

# BUSINESS EXCELLENCE: A Comparative Study of Various Models, Criteria's and Awards

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**Abstract:** In today's era of high competitiveness there is a need of enhanced innovations and idea generations in an organization, also there is a strong need of increased customer and employee satisfaction, organizational growth and their products/services reliability and so there is a need of Business Excellence. From Business Excellence model's management can evaluate its performance with world standard benchmarks level. Author feels that there has been ample scope for implementing various excellence practices awards other than industrial areas such as social reforms, defense system, governments policies execution etc. This paper mainly aims to review the literature of business excellence models, their certification bodies, and various quality model's criteria and to put forward in centralized manner so it will be feasible for upcoming studies.

**Index Terms:** Business Excellence, Organizational Excellence, Excellence Models, Operational and Process Excellence, Certification agencies etc.

**Abbreviations:** BE/BeX- Business Excellence, TQM- Total Quality Management, TBEM- Tata Business Excellence Model, CPE- Criteria for Performance Excellence, OPeX- Operational Excellence, PeX- Process Excellence, EFQM- European Foundation for Quality Management, ST- Shrouty/Tiwari.

## 1. INTRODUCTION:

Business Excellence is one of the outstanding practices in managing the organization based on all set of fundamental concepts and values. These practices give a benchmark of how a world class organization should operate. These models have been developed and continue to evolve through extensive study of the practice and values of the world's highest performing organizations. BE is about achieving excellence in everything that an organization does (including leadership, strategy, customer focus, information management, people and processes) and most importantly achieving superior business results. Operation Excellence method leads to minimal waste, high quality, and little to-no inventory in an organization. Once you have completed this initiative, double digit cost reductions in floor space, inventory, manpower, lead-time and process waste are quite likely. BEMs help organizations to look after their strengths and areas for improvement.

Operations Management makes organization excel in manufacturing, services, supply chain. Operations Management for Business Excellence provide solutions to achieving and maintaining 'excellence' in business. It explains how to design and improve processes according to customer requirements for achieving organizational excellence.

Human Resource Excellence is a most important division of Organizational Excellence which requires the organization to Continually analyses its performance and strategic plan for future and to develop an organizational culture which helps employees to do excellent job for their organization and empowering them.

**1.1 BUSINESS EXCELLENCE 'BE' CORE VALUES AND CONCEPTS:** Some of the concept for BE for an organization are given below, these values and concepts are the attributes, beliefs and behaviors and are the foundations of BE.

- Visionary Leadership
- Customer Driven Experience
- Organization and Personal learning
- Valuing workforce members and partners
- Society and Responsibility
- Focus on future
- Focus on results and creating value

**2. LITERATURE REVIEW:** Author did a literature survey on various aspects proposed by researchers before on their business excellence criteria and author also trying to identify different parameters on basis of which different models are proposed. To achieve organizational excellence different authors proposes different criteria related to TQM, Customer Satisfaction, Environment Relationship, Strategic Focus etc. These different criteria's can be used to guide organizations towards achieving sustainable world class performance.

**2.1 ASSESING BUSINESS EXCELLENCE (LES PORTER & STEVEN TANNER) (1996)-** The achievement of business or organizational excellence is at core of TQM. Achieving organizational excellence requires the organization to practice a repeating cycle of continuous improvement (PDCA cycle) PLAN, DO, CHECK, ACT.

**2.2 BUSINES EXCELLENCE THROUGH CUSTOMER SATISFACTION (GOPAL K. KANJI, WILLIAM WALCE) (1992)-** Developed the Business Excellence model using customer satisfaction as a critical success factor for the organization. Here, the model measures 14 interrelated latent variables that are based on the modified pyramid model of Kanji and Asher.

**2.3 KANJI BUSINESS EXCELLENCE MODEL (2002)-** This model demonstrates the four major perspectives required for business excellence. According to author, the top of all the forces required for business excellence, the leadership for assuring the process of business excellence within an organization is most important.

- Delight the customer
- Management by fact
- People Based Management
- Continuous Improvement

**2.4 CONONICAL CORRELATION BETWEEN JOB SATISFACTION AND EFQM BUSINESS EXCELLENCE MODEL (OZCAN TUTUNCU, DENIZ KUCUKUSTA) (2009)-** The fundamental concepts of excellence are the theoretical framework that constitutes the basis of the EFQM and defines excellence. EFQM model has two main parts and each has its own sub-dimensions. The model includes five "enabler" criteria; leadership, policy and strategy, people, management, resources and partnerships and processes

**2.5 TQM AS A HOLISTIC MANAGEMENT CONCEPT (KLAUS J. ZINK) (1995)-** Business Excellence through integrative management concepts. Aim of this holistic concept is to show how TQM differs from traditional quality management or quality assurance. BE model includes Lean, Kaizen and CIP, Organizational intelligence or learning organization.

### 3. DIFFERENT MODELS OF BUSINESS EXCELLENCE

Business Excellence Models (BEMs) were first called Total Quality Management models. Business Excellence Models term helps to communicate the importance of "excellence" in all aspects of an organization, not only product and process quality. Author is having opinion that there exists a correlation between corporate strategy and human resource management, Organization decisions regarding corporate strategies should see its influence on organizational behavior and human resource. Different models considering different corporate and human resource policies are given below:

**3.1 DEMINGS PRICE:** The Deming's Prize that is given to organizations, has exerted an immeasurable influence directly and indirectly on the development of quality control/management in Japan. These organizations developed effective quality management methods, established the structures for implementation and put the methods into practice. Those organizations who have challenged for the prize share the feeling that they have had a valuable experience and that the management principle of achieving a business success through quality improvement has really worked. This award recognizes both individuals for their contributions to the field of Total Quality Management (TQM) and businesses that have successfully implemented TQM. The purpose of the Deming Prize was to recognize those who excelled in quality control and as a way of driving quality control. It was also established to thank Dr. Deming for his accomplishments and impact in the Japanese industry.



**Fig 1-** Deming Prize Medal [1]

3.2 **Malcolm Baldrige quality award-** It symbolizes the highest standards of total quality management. Baldrige Criteria for Performance Excellence (CPE) is composed of seven categories. This award considers an organization’s environment, key working relationships, and strategic situation – including competitive environment, strategic challenges and advantages, and performance improvement system.



Fig 2- Baldrige Excellence Model Framework [2]

3.3 **GOLDEN PEACOCK NATIONALITY AWARDS:** Golden Peacock Award instituted by the Institute of Directors(IOD). India in 1991, are now regarded as a benchmark of Corporate Excellence worldwide. Golden Peacock awards for corporate leadership and institution excellence, over the time, have become a hallmark of excellence both locally and globally. This is largely due to its transparent and 3-Tier evaluation process, based on internationally recognized criteria.

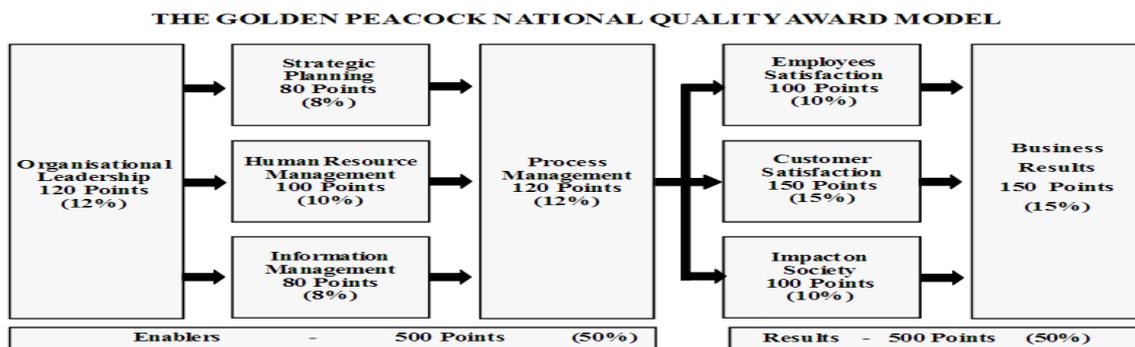


Fig 3- Golden Peacock Model Framework [3]

4. **DISTINGUISH BETWEEN DIFFERENT BUSINESS MODELS:** Author compared Deming’s, Baldrige and TBEM Excellence models considering different criteria to find out some basic difference, same has been tabulated in **TABLE-1:**

TABLE-1: Distinguish between Demings, Baldrige [4] and TBE Models:

S.No.	CRITERIA	DEMINGS PRIZE	BALDRIGE AWARDS	TATA BUSINESS EXCELLENCE MODEL (TBEM) (Modified Baldrige Model)
1.	Primary Focus	Effective planning and implementing of a firm’s organization and operations.	Concentrates more on customers and human resource	Covers business aspects that range from strategy and leadership, to safety and climate change.
2.	Purpose	Purpose is to promote quality assurance through statistical technique.	Purpose is to promote competitiveness through Total Quality Management	Purpose is to maximize enterprise-wide effectiveness And capabilities, and deliver organizational and personal learning.
3.	Types of	For essentially private or	For manufacturing,	

	Organization	public manufacturing	service and small business	TATA group
4.	Overall Approach	Overall approach is based on Quality of management.	Overall approach is based on management of quality.	Overall approach Safety, Customer Centricity, Operations Excellence, Strategy and Best Practices.
5.	Scoring weight	Scoring weightage is same for all 10 criteria's.	Scoring weightage is different for different criteria.	The scoring of responses to the TBEM Criteria for Performance Excellence is based on two evaluation dimensions: Process (ADLI) and Results (LeTCI) With different weightages.
6.	Sponsor	Sponsored by Union of Japanese Scientists and Engineers	Sponsored by National Institutes Standards and Technology	NA
7.	Grading Time	Grading time is of 1 year	Grading time is of six months	NA

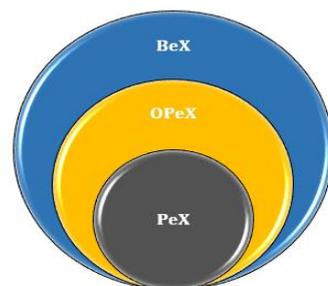
**5. DISTINGUISH BETWEEN OPERATIONAL, BUSINESS, PROCESS EXCELLENCE**

By EFQM Business excellence is outstanding practices in managing an organization, BE consider whole organization while Operational Excellence organization follows a well-defined strategy in operation planning while Process Excellence is about efficiency and effectiveness of an organization with minimum variations and waste. Author observed that PeX is a subset of OPeX and OPeX is subset of BeX which makes BeX a superset of OpeX and Pex. The type of excellence has been discussed below. A model has been presented in Fig-4 which shows relationship between three excellences. Same has been tabulated in TABLE-2:

TABLE- 2: Distinguish between Organizational, Operational and Process Excellence [5]

BUSINESS	OPERATIONAL	PROCESS
Whole organization including strategy and delivery of results to all stakeholders.	End to End process flows in core and support process including HR in its domain	About process effectiveness and efficiency
Included both Pex and OPex. If Pex and Opex are perfect Bex gives you the right direction to work on.	Deals with how people, technology, tools and other resources combine and interact with each other.	Main goal is to deliver consistent, positive outcomes with minimal variations and waste

Fig 4- Relationship Between BeX, OPeX, and PeX



**BeX- Business Excellence**  
**OPeX- Operational Excellence**  
**PeX- Process Excellence**

Relationship Between BeX, OPeX, and PeX [ST]

**6. CERTIFICATION BODIES:** Author analyses some Audit Agencies of India and Outside India according to their judging criteria and their process of approving organizations to certified. Same has been tabulated in **TABLE- 3**

**TABLE- 3:** Different Certification bodies and their judging criteria. [6]

S.NO.	Certification Body	Judging Criteria
1.	<b>UNICOM (INDIA)</b>	Measurable Impact on Business Objectives – 25 Points Quality Maintenance Methods Used- 25 Points Innovative tools and Techniques- 25 Points Customer Centricity- 25 Points
2.	<b>CII- AXIM (INDIA)</b>	Two Radar Tools- Enablers – (a) Approach (b) Deployment (c) Assessment and Refinement Results- (a) Relevance and Usability (b) Performance
3.	<b>DAILY HERALD BUSINESS LEDGER (AMERICA) ANNUAL AWARDS OF BUSINESS EXCELLENCE(AABE)</b>	AABEs highlight successful suburban businesses and organizations. AABEs, given for business achievement, growth and community involvement, are presented to outstanding businesses and non-profit organizations. The companies that will be honored have shown a consistent record of financial success, an emphasis on workplace quality, innovation in its processes or procedures, support of the business community, support of the community at large through charitable or volunteer efforts, mentoring or internship programs and other similar projects.
4.	<b>MARKHAM BOARD OF TRADE (ONTARIO, CANADA)</b>	Presented by the Markham Board of Trade, the Business Excellence Awards is an annual celebration of entrepreneurial spirit, success, and ingenuity where the Markham community comes together to acknowledge the success of local Markham businesses. Awarded to a company that demonstrates exemplary leadership in making their business or workplace accessible. Recognizes a company that fosters a culture of innovation in technology, manufacturing or marketing.
5.	<b>GREATER MONCTON CHAMBER OF COMMERCE BUSINESS EXCELLENCE AWARDS AGENCY (DIEPPE)</b>	The goal of these awards is to encourage entrepreneurship in the region and enhance the image of the region nationally by celebrating the excellence of our entrepreneurs. This award will be given to a business that has been operating for ten years or more. The nominee has demonstrated excellence in business operations in a number of areas such as production, marketing, sales, quality control, customer service, human resources, financial management, etc.

**7. EXAMPLES OF BUSINESS EXCELLENCE AWARD WINNING COMPANIES:** Some companies who get certified from Business Excellence Awards and their area of improvement has been discussed below:

**TABLE- 4:** Examples of an organization who won BE awards and their descriptions. [10]

S.NO.	ORGANISATION	BRIEF DESCRIPTION
1	<b>DP WORLD (DUBAI)</b>	Is the winner of the prestigious Golden Peacock Award for Business Excellence for 2013 for its professionalism and quality operations across its five marine terminals in India. In 2012, DP World won the Golden Peacock Award for Corporate Responsibility in recognition of its responsiveness to the needs of different stakeholders and its ability to develop innovative partnerships to fulfil social responsibilities geared to the welfare of the communities in which it operates.
2	<b>NMC HEALTHCARE (ABU DHABI)</b>	The largest private healthcare provider in UAE, and is listed on the London Stock Exchange. The largest distributors in the UAE, being the exclusive marketer of iconic brands such as Nestle, Unilever, Nivea, Pfizer, Siemens, Samsung, Henkel, Abbott, 3M, and among many others across the verticals of pharmaceuticals, medical devices, consumable and equipment, personal care, food and beverage, household care, veterinary, education and stationery products.
3	<b>MUTHOOT FINANCE (INDIA)</b>	Gold loan company Muthoot Finance Ltd has been bestowed with Golden Peacock Award for 'HR Excellence for 2013' at a function in London. Muthoot Finance known for the continuing commitment by business to conduct itself ethically and contribute to economic development, while improving the quality of life of the workforce, their families as well as of the local community and society at large.
4	<b>HINDUSTAN PETROLEUM CORPORATION LIMITED (INDIA)</b>	Recognizes the continuing commitment by business to conduct itself ethically and contribute to economic development, while improving the quality of life of the workforce, their families as well as of the local community and society at large.
5	<b>YES BANK (INDIA)</b>	YES BANK received this recognition for leadership in the Indian financial sector in Corporate Social Responsibility and Sustainable Development basis a rigorous three tier assessment process done by an eminent jury comprising of CSR, sustainability and human resources professionals
6	<b>NATIONAL ENGINEERING INDIA LIMITED (INDIA)</b>	National engineering Industries is the Eighth Industry from India to have won this award which was formerly Known as Japan Quality Medal. NEI is the First Bearing Manufacturing Industry across the Globe to have bagged this quality accreditation in Nov-2015.
7	<b>RANE GROUP (CHENNAI)</b>	At Rane group, pursuing excellence is a continuous journey. Conferment of Deming Prize for 4 companies and Deming Grand Prize - formerly known as Japan Quality Medal (JQM) for 3 companies is an embodiment of successful implementation of TQM practices.
8	<b>THE SONA GROUP (INDIA)</b>	The Group boasts the world's largest precision forging enterprise, India's largest steering systems manufacturer – recognized in 1997, by the World Economic Forum as a top-performing Global Growth Company; a recipient of the prestigious Deming Award in 2003 it received the TPM Excellence award in 2007.

## 8. CONCLUSION:

It is found to be interactive and competitive that industries are growing and putting effort to achieve world class excellence. To achieve this excellence, there are various business excellence models and there is a need to centralized these models and in the same time one should have the knowledge about the various certification bodies and criteria of judgement. These all aspects have been included in this paper which will help to organization to follow the path of Business Excellence. These models of BE also include employee engagements and motivation theory. To understand the difference between between BeX, OPeX and PeX author proposed a model. Author feels that there has been ample scope for implementing various excellence practices awards other than industrial areas such as social reforms, defense system, governments policies execution etc.

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