short-term profits.

In terms of how these barriers can be overcome, better education and training, more senior management involvement, government support and greater promotion of business excellence were the most identified enablers.

In addition, the discussion groups were asked which business excellence services were provided in their countries that they had found most useful. The results, shown in the list below, indicate a range of activities that include recognition, government incentives, training of organisations and assessors, and sharing of best practice.

Perceptions of discussion groups on most helpful national business excellence activities/initiatives:

- We have a good set of Indian standards that help companies to improve (India).
- Business excellence training by CII is good (India).
- Consultancy services are good (India).
- National Productivity Council plays an important role (India).
- Education and awareness (India).
- There are some good services and assistance for industry clusters (India).
- Study missions are excellent (India).

- We have had a high uptake in the number of employees becoming assessors. This assists in their general understanding of business excellence. In some companies there have been hundreds trained (maybe more than necessary) (Japan).
- The recognition received as an award winner is valuable (Japan).
- Business excellence is promoted as a journey rather than an award by JQA although in some prefectures the award has become more important than the journey (Japan).
- There is an incentive for some SMEs to apply for an award in certain prefectures as it entitles them to some government support (Japan).
- We have videos of award winners “Do it” (Japan).
- Government initiatives and encouragement (Singapore).
- A recognised and credible business excellence award and set of services has been provided (Singapore).
- Integrated support structure to encourage companies to advance, e.g. SQC, niche criteria, SQA. (Singapore).
- A good pool of national assessors (Singapore).
- Considerable training opportunities and briefings are provided leading to a high level of awareness (Singapore).
- Business excellence consultancy services (Singapore).
- Clear definitions of assessment criteria (Singapore).
- Trade associations (Singapore).
- Special interest groups by industry (Singapore).
- Winner sharing sessions and visits by topic (Singapore).
- A dedicated organization to promote the awards was set up by the government (e.g. CSD) (ROC).
- National quality award set up (ROC).
- Consulting service (ROC).
- Education and promotion of Thailand’s Quality Award (Thailand).
- We have some good publications that share best practices, e.g. Monthly productivity magazine (Thailand).
- We have knowledgeable staff working in the Thailand Productivity Institute (Thailand).
- TQA assessor training and development is good (Thailand).
- TQA best practice seminar is good (Thailand).

Key comments from the CEO interviews relating to the deployment of business excellence are presented below:

Business excellence was used for strategic purposes (Country head of a foreign bank in Singapore).

CEO now wishes to become an assessor and sees it as a personal growth tool and an opportunity to learn from other organizations (CEO of Singaporean SME).

Started using Baldrige in 1999 before growth and then used it to manage growth and strategic alignment. Baldrige in early days identified key gaps – like competitive analysis and the need for good leaders but no leadership system. Our focus is on improvement rather than assessment. Assessment is integrated and quarterly [...] and 70 per cent is automatic thus it saves time and effort (President of Indian multinational service organisation).

Business excellence is very well understood and communicated – the chairman's quality award encourages the values to become embedded. It took us 1.5 years to introduce the concepts. We were looking for a system that would deliver long term growth and sustainability. BE helped to achieve stability and growth in all areas [...] All managers are responsible for one category out of 14 and now assessment is every two years. We have a systematic internal audit process of our TQM system and outside assessments provide an external perspective (CEO of a Thai multinational manufacturer).

We applied for the Thailand Quality Award 2003 [...] The award became a focus for encouraging employees to focus on continuous improvement. The recognition is not that important. TPM and Business Excellence initiatives increase a focus on excellence (CEO of Thai SME).

A key interest was an overall perspective which BE could give, and reducing cost and increasing productivity was a key aim.. It also developed HR and competencies and knowledge management [...] so it provides an overall framework and sharing and learning within the organization (Executive Vice President of Thai state enterprise).

We applied for the national quality award – we wanted an external assessment to see where we were. The purpose for us was not to achieve a higher profile (Director of a Republic of China electronics component manufacturer).

## Discussion

The findings from the study suggest that the deployment of business excellence in Asian organisations has been perceived to be a positive development. The respondents have indicated that business excellence is important in helping them achieve both short and long-term goals. With particular reference to long-term goals, the three most important were strategic planning, leadership and vision and international market growth. These indicate that Asian organisations strongly wish to be competitive world-wide and they realise that good leadership and planning are important to their future success. The fact that they suggest that business excellence is very important in helping them achieve these factors indicates that it is perceived as an important improvement and development tool. This point is further reinforced by the fact that more than 80 per cent of the respondents believed that business excellence was either very important or essential to helping their organisations gain competitive advantage for the future.

While the findings discussed in the previous paragraph show the importance of business excellence to organisational improvement and future competitiveness, the study also suggests an important outcome of business excellence development in Asia. The participation in and winning of business excellence awards appears to be a key issue for many organisations that have adopted business excellence. The survey indicated that the awards have a moderate to high profile in these Asian



countries/regions and the fact that participation at the award ceremony was ranked, on average, as the most beneficial award activity may indicate association with/or winning the award with a high degree of prestige. To further highlight this fact, the discussion groups refer several times to the awards and learning from award winners as helpful national business excellence activities. In addition, interviews with the CEOs indicate that participation in awards was seen as a way of validation or getting independent assessment of the organisations. Clearly, the national awards process and its promotion must be central to future initiatives to amplify the use of business excellence in Asia.

However, of concern is that there are a number of barriers to long-term commitment that need to be addressed. Significantly, the most significant barriers are internal and relate to a lack of development of a business excellence culture, unclear benefits from business excellence and a lack of resources. First, the failure to fully educate the majority of staff in business excellence may be partly to blame for the failure to develop a business excellence culture. Second, the focus on short-termism in some organisations and the failure to fully understand the long-term benefits of business excellence means that some organisations are unwilling to commit resources to business excellence. Third, national award administrators may be focussing too much of their time on running the awards process rather than educating organisations on the meaning of BE, the benefits of business excellence and how to develop a business excellence culture. When organisations were asked what BE administrators should focus on improving or undertaking more often the responses were website of BE information, publications on BE and best/good practice tours were identified as the highest priority activities. In addition, and rather alarmingly “34 per cent of surveyed companies believed that the prime purpose of a BE framework is to assess a company’s management systems and performance so that an award can be given to the best company” which indicates that understanding of business excellence can be improved.

With respect to the deployment of business excellence, although 56 per cent of the respondents train the majority of their staff in business excellence, it may be considered a weakness that 44 per cent do not provide this level of training. For some of the organisations that do not provide training a feasible explanation could be due to them considering that business excellence is already understood and embedded in their work practices (and specific training is not required). Business excellence is of high strategic importance to most of the respondent organisations. This is indicated by 60 per cent of organisations having a team of people who work full-time on initiatives, and 62 per cent indicating that their senior managers are fully involved in business excellence initiatives. However, even after taking account all these considerations, it is evident that a sizeable minority of organisations have difficulty in obtaining or maintaining leadership commitment or interest in business excellence when competing against the need for short-term profits.

In conclusion, the authors submit that within the five Asian countries/regions that have been surveyed, a majority of the organisations that have implemented business excellence are very committed to the initiative. They train their senior managers and a majority of their staff, participate actively in self-assessment and the awards process, consider business excellence to be an important improvement tool that is very important to both short and long-term success. On the other hand, a substantial minority of organisations fail to understand the benefits of business excellence, have

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not trained the majority of their staff in business excellence and do not understand how to develop the associated culture and consequently, find it challenging to devote time and resources to business excellence.

### **Conclusion**

This study has examined the deployment of business excellence in five Asian countries/regions. Based on a questionnaire survey, discussion groups and interviews, the study has found that business excellence is highly regarded by a majority of the organisations as both an improvement tool and a management tool to support future competitiveness and long-term goals. Perhaps unsurprisingly, as almost half of the participating organisations had won a national business excellence award, there was a strong culture of engagement and support for the business excellence award process. The awards were valued for their prestige and the independent feedback they provided. However, on the other hand, there are organisations who have adopted business excellence but are not fully committed to it and do not appear to understand its benefits. The implication, therefore, is for national custodians of business excellence and governmental organisations to assist companies to overcome the barriers that threaten long-term commitment to business excellence.

This study has both academic and practical implications. An important academic implication is to carry out further research into why some organisations in Asia have chosen not to adopt business excellence. As this study was based on a sample from known adopters, research also needs to be carried out into levels of awareness of business excellence in these countries. In addition, it will be important to compare the business excellence lifecycle in Asia with that in other parts of the world to identify similarities and differences.

With respect to the practical implications, national custodians of business excellence need to further promote the benefits of business excellence. They need to develop the infrastructure and support that is necessary to assist organisations in implementing business excellence and overcome some of the barriers listed. For the organisations themselves, it is important to consider business excellence as an overarching framework within which its other improvement initiatives fit. This will assist in an integrated and aligned approach to improvement that can deliver strong short and long-term benefits to the organisation.

Finally, the limitations of the study are presented. While, this is the first study of its kind in Asia, the study was only carried out in five countries/regions due to logistical and resource reasons. These countries/regions were considered to be some of the most advanced in terms of business excellence maturity. Therefore, the findings are unlikely to represent the situation in other Asian countries which may be at different stages of business excellence maturity. In addition, as a result of the number of participants in the survey, it was not practical to carry out inter-country comparisons. However, the study as a whole, provides a useful starting point to understanding the use of business excellence in Asia.

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#### Further reading

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