

# Phases and Actions of the Evolution of the Concept of Quality in Canada and Australia – A Theoretical Modelling of the Development of Knowledge in Business Performance in the XXI Century - The Approach to Excellence

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**Abstract:** In the paper “Phases and Actions of the Evolution of the Concept of Quality in Canada and Australia – A Theoretical Modelling of the Development of Knowledge in Business Performance in the XXI Century - The Approach to Excellence” the authors present the basic features of the phases and actions of the evolution of the concept of quality in Canada and Australia, as a theoretical modelling of the development of knowledge in business performance in the XXI century in order to improve the organizational processes so that excellence can be achieved.

**Key words:** business process management, quality, modelling, knowledge, business performance, excellence, Canadian model of excellence, Australian model of excellence

## 1. Introduction

Performance Management Excellence models are structures supporting organizations in shaping initiatives in choosing appropriate strategies and their implementation through a systematic approach, whose final objective is to continuously improve the performance of organizations.

Models of excellence aim is to identify excellent organizational management practices that contributed to the tie between them, all based on a set of concepts or core values together in a model of "excellence". Over time, practices have evolved to such an extent that they became global utility models illustrating how to operate an organization to achieve a high level of performance on his way to results maintained at its best.

"Excellency" refers to outstanding performance achieved and express a high level of confidence in the organization has achieved. Today excellence is required not only by economic, but also by non-profit organizations such as schools, universities, hospitals, government, etc.

There are many countries that have developed over time through sustained efforts, their own models of excellence, then using them as structures in a process of assessing and recognizing performance in organizations through special programs that grant awards recognition of the value and performance.

Internationally, the most popular models of excellence that provides an appropriate framework to support the adoption of the principles of business excellence and develop an efficient method for evaluating the manner in which these principles were embedded, we can mention:

- The Japanese - resulted in CWQC principles (Company Wide Quality Control based on enterprise-wide quality control);

- The American - resulted in the criteria for the Malcolm Baldrige Quality Award American applied in over 25 countries, both in the US and in New Zealand;

- The European model - resulted in the European Quality Award criteria;

- The Canadian - translated into Canadian Quality Award criteria;

- The Australian - resulted in the Australian Quality Award criteria.

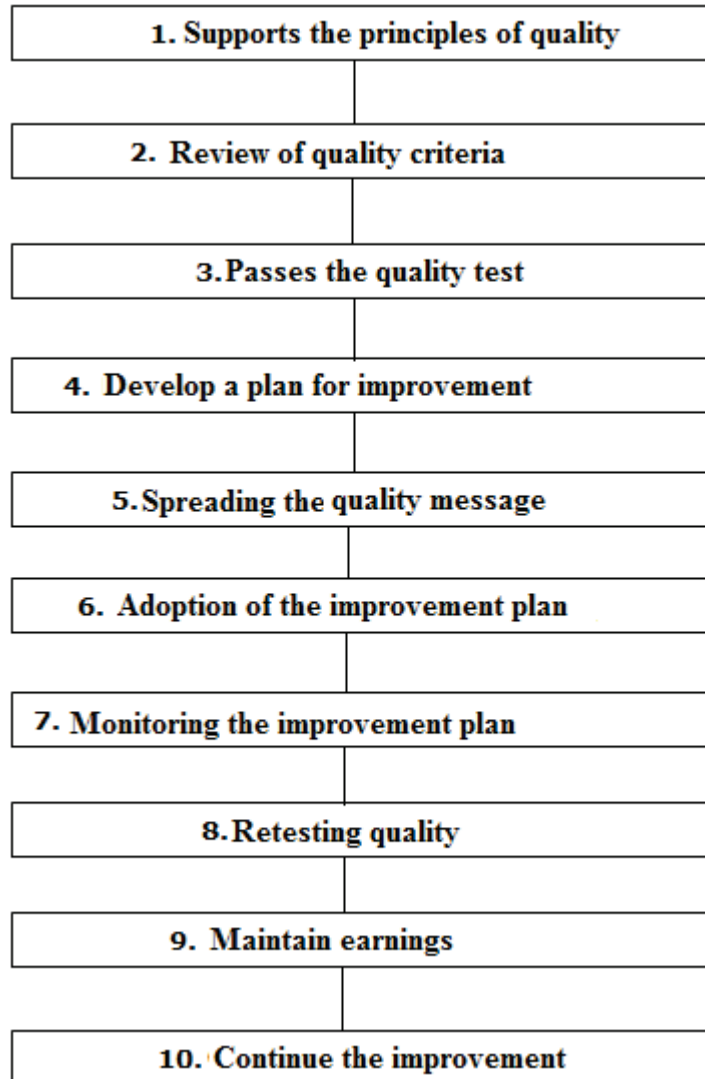
The model of Canadian organizational excellence (CAE) introduced by the Ministry of Industry in 1984: "Canadian Award for Business Excellence". To reflect the concept of MBNQA criteria and program were revised so that in 1989, the Canadian Quality Award was launched by the National Quality Institute rewarding practical concerns of companies of continuous quality improvement.

ABEF Australian model of organizational excellence, developed in 1987, is in turn one of the first four models of organizational excellence that have become recognized worldwide (Australian Business Excellence Awards 2012, Standards Australia International Ltd.). The model defines a set of criteria and practices that facilitate the identification of high-performance organizations.

## 2. The model of Canadian organizational excellence (CAE) and the Roadmap for Excellence – a theoretical approach

Instead of some specific criteria, the quality Canadian Award is based on a continuous improvement guide called "Roadmap for Excellence" (see Figure no. 1: "The Roadmap for Excellence").

Figure no. 1: "The Roadmap for Excellence"



Source: Adapted from the Canadian model of management excellence – "The Roadmap to Excellence" (Vokurka, 2000)

The Canadian model of organizational excellence (CAE) (Vokurka, R.J., Stading, G.L., Brazeal, J., 2000), has as main objectives the following (see Figure no. 2: "The Canadian model of excellence CAE - structure and basic criteria"):

**a) Leadership:** mainly focused on the strategic dimension of the organization, taking into consideration the degree of involvement of top management to continuously improve the management process to achieve the best results;

**b) Focus on the customer:** it means focusing on total customer satisfaction, and in this respect there is a specific concern regarding the identification of customer expectations, the results being permanently measured by proper management of client relationships;

**c) Planning:** implicates to monitor the development process is performed, evaluation, implementation, improvement and verification of results.

**d) Process Management:** focuses on how to operate to intervene in the organization's strategic directions aimed at insurance practices and continuous quality

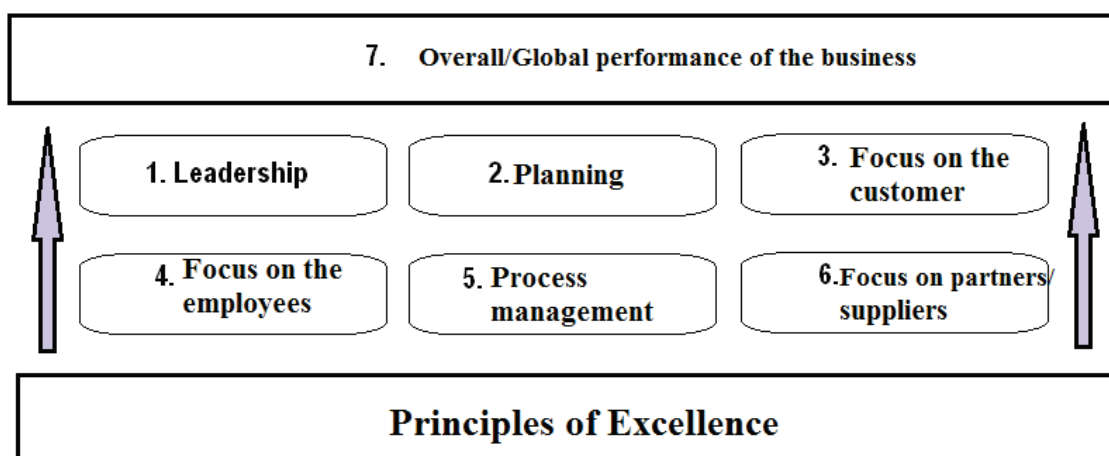
improvement, defining, monitoring, control and process improvement.

**e) Focus on suppliers/partners:** monitor how the organization develops, maintains and consolidates its relationships and partnerships, and how to deal with critical issues that may arise between them and the organization.

**f) Focus on employees:** focus on human resources development, a key factor in achieving its objectives and organizational excellence. Creating and maintaining a working environment in which staff are motivated enough so as to utilize their full potential, being concerned for continuous improvement training involves a constant concern for employees and makes them responsible and accountable for how perform their duties.

**g) Organizational Performance (Process Management)** is reflected in the overall result of the effort of continuous improvement in all areas, namely: financial performance, performance products/services, employee satisfaction, customers and markets, operating results.

Figure no. 2: "The Canadian model of excellence CAE - structure and basic criteria"



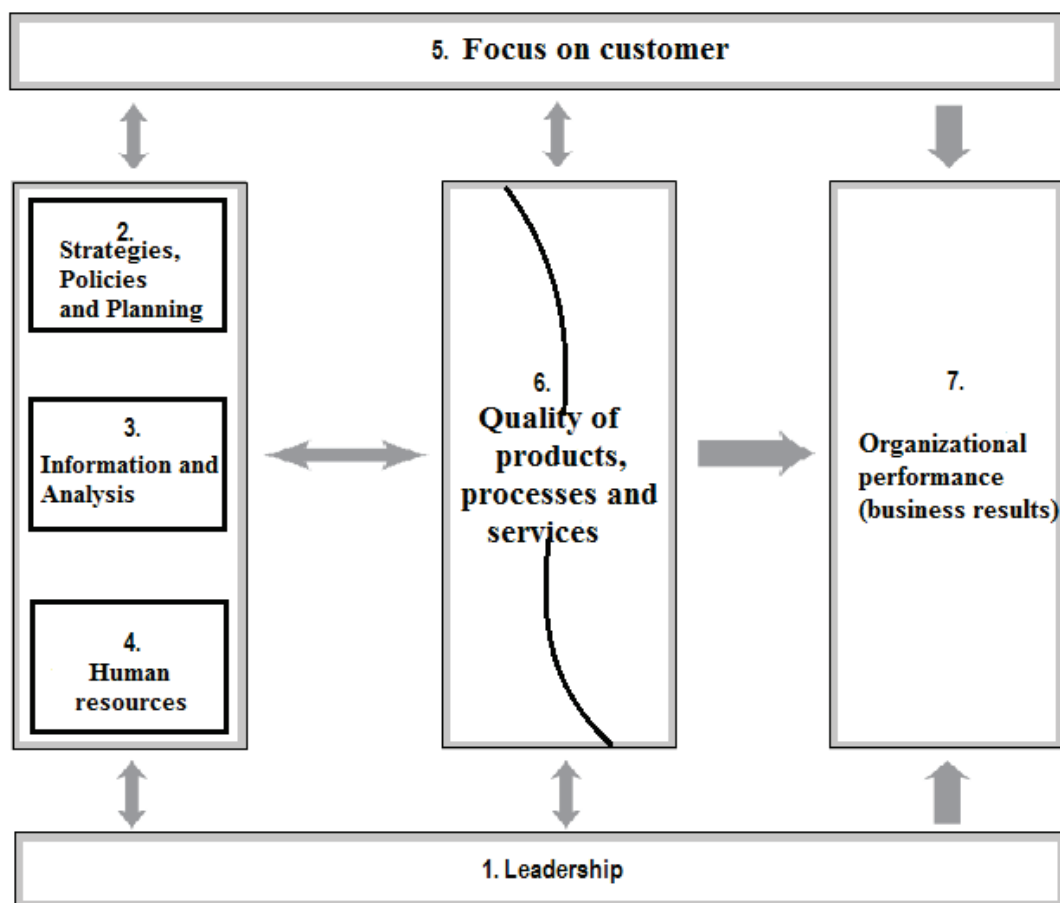
Source: Adapted from the Canadian CAE Excellence Model - National Quality Institute

### 3. Phases and actions of the evolution of the concept of quality in Australia

ABEF Australian model of organizational excellence, developed in 1987, is in turn one of the first four models of organizational excellence that have become

recognized worldwide (Australian Business Excellence Awards 2012, Standards Australia International Ltd.). The model defines a set of criteria and practices that facilitate the identification of high-performance organizations (see Figure no. 3: "Australian model quality criteria (ABEF)").

Figure no. 3: "Australian model quality criteria (ABEF)"



Source: Adapted from quality Australian model (ABEF) – Australian Quality Criteria Framework; "A comparative analysis of national and regional quality awards" – Robert J. Vokurka, Gary L. Stading and Jason Brazeal, 2000 <http://www.forms.texas-quality.org/SiteImages/125/Reference%20Library/Comparing%20Quality%20Awards.pdf>

Companies in Australia, in process management, business excellence model is used, take into account:

- Improving management practices and leadership;
- Evaluating the performance of management and leadership;
- Construction of these results in strategic planning processes and
- Determining the position of the organization in terms of market and competition.

The Australian excellence framework enables companies in their business initiatives can be integrated into coherent systems and organizational cohesion that can transform based on and consistent efforts, a model for all other companies.

The Australian model of organizational excellence (Australian Business Excellence Framework - ABEF) addresses continuous improvement processes using the methodology ADRI.

Over time, the Australian Business Excellence model has undergone many stages of development, one of which is represented by a significant change in the approach, moving from focusing more on the customer ("Customer & Market Focus") paying special attention to both customers and all other stakeholders "Customers & Other stakeholders" (customers & Other stakeholders - GB.002-2011 (The Australian Business Excellence Framework (GB.002-2011) - Global Limited, 2011; <http://infostore.saiglobal.com/store/Details.aspx?ProductID=1499769>) - (IAS, 2007) (SAI Global Ltd, Sydney, Australia, <http://www.saiglobal.com>)).

The Australian model of organizational excellence ("Australian Business Excellence

Framework" - ABEF) is based on 12 principles of management and a set of seven evaluation criteria.

The 12 principles underlying the model were studied ABEF specialists idea to reassess in the business excellence model. For example, after interviewing users (2004), 68% appreciated the principles as "very useful" or "essential" in the evaluation process. A majority of users (71.7%, or 33 of the 46 respondents), appreciated the fact that the 12 principles were too many, while 69.6% of users considered "essential" or "very important" that the principles should be formulated in a manner allowing to be catchy. (SAI Global, 2004)

Australian model of organizational excellence principles are:

**1) Direction:** allow organizational alignment according to clearly defined lines of action, focusing on the objectives;

**2) Planning:** Action Plans mutually agreed with stakeholders are translated into strands and transformed into effective operational components;

**3) Customers:** understanding the value customers who value both now and in the future will be influenced organizational direction, strategy and action, influencing the direction of action of the company;

**4) Processes:** to improve results, the system must be improved and associated processes;

**5) Personnel:** the potential of an organization is through people animated by the enthusiasm, innovation and participation;

**6) Learning:** the continuous improvement of training and innovation capacity depends on sustained permanent learning;

**7) The system:** people working in a system can improve the results when all focus exclusively on the system;

8) **Data:** efficient use of facts, data and knowledge leading to improved decisions;

9) **Variability:** variability presents all systems and processes that have an impact on predictability and performance;

10) **External Community organization:** organizations through their actions help ensure that companies clean, safe, fair and prosperous, contributing to community well-being offering its value;

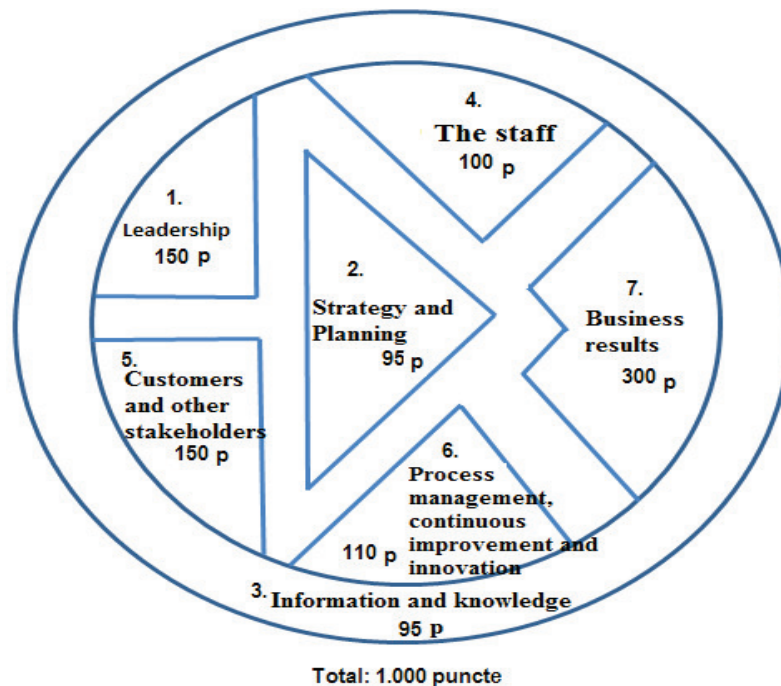
11) **Stakeholders:** Sustainability is determined by the capacity of organizations to create and deliver value to all stakeholders;

12) **Leadership:** role of top management is to shape the permanent principles and create an environment suitable for organizational excellence to implement these principles, aspect necessary to reach true potential.

In the same survey, 87% of respondents - users ABEF model, found the number of the 7 criteria to be closer to reality. On the other hand, 80.4% (ie, 37 of 46 respondents) said they knew all seven criteria, while 11% said they knew "most of the criteria", indicating that they were already familiar with them.

The 7 criteria considered useful in evaluating the performance of business processes are listed below, as represented in Figure no. 4: The Australian Business Excellence (ABEF) - structure, basic criteria and their percentages (see Figure no. 4: The Australian Business Excellence (ABEF) - structure, basic criteria and their percentages):

Figure no. 4: The Australian Business Excellence (ABEF) - structure, basic criteria and their percentages



Source: <http://www.saiglobal.com/business-improvement/solutions/excellence-conference-awards/apply-for-award/2012-Awards-Application-Guidelines.pdf>

<http://www.saiglobal.com/Improve/ExcellenceModels/BusinessExcellenceFramework/>

**1) Leadership and Innovation:** focuses on how to define strategic directions, organizational culture, leadership course at the operational level, the contribution to the community and the environment;

**2) Strategy and planning processes:** evaluation focuses on the understanding of the business environment, the key planning processes, the development and use of resources;

**3) Data, information and knowledge:** assess the collection and interpretation of data and information, integration and use of knowledge in decision-making, based on a knowledge management process;

**4) Staff:** assesses how staff involved in achieving the organization's objectives, how to develop staff through training, but also how conditions are ensured health and safety at work for the organization's staff;

**5) Customers and market:** identifying markets and customer requirements, insofar as it satisfies the customer on the value and quality that they expect, and how to manage the customer relationship management;

**6) Processes, Products and Services:** focus on process management innovation processes, the management and improve product quality and services;

**7) Business results:** enhances the performance in relation to indicators of success and sustainability.

The ABEF can be, just like the other models of organizational excellence alternative solutions such as ISO 9001, business process reengineering (BPR), and so on.

#### 4. Conclusions:

To excel in business means being better than the other competitors, particularly

through performance management, financial, quality, thus highlighting both the situation of an organization performing the superlative way and all the factors due to which it has come to excel.

"Business excellence" highlights a complex system of performance appraisal which gives the organization a maximum level of credibility in the market. Evaluated and compared with well-defined benchmarks, the performance achieved by an organization can determine a "business excellence", its specific. Moreover, to achieve public recognition of the excellence award is made by the quality attributed to the fulfilment of a complex set of criteria and performance evaluations conducted in the most discerning and transparent way possible.

All of criteria and sub-criteria of reference that can quantify global ensemble performance of an organization, consisting of both the drivers and the practical results thereof, may obtain coveted ensure quality, which is the attribute of the business excellence model.

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