The Steps of Slovenian Organisations on the Way to Business Excellence

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This research was carried out among the winners of the Slovenian business excellence prize (PRSPO), finalists and those who received special diplomas as a recognition level reached by applicants in implementing the business excellence model. Based on the findings of the research, we defined eight steps that organizations can consider as a guide on the path towards excellence.

The purpose of the study was to examine how the previous winners of the PRSPO began their journey towards excellence, which were the key factors, what problems they encountered and how they managed to win the diploma or award.

The analysis of the survey showed that the ISO 9001 standard is considered a first step towards the Slovenian business excellence award – in fact, it is a prerequisite for further improvements in the organization. The second step involves top management commitment and support for the introduction of excellence into business processes. The top management, in cooperation with all the employees, defines the areas for improvement and also confirms the method of implementation, both conceptually and financially. It is also necessary to take environmental aspects into consideration, which is provided by a third step along with the introduction of the ISO 14001. Once an organization defines the processes, it begins to introduce the business excellence model in the fourth step and carries out the self-assessment process. The key opportunities for improvement identified by the self-assessment process are further introduced in the business. In doing so, the organization can use various quality management approaches (the fifth step) and the first application for the PRSPO. In the sixth step, the organization encourages its employees to follow continuous education and innovation and, in the seventh step, participates again in the competition for the Slovenian business excellence award. As the required business excellence level is achieved, the organization receives the award for business excellence (PRSPO).

Keywords: business excellence, EFQM excellence model, Slovenian Business Excellence Prize (PRSPO), quality management approaches

1 Introduction

There is a great deal of literature available nowadays on quality, the management approach to quality and business excellence, which explains the advantages and weaknesses of individual approaches; however, the individual steps and activities performed, by which the organisations deciding to take the path towards excellence could orientate themselves, are rarely dealt with and defined.

In the present times, we demand quality at every step and at any time. We do not see it merely as conformity with the requirements of specifications, but rather as excellent performance that increases customer satisfaction (Gomišček et al., 2007). Excellence is not a theory; it represents the tangible achievements of what the organisation does and how it does that, it represents the achieved results and the belief that it will constantly achieve such results in the future. The evidence needed to promote trust in the organisation is not limited to just the financial results, which are a statement of its previous performance. To promote trust in the permanence of the results, we require evidence that what the organisation does and how it does it is well designed, systematic and constantly checked and improved (MIRS 2, 2007).

Excellence can be defined as the outstanding practice in managing the organization and achieving results based on fundamental concepts, which include: results orientation, customer focus, leadership and constancy of purpose, processes and facts, involvement of people, continuous improvement and innovation, mutually beneficial partnerships, and public responsibility (Rusjan, 2005) or as the exceedance of the average and a search for the best possible with regard to customer satisfaction, efficiency of resources, environmental protection and the business results of the organisation (Marolt and Gomišček, 2005).

In Slovenia, the European model of excellence is systematically realised through a national prize for excellence - »The
organisations and we received 10 completed questionnaires.

The first set of questions covered the description of the organisation, the second was devoted to the management approach, the third and fourth set of questions dealt with the PRSPO area, the fifth set of questions involved »self-assessment procedures« in the organisation, the sixth set concerned the »introduction of required improvements«, which the respondents defined by individual self-assessment procedures. The seventh set of questions defined the advantages of the PRSPO for the organisation, the company, the owners and investors, the employees, the suppliers and the business partners. The eighth set of questions comprised open questions on the steps towards the PRSPO, which the respondents wrote down in the corresponding order and assessed in terms of importance. The entire questionnaire and the results were published in Pibernik (2008).

The sample used is the non-probability purposive sampling, as we included individual organisations in the research, which could give us the most definite factual information possible on the researched topic. The purposive sample is suitable for smaller populations and for a detailed research of the phenomenon. The sampled units were thus not selected by chance, so in this case, the sampled data does not allow for the calculation of standard parameter errors and the determination of the quality of the assessment with non-accidental sampling. We chose the »typical cases«, that is, the organisations that have received the prize for business excellence, the finalists and the winners of the special diploma, as our purposive sample. When choosing the sample, we were not led by the principle of generalisation, but by individuals and developments connected with the topic under consideration (Tratnik, 2002).

Questionnaire analysis mainly includes qualitative methods; however, for the demonstration of the distribution, we also used a quantitative method of frequency distribution. In the qualitative non-formal method, we determined through reading the answers that certain answers are repeated. In the process of selection, we simultaneously wrote down the frequency of repetitions and depicted them numerically. In doing so, we were careful not to neglect other important data in the selection process.

With the qualitative formal method, we analysed the content in the first step by combining the case study and the comparative analyses. We then structured the qualitative data and converted it into numerical variables, which we subsequently processed qualitatively.

### 3 The steps of Slovenian organisations towards business excellence – a presentation of the results and discussion

We present the results of the research, which provides an overview of the activities of the organisations in the field of introducing business excellence and is connected with the

Slovenian business excellence prize (PRSPO)« (»Priznanje Republike Slovenije za poslovno odličnost«). Prizes are awarded in various categories (large companies, small and medium-sized companies and the public sector). The main objective of the European and other national prizes for quality and excellence, including the Slovenian prize, is an increase in efficiency and success on a national level and the promotion of the constant improvement of organisations that use the EFQM model of excellence and apply for the prize, and not merely for the awarding of the prizes themselves (MIRS, 2007).

Through cyclical processes of self-assessment, the organisations obtain a powerful tool for the additional reinforcement of constant learning, improvement and innovative thinking. The philosophy behind the model of excellence is that an organisation will achieve exceptional key operating results on the basis of the integration of employees and the improvement of processes (Porter and Tanner, 1996). The EFQM model of excellence has proved its credibility in connection with the purposes that it was designed for: to acknowledge excellence (that is the highest degree of organisational quality). In general, the model functions as a »standards« for the recognition of organisational quality and enables comparisons between various organisations (Conti, 2007).

Many of today’s leading practitioners in the field of quality write about quality improvement through the pursuit of “business excellence” (Wilcock et al., 2006). The investment in business excellence initiatives has the greatest pay off for organisations that have pre-existent fundamentally strong quality management systems (Meers and Samson, 2003; Adebajno, 2001). Samson and Challis (2002) described a management system guided by a set of principles that was shared by best-in-class organizations; they studied leading international organizations in an effort to determine why some were more successful than others in their pursuit of excellence. The extent to which each organization embodied these principles appeared to be directly related to the speed of its journey towards excellence.

Excellence thus means excellent processes, the satisfaction of all parties involved and exceeding customer expectations and excellence of business results (Karapetrovic and Wilborn, 2001). Excellence is thus a »state« that all organisations should approach, if they intend to subsist in the today’s market.

The purpose of the research among the PRSPO winners was to analyse the course, or rather the conditions and events that were – according to their opinion – the key elements for the success and winning the diploma or prize – that is, to gain an insight into the »best practices« of successful Slovenian organisations in the PRSPO framework.

The article thus presents a synthesis of answers from the interviewed organisations on the key conditions or elements, based on which we have suggested an 8-step path that can be of assistance to all organisations intending to take the path towards excellence.

### 2 Methodology

We conducted the research among the PRSPO winners and among the finalists and the winners of the special diploma for identifiable progress in the introduction of the model of business excellence. The questionnaire, which comprised 24 questions and was divided into 8 sets, was sent to twenty-five organisations and we received 10 completed questionnaires.

With the qualitative formal method, we analysed the content in the first step by combining the case study and the comparative analyses. We then structured the qualitative data and converted it into numerical variables, which we subsequently processed qualitatively.
objective of identifying the activities and designing the steps, based on which the surveyed organisations have successfully participated in the PRSPO.

As the research was anonymous, we marked the organisations with the letter «o» and a number between 1 and 10 for the reasons of clarity.

Among the organisations that took part in the research, 4 organisations deal in manufacturing activities, 3 in service activities, 2 in the public sector and 1 of the organisations conduct manufacturing and service activities.

78% of the organisations that received the prize for business excellence originate from large manufacturing and service activities. Organisations that have less than 250 employees follow with 22%. Organisations with 250 or more employees (70%) prevail in the research and are followed by organisations with 10 to 49 employees (20%), while we noted 10 organisations with 50 to 249 employees.

Based on the questionnaire replies to the closed and the open questions, we formed from the content of these replies, as well as from their frequency, recommendations and classification of organisations according to the importance of the individual factors individual sets that represent the basic and also the most important areas and activities for the introduction and implementation of the model of excellence in the surveyed Slovenian organisations. We projected these findings into a substantial and chronological sequence and thus formed the steps that should provide orientation and support in the consideration, planning and implementation of activities during the introduction of the model of excellence.

The steps shall be construed as recommendations to organisations that are beginning to take the path of excellence in terms of «learning from the experience of the best».

1 The first step: the ISO 9001 standard

With the ISO 9001 standard, organisations verify the compliance of processes and implement corrective measures. The standard enables the organisation to determine the extent that these processes are regulated, that all the key processes are identified, which processes need to be improved or additionally defined and it also helps them to establish a documented system of quality management and thus represents a starting point for all necessary further improvements.

For as much as 9 of 10 organisations, the ISO 9001 standard was the first approach to quality management. 5 organisations also agree that the ISO 9001 standard was the first step on the path towards the PRSPO, particularly because it helps establish «order» in the organisation and helps to identify the key shortcomings in their performance (figure 1).

In addition, all of the organisations surveyed had an established the ISO 9001 standard prior to their first participation in the PRSPO.

Pursuant to the answers, we can summarise that the ISO 9001 is in fact a prerequisite on the path towards the PRSPO. Without clear and regulated processes, improvements are almost impossible to make.

Within the literature, we can observe various aspects of organisation research with a view to the path that leads an organisation to business excellence. Authors (Van der Wiele et al., 2000a; Van der Wiele et al., 2000b) state that various researches are oriented towards researching the gap between the ISO 9001 standard and business excellence. According to the authors, ISO 9001 is generally recognised as the first step on the path towards excellence The latter also complies with the findings (Boys et al., 2004) that show that the family of ISO 9000 standards must be considered as the foundation on which organisations build their excellence. In addition, the results of researches (Gotzamani and Tsiotras, 2001; Escanciano et al, 2001) show the contribution of the ISO 9001 standard as a tool for management and a source of competitive advantage, and particularly as a potential, the purpose of which is promoting the transition to excellence and an overall control of quality (TQM). Similar results were also reported by Hongyi (2000), who showed that ISO 9001 certification is positively related to TQM enablers.
Rusell (2000) also establishes that it is more realistic to see the ISO 9001 standard as a useful and even necessary step on the path towards excellence, although in his opinion the contribution of the standard to excellence varies in individual criterions.

Mønsted and Fons (2002) share a similar opinion, as they find that, considering the fact that although the ISO standards are not as universal as the EFQM model, it is logical to begin searching for the achievement of excellence through the implementation of the ISO 9001:2000.

Quality management principles can serve the top management within the organisation as a framework, which leads their organisation to improvements in business operations, (ISO 9001, 2009). For the successful management and performance, it is necessary to guide and control an organisation in a systematic and clear manner. Success can be the result of the introduction and maintenance of the quality management system, designed so as to continuously improve the performance of the organisation while considering the needs of all the interested parties (ISO 9000, 2003).

The EFQM model of excellence represents a logical and systematical upgrading of quality management systems according to the ISO 9001, which can be established from individual criteria and sub criteria, according to which a process approach is evaluated (Skubic and Kern Pipan, 2005) and the ISO 9001 standard is based on the process approach. ISO 9001: 2000 stresses how important it is for an organisation to identify, introduce, control and continuously improve the effectiveness of processes, if it intends to achieve its goals.

We should also mention the similarity and overlapping or synergy of assessment through the RADAR matrix and Deming’s PDCA cycle (EFQM, 2003).

The key difference between the models can be defined by the orientation of both models. ISO 9001 is oriented towards quality assurance, while the EFQM model of excellence searches for the path towards excellence and, as Russel (2000) concludes, ISO 9001 does not have to be considered a competitive model but rather as a supplement to the model of excellence.

2 The second step: management commitment

It is interesting that 3 organisations defined management commitment as their first step towards the PRSPO. The organisations are unanimous that the most important conclusion is that the model of business excellence is a valuable tool for the improvement of business operations and that winning the PRSPO is an objective adopted by the management, which also regularly monitors its realisation.

As regards the open questions on the five main factors for the successful planning of self-assessment, 5 of the surveyed organisations highlighted the importance of the management. Furthermore, 6 of the surveyed organisations believe that the management is important for the successful implementation of recognized possibilities for improvement. Among the ten steps for the achievement of PRSPO, as many as 7 of the surveyed organisations included the commitment, support and participation of the management in the first place on the path towards the PRSPO.

To summarize one of the answers of the research: »The management must understand the model and the principles of business excellence, agree with them and follow them in their everyday work«.

This observation complies with the findings of Angell and Corbett (2009), who determined that, for a successful implementation of the business excellence principles into an organisation, it is necessary to consider the approach »from top to bottom« and the integration of the top management. An important finding is also the fact that the principles of business excellence in the organisation were forwarded »from top to bottom«. In most cases, the topmost manager supported the introduction of business excellence in the organisation with the assistance of the other managers. All the organisations used the »prescribed« approaches for the implementation of continuous improvements, as they are described in the literature from the field of managing the overall quality and business excellence – that is, the support of the top management, the training and education of employees in the usage of tools and techniques, the development and authorisation of employees and other (Angell and Corbett, 2009).

According to Conti (1999), leadership is the »driving force« that manages systemic factors through the processes towards missions, of which the central constituent are the business objectives and all other missions depend on it and also contribute to it. The definition of the »vision« of an organisation and the interconnected »missions«, as well as the formation of its key »values«, depends on the leadership performed by the top management. The determination of strategies and plans in accordance with this vision and these procedures also depend on the leadership (Conti, 1999).

Other authors also report similar conclusions (Robinson and Schroeder, 2004; Pervaiz, 1998; Phelps, 2008), as they note that an organisation that wishes to promote constant improvements strengthens the organisational culture through leadership, where the communication of ideas and suggestions for improvements is a part of the consciousness of every employee.

Tutuncu and Kucukusta (2007) highlighted another point of view, as they focused on organizational commitment in relation to business excellence. They found a strong relationship between organizational commitment and business excellence. The strong relationship between them shows that organizations that implement business excellence models should be aware of an organizational commitment that has a supporting role for the successful implementation.

Knowledge possessed by employees is the intellectual capital managed by the organisation of which they are members. Here, the right manner of management is the lever that contributes to an open organisational culture of communication and the promotion of ideas and suggestions for improvements from employees. To promote a culture of continuous improvement in an organisation means that the management must establish an integrated system of motivation, monitoring, realisation and remuneration of suggestions for improvements for as many employees as possible. The findings of our research coincide with the findings of numerous authors (Peters and Waterman, 1982; Stevens, 2005; Robinson and Schroeder, 2004; Hiam, 1999; Marolt and Gomišček, 2005;
Environmental policy is the key element in good relations introduced this standard into their business operations (yet).

Organisations from the public administration (2), which have not obtained the ISO 14001 environmental standard, with the exception of organisations that have obtained the ISO 14001 standard is thus an important step for the penetration of environmental aspects of its activities (Ammenberg, 2001; Poksinska et al., 2003), along with profitability (Link and Naveh, 2006) and/or competing products and services (Corbett and Klassen, 2006).

It turned out that, for organisations considering environmental care, it is easier to convince with their products and services those customers and users, to whom the protection of the environment, the reduction of pollution and more environmentally friendly products constitute more quality products, through which they gain greater confidence in a particular trademark. One can thus say that the environmental standard is another form of competitiveness for an organisation, through which the organisation increases its reputation and recognisability and a way to convince and keep its customers.

In addition to the regulatory requirements themselves, organisations also face pressures from various interest groups defending clean environmental policy and more or less drawing attention to irregularities. Furthermore, certain organisations demand an environmental standard when searching for new business partners and suppliers. Obtaining the ISO 14001 standard is thus an important step for the penetration into foreign markets, especially the markets with a stricter environmental policy.

It is also important for an organisation to identify and understand the factors that are of essential importance for the successful integration of environmental aspects into the process of product planning. The commitment and support of the management is a commonly stated factor that influences the success of the integration of environmental aspects into the process of product planning (Ehrenfeld and Lenox, 1997; Pujari in Wright, 1999). As an example of this factor, we can highlight the provision of required resources. A substantial responsibility of the management also lies in the determination of clear environmental objectives, not only for the development of the organisation as a whole, but also for individual projects of product development (Ehrenfeld and Lenox, 1997; Frei, 1998). Therefore, environmental aspects should be considered as a business question, meaning that they have to be balanced with the financial aspects (Keldmann and Olesen, 1994; Ritzen, 2000; Shelton, 1995).

That is why we were not surprised to find that 8 of all the surveyed organisations had already obtained the ISO 14001 environmental standard, with the exception of organisations from the public administration (2), which have not introduced this standard into their business operations (yet). Environmental policy is the key element in good relations with the local population and, of course, in the care for the health of the employees. 3 organisations have introduced the environmental standard into their business operations before their first application for the PRSPO and, before winning the prize or the diploma, this number rose to 7. Of the ten prize winners, nine organisations have already established ISO 14001. Whether the organisations obtained ISO 14001 prior to the PRSPO or at a later time, it is obvious that this standard is a part of the long-term development policy of these organisations, with which they harmonise environmental requirements with economic and social requirements. The stated findings also comply with the findings of Sebhatu and Enquist (2007), who note that the ISO 14001 standard is not merely a system intended for environmental efficiency, but can also be useful as a driving force of sustainable development and the creation of value in the process of radical changes, the objective of which is the improvement of quality.

Various studies state that the establishment and implementation of a system of environmental management assists the organisation in reducing input raw materials and improving the efficiency of material consumption (Chavan, 2005; Christensen and Rasmussen, 1998; Pun et al., 1999), resulting in a number of operative, managerial and competitive advantages for the organisations that implement the system of environmental management in accordance with the standard (Corbett and Klassen, 2006; Rondinelli and Vastag, 2000; Kirkpatrick and Pouliot, 1996). In the literature (Coté, Booth and Louis, 2006; Hilton, 2001), it is possible to observe a number of success factors or drivers for the promotion of eco-efficiency. Among the more important internal factors are: the reduction of costs, improvement of the quality of products and services, innovation, the improvement of employee motivation, membership in a local community, the reduction of risks regarding the environment and maintenance and the increase in the reputation of an organisation. As external factors, the authors include the following: customer requirements, competitive changes, access to capital, the development of more advanced (cleaner) technologies, legislation, changes in culture (changes in customer behaviour), changes in the prices of raw materials and energy.

The importance of the market aspect of ISO 14001 is also defined by Pouliot (1996), who states that some organisations see the certification in accordance with ISO 14001 as a means of competitive distinction, which they achieve by designing an environmentally friendly image. Miles and Munilla (1995) further determined that the more progressive organisations in search of a competitive advantage aim towards «eco-marketing» and positioning their products in the «green customer» segment. As Petroni (2000) notes, obtaining an environmental certificate is an opportunity to increase their „green“ reputation and therefore improve relations with the interested participants. The latter is compliant with the findings showing that organisations commonly use the ISO 14001 standard as a way of expressing their commitment to environmental protection (Poksinska et al., 2003). Expressing care for the environment and obtaining a powerful environmental reputation can help an organisation attract environmentally aware customers and suppliers (Poksinska et al., 2003).
4 The fourth step: the introduction of the business excellence model and self-assessment according to the EFQM/CAF model – the submission of an application for the PRSPO

After defining their business processes and arranging their documentation with the help of the ISO standards, the organisations began introducing the model of business excellence, performed self-assessment according to the EFQM/CAF model and submitted their applications for the PRSPO.

Self-assessment according to an excellence model is one of the first activities we encounter on the path towards excellence. There are various types of implementation available and the decision on who will perform the self-assessment and in what manner it will be performed is a particularly significant one since, for the majority of employees, this is the first encounter with an excellence model.

4 organisations used the approach of a guided workshop, analysis were conducted by the management in 2 organisations, while in 1 organisation an approach with a questionnaire was used; a combination of an award, workshop and interview simulation; the elaboration of an application and self-assessment and the evaluation of the materials.

Self-assessment is a comprehensive, systematic and regular overview of organisational activities and results according to an appropriate business model (Porter and Tanner, 1996). Van der Wiele, Dale and Williams (2000) noted that there is a difference between the ISO 9001 and EFQM models of quality management and the consequent application of assessment or self-assessment in the reason why a particular model is used. Therefore the implementation of self-assessment as a further improvement in the direction of excellence is an internal decision of every organisation.

MIRS (2004) defines self-assessment as the broad, systematic and regular overview of its own activities and results, performed by an organisation with reference to the EFQM model of excellence, which represents the basis for the recognition of individual areas and criteria.

Mønsted and Fons (2002) note that one of the most significant advantages of using the EFQM model of excellence is the introduction of self-assessment. A model of excellence can be a valuable diagnostic tool for detecting the advantages and opportunities of an organisation.

Van der Wiele, Dale and Williams (2000) stated that the benefits from the use of self-assessment according to a base model do not lie in obtaining recognition, but rather in adaptation as a methodology for evaluating the progress towards excellence.

In 6 organisations, the first self-assessment procedure was led by the top management, in 3 organisations it was led by an assessment group comprising employees from all levels of the organisation, and in 1 organisation it was led by the management with the aid of external experts (figure 2). No organisation conducted self-assessment exclusively using external operators.

Half of the surveyed organisations perform the self-assessment procedure once a year, 2 organisations perform the procedure once every two years, 2 organisations perform it once in every three years and 1 organisation perform a self-assessment procedure several times a year.

At this stage, the key findings for the organisation should be the fact that self-assessment according to the business excellence model is a valuable tool for achieving the long-term success of the organisation, as it enables a periodical insight into the actual situation of their business operations. In view of the results of the self-assessment procedure or the number of points achieved in individual areas, they can determine which area needs improvements most and compare themselves with their competition. These improvements are then systematically introduced in their business operations.

Among the main reasons for the use of the EFQM model of excellence listed by the organisations, 84% note defining the possibilities for improvement and 78% note self-assessment (PWHC1, 2000).
The capability and possibility of constant improvement is a forecast of the future of an organisation. Self-assessment became an important managerial technique for the continuous improvement of an overall business performance. Self-assessment is a broad, systematic and regular overview of the activities of an organisation, and also an opportunity for an organisation to compare itself to other organisations and to recognize best practices. The critical phase of self-assessment is the elaboration of a plan for improvements, which is the task of the top management and relates to business planning. In the end, all the employees of an organisation have to be informed about the results of self-assessment (Samuelsson in Nilsson, 2001).

5 The fifth step: the introduction of additional quality management approaches

To the question of whether it is possible to win the PRSPO without previously introduced standards and other tools of quality management, 6 organisations replied that it is not possible, 4 organisations agreed that it is possible to win the PRSPO without introducing various approaches of quality management, but only on the assumption that the organisation already controls its business processes. At the same time, they stressed that it is only possible in smaller organisations and that such a path is also lengthier and more strenuous.

All of the surveyed organisations have already established the ISO 9001 standard (10). The second most widespread standard, which immediately follows the ISO 9001 standard, is the environmental standard ISO 14001 (8). As many as half of the organisations surveyed had established the OHSAS 18001 standard (5) and the HACCP standard (5). With 30% each, these are followed by the BSC – the balanced scorecard system – and the 20 keys method. 2 organisations have created their own system for quality management, 2 organisations have also introduced the ISO/TS 16949 standard and the 6 sigma approach, while 2 organisations perform self-assessment according to the CAF method. CAF is in fact adapted to the organisations within the public sector; therefore all of the surveyed organisations from the public sector orient themselves using the CAF model. With 10% each, they are followed by the SA 800 and the GMP standards.

In view of these explanations, we concluded that organisations on their path to the PRSPO nevertheless need the assistance of various quality management approaches (figure 3).

The EFQM model of excellence is a non-binding framework that acknowledges that permanent excellence can be obtained through the use of various procedures (Russel, 2000).

The results of research conducted by Gomišček and associates on a sample of 80 Slovenian organisations prove that most of the organisations are familiar with the contemporary approaches to quality management – the most commonly known are the ISO standards, 20 keys, 6 sigma and EFQM. As many as 84% of these organisations have already introduced one of the approaches, among which the ISO standards prevail with 81%. They particularly exposed the positive influence of quality management approaches in the following areas: the transparency of the process, the reputation of the organisation, organisation regularity, product and service quality, customer satisfaction and customer complaints (Gomišček et al., 2007).

This raises the question of which approach is the most suitable for a particular organisation, or rather the most effective in improving an individual area of business operations. There are many approaches available and each is presented in its own way as the most effective and financially justifiable. In selecting an approach, it is important to observe certain prior knowledge, professional training and the prevalence of a particular approach, its international references, examples of good practice and, last but not least, the »physical« factors of an organisation – namely its size, activity, number of employees etc. After the implementation of the ISO 9001 standard and after submitting the first application for the PRSPO, most of the surveyed organisations introduced some additional (to

![Figure 3: The need for previously introduced quality management approaches](image-url)
ISO 9001 and ISO 14001) quality management approaches into their business operations. The most commonly introduced quality management approaches prior to winning the PRSPO prize or the diploma were (Figure 4):

Similar conclusions are presented by Busteed and Vogel, when they report that more than 95% of the organisations that have used any of the systematic approaches for the improvement of their business operations (the ISO 9000 standard, model of excellence, balanced scorecard and similar), reported significant benefits and an increase in results achieved. The most commonly used were the model of excellence and the ISO 9000 standard, regardless of the size of the organisations. Two thirds of the organisations have used the approaches for improvements for more than three years to reach an adequate level of matureness of their usage (Busteed and Vogel, 2000, page 3–6).

The results of research conducted by the PriceWaterhouseCoopers company in 2000 based on a survey of 3500 organisations within the public sector in Great Britain show that organisations state as a tool for introducing constant improvements the use of the Investors in People standard in 79%, comparisons or benchmarking in 65 %, the use of the EFQM model of excellence in 56% and the standards from the ISO series in 42 % (PWC1, 2000).

Research performed by Johnson as a case study demonstrates the positive effects of the use of the Balanced Scorecard approaches and the EFQM model of excellence in combination with the Deming’s cycle (PDCA). Here, the Balanced Scorecard model was used mainly as a strategic tool for defining and monitoring the objectives of future activities. The EFQM model of excellence was used as a diagnostic tool for the development of a strategy for achieving the objectives and recognition of past achievements (Johnson, 2004).

There is a quantity of research available on the influence of various approaches for the introduction of constant improvements and models of business excellence on the business operations of an organisation (Peters and Waterman, 1982; Singhal and Hendricks, 2004; Bottler et al., 2005; Hausner and Vogel, 2007; Busteed and Vogel, 2000; Mann and Saunders, 2005; Bou-Llusar et al., 2009; Angell and Corbett, 2009). This research confirms the positive effect of using the approaches for the introduction of constant improvements and models of business excellence on the business operations of organisations.

6 The sixth step: constant improvement, continuous education, innovation among employees as a permanent manner of business operations

Through the first five steps, an organisation has regulated its business operations; it regularly performs self-assessment procedures and thus identifies the areas where improvements are needed. These improvements were introduced into the business operations (also with the help of additional approaches to quality management), namely in 8 organisations as part of a business plan and in 2 organisation as part of a business plan and as a parallel project. None of the organisations included the improvements only as a parallel project (Figure 5).

All the organisations (10) confirmed that the areas that were determined as needing necessary improvements achieved better results in the next self-assessment procedure.

The most important advantage therefore becomes the motivation of employees towards innovation and continuous education, and the consistency required by the introduced approaches to quality management. In this phase, an organisa-
organisations should make a step forward towards its own systems of improvements, towards the use of its internal resources, suggestions and innovation and increase the level of employee knowledge.

This means that the organisation has developed a culture of constant improvement in all its processes and among all its employees. Self-assessment and constant improvements have become a part of the strategy of the organisation and this strategy was presented to all the employees. The level of employee knowledge has risen and consequently their productivity and added value have also increased. Suggestions for improvements from the employees are encouraged and they are also appropriately awarded for suggestions. Their satisfaction is regularly measured.

The seven consecutive activities that were defined by the organisations on the basis of questionnaires as the most important for effectively implementing identified possibilities for improvements, are as follows:

- the commitment, support and participation of the management,
- the introduction of improvements in accordance with the values and culture of the organisation,
- the knowledge and education of task force members and of all employees,
- the support and cooperation of all employees,
- the definition and implementation of the main activities in the implementation of improvements,
- participation in the CAF/PRSPO project, application for the PRSPO,
- communication with and informing of all employees.

We can confirm constant improvement when the manner of management, the inclusion of employees and the culture in an organisation encourages the employees to constantly consider possible improvements, make suggestions and realize those suggestions in accordance with the established priorities (Marolt and Gomišček, 2005).

Robinson and Schroeder note that each employee idea, no matter how insignificant it is, improves the organisation in some way. When managers succeed in obtaining a large number of such ideas, the full power of the revolution of ideas is released (Robinson and Schroeder, 2004).

The culture of constant learning and innovation must cover the entire organisation at all levels with the purpose of constant improvement and the introduction of changes. The intellectual capital combines the intangible assets of every organisation, including employee knowledge, data and information on the processes, experts, products, customers and the competition; as well as intellectual property, such as patents and licences (Kelleher and Levene, 2001).

Without the ability to obtain new ideas, an organisation stagnates and regresses and will finally be eliminated by the competition, which possesses fresh ideas (Robinson and Schroeder, 2004).

Innovation must be seen as a process that turns the detection of a need, a problem, an error, a surprise or new technology into an ideational solution, suggestion and finally into a new service, product or new process, a new business and a new organisation. Innovative organisations consider innovation as a part of their mission; they actively encourage innovation as an integral part of the policy of human resource management and have an established system of innovation remuneration (Zucceli and Di Zanni, 1999).

Pervaiz conducted research within the framework of British companies with the purpose of determining the common characteristics of the companies that are successful in the area of innovation. The results of his research show that, in innovative organisations, the business philosophy comprises...
two key elements: the element of innovation and the element of the employees. All their activities are therefore focused on people – employees, and they directly associate their business success or failure with the employees, their development and their contribution to innovation (Pervaiz, 1998).

The integration of the employees and their satisfaction are factors that are identified as extremely important drivers of constant improvements and satisfied customers in most of the classical literature from the field of total quality management (TQM) (Juran, 1970; Peters and Waterman, 1982; Ishikawa, 1985; Crosby, 1988; Hiam, 1999; Kaplan and Norton, 2000; Eskildsen and Dalghaard, 2000).

7 The seventh step: repeated application for the PRSPO

In individual processes of self-assessment with the submission of the application, the organisations identified possibilities for improvement. Possibilities that were defined as priorities were included in business operations and the organisations therefore achieved even better results in the next call for applications. The number of points achieved in an individual application is not public; however, by reviewing the published results of the winners of a special diploma for identifiable progress in the introduction of a Business excellence model, the finalists and the recipients of the prize could establish that most of the organisations participated on more than one occasion.

By applying for the PRSPO national prize for business excellence, the organisations can check at what level they currently stand, where their possibilities for improvement are and how much their business performance has improved compared with their previous applications.

The surveyed organisations confirmed 100% that areas that were defined as areas in need of improvements achieved better results in the next self-assessment. In this manner, they fulfilled the purpose of the procedure. This is also a valuable opportunity for comparison with the competition, for the elaboration of its own good practices and for the development of partnerships. In particular, the main principle of the organisations should be to do things even better, to look up to excellent organisations – not for the competition or awards but for a more transparent and efficient business performance.

8 The eighth step: winning the Slovenian Business Excellence Prize

Organisations that have committed to excellent business performance and perform regular self-assessment procedures and introduce identified possibilities for improvement into all areas of business operations are aware of the competitive advantages enabled by the business excellence model in today’s dynamic business environment. Organisations that follow the specified steps, can achieve a greater number of points with every application for the PRSPO and eventually achieve the level of excellence required for receiving the Slovenian business excellence prize. Five of the organisations that took part in the research managed to achieve that.

By winning the prize, the path towards excellence is by no means concluded. However, at this stage, the organisation already has defined procedures and internal knowledge, with which it increases quality to an increasingly higher level, towards excellence.

9 Conclusion

The research was carried out with a questionnaire distributed among the winners of the Slovenian business excellence prize (PRSPO), the finalists and those who received special diplomas as a recognition level reached by applicants in implementing the business excellence model, with the purpose of learning their considerations on business excellence, their activities and steps taken during the preparation and participation in the competition for the Slovenian business excellence prize. We particularly wished to learn what the key factors were that support and enable the achievement of a relatively high number of points in the evaluation process for the PRSPO.

Based on the answers the winners of the PRSPO prize gave to the question: »Write down the factors on the path towards business excellence that you find the most effective for the achievement of PRSPO?«, we can summarise their answers into ten main areas of factors that should be recognised and implemented in the organisations that decided to take the path towards the PRSPO:

- the determination, support and participation of the management,
- an appropriate organizational culture and values,
- the elaboration of a vision and strategy of an organisation,
- the determination of objectives and the paths to the achievement of these objectives,
- the motivation, education, knowledge of employees,
- informing employees,
- the introduction of quality management approaches,
- self-assessment,
- constant improvement.
- participation in the PRSPO and the continuation of the path.

On the basis of analysis and the synthesis of various approaches that we identified from the reviews and the results of the individual organisations, we formulated 8 steps to be used by organisations as orientation and support in contemplating, planning and implementing activities during the introduction of an excellence model and consider the necessary steps, if they decide to participate in the competition for a prize according to the EFQM – in terms of «learning from the experience of the best».

The research proved that the ISO 9001 standard is the first step on the path towards the PRSPO – in fact it is a prerequisite for further improvements in the organisation. The second step is the commitment and support of the management for excellent business performance. The management, in cooperation with all the employees, defines the areas that have to be improved and verifies the manner of implementation, both ideationally and financially. In this, it must also consider the environmental aspects, provided by the third step through the
introduction of the ISO 14001 standard. When an organisation defines the processes, it starts to introduce the model of business excellence and the self-assessment procedure in the fourth step. The key possibilities for improvements identified in the self-assessment procedure are also introduced into the business operations. In this, it can take advantage of various approaches to quality management (the fifth step) and with the submission of the application for the prize. In the sixth step, the organisation encourages its employees towards continuous education and innovation, and in the seventh step it again participates in the competition for the PRSPO. When it achieves the required level of business excellence, it receives the prize (the eighth step).

The research presented in this article also showed that business results had significantly improved for the organisation itself, as well as for the employees, the owners and investors, for the business partners and suppliers and finally for the wider society – and this is in fact a significantly higher value result than winning the competition for the Slovenian business excellence prize itself, because it is the only way that we can lead an organization on the path to long-term growth and success.

10 Literature


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