Regional quality contests based on business excellence models – Pomeranian case study

Regionalne konkursy jakości oparte na modelach doskonałości organizacyjnej – studium przypadku regionu Pomorza

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KEYWORDS	ABSTRACT
excellence, business excellence model, quality competition	Competitions based on models of organizational excellence have significant potential. Organizations participating in these initiatives have the chance not only to get marketing benefits, but also gain comprehensive knowledge about their management systems. Moreover, thanks to the structure of models of excellence an organization can plan in detail the improvement activities in its main processes.
	The aim of the authors is to analyze and assess the conditions accompanying competitions for quality awards based on organizational excellence models implemented at the regional level.
	On the basis of in-depth interview and source materials of Pomerania case study a diagnosis of the current status of this project was presented and the most important problems have been identified.
	The results can be helpful to improve these types of projects, develop the framework of a new comprehensive system of such competitions in Poland and increase their rank in promoting a pro-quality approach.
	JEL Classification: L15, M42, R11, Y80
SŁOWA KLUCZOWE	STRESZCZENIE
modele doskonałości organizacyjnej, konkursy nagród jakości	Konkursy oparte na modelach doskonałości organizacyjnej mają znaczny potencjał rozwojowy. Organizacje uczestniczące w tych inicjatywach mają szansę nie tylko uzyskać korzyści marketingowe, ale także kompleksową wiedzę na temat swoich systemów zarządzania. Ponadto, dzięki strukturze modeli doskonałości organizacja może szczegółowo zaplanować działania usprawniające w swoich głównych procesach.
	Celem autorów jest identyfikacja charakterystycznych zjawisk towarzyszących konkursom na poziomie regionalnym opartym na modelach doskonałości organizacyjnej. Na podstawie wywiadu pogłębionego i materiałów źródłowych organizatorów konkursu o Pomorską Nagrodę przedstawiono diagnozę obecnego stanu tego przedsięwzięcia oraz zidentyfikowano najważniejsze towarzyszące mu problemy.
	Przedstawione wyniki oraz wnioski mogą być pomocne w ulepszaniu tego rodzaju inicjatyw, opracowywaniu ram nowego kompleksowego systemu takich konkursów w Polsce i zwiększaniu ich rangi w promowaniu podejścia projakościowego.
	Klasyfikacja JEL: L15, M42, R11, Y80

Introduction

Initiatives of quality contests based on so called models of excellence stand out from the others, which aim to identify outstanding organizations and also have great development potential especially in the international dimension. Organizations participating in this type of competition not only build their positive image, but above all gain knowledge about the level of their organizational maturity.

Unfortunately, in recent years the interest in participating in Polish regional contestss based on the business excellence models (BEM) has decreased. The exception is the Pomerania Quality Award (PQA) – a regional competition organized in the northern part of Poland.

The purpose of the article is to present the common problems involved in organizing the Pomerania Quality Award. The results of self-assessment and external verification of organizations participating in the 21st and 22nd edition of this contest are presented. On the basis of in-depth interviews with organizers of the competition and analysis

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source materials, the authors obtained a lot of information about this undertaking and defined some improvement activities.

The authors presented the level of maturity and awareness of the organizations competing in this contest. Identification of problems that arise during the organization of competitions based on BEM allows a better understanding of the idea of excellence and raises the level of maturity of organizations aspiring to national and international awards.

Contests based on business excellence models – literature review

The model of excellence can be defined as a set of principles for a comprehensive assessment of the organization [9]. Over the last 25 years, interest in using models of excellence has increased. On the other hand, many organizations have had problems with understanding models which was connected with too complex criteria, too much paperwork, cumbersome rules, etc. [7].

The first formalized model of excellence was the Deming Award model, established in 1951 in Japan, which for many years was the only distinction in this area (DAP – Deming Application Prize). More than 30 years later in 1984 the Canadian Award for Excellence was founded. In 1987 in the USA the Malcolm Baldrige National Quality Award was introduced a year later – the Australian Quality Award (currently Australian Business Excellence Award). Finally, in 1991 the European Quality Award was established – since 2004 known as the European Excellence Award, based on the model of the European Foundation for Quality Management [3, 10, 19]. Furthermore, Bolboli i Reiche [2] distinguished the 29 quality award's models established in various regions of the world.

On the basis of the mentioned international or national awards, regional initiatives were created.

European Model of Excellence

The EFQM model is currently used by over 50,000 organizations. It consists of a part of the enablers (5 criteria) and the results (4 criteria) [20]. The model does not suggest a specific approach to achieve sustainable excellence, but assumes that parts of the potential and results are interrelated and the aspects within one part interact with each other [1, 8, 20].

The criteria and relations between them are shown in Figure 1.

The EFQM Excellence Model is flexible and can be applied to large and small organizations, in the public and private sectors, as well as to industrial and service organizations. In addition, it is a dynamic model that has evolved and adapted to social changes. The base for the application of the model and the improvement of the management is self-assessment. To apply for an award organization has to be subjected to a process of external verification, carried out by the independent experts. The independence of experts is assessed in detail before proceeding with the evaluation [6].

A. Skrzypek [16] argues that an organization that adopts a quality orientation should systematically plan and implement the self-assessment process. As a result, improvement of the management system in an organization becomes a never-ending process that leads to an increase in the overall efficiency of the organization.

The EFQM Business Excellence Model self-assessment based is a tool more and more often used by various types of organizations enabling them to diagnose their management system and to set priorities in terms of introducing improvements [15].

Pomeranian Quality Award

The PQA competition was founded in 1996 in Pomeranian Council of Federation of Scientific and Technical Associations of the Supreme Technical Organization in Gdańsk. Since then, this initiative has been continuously implemented.

The mission of the competition is to engage the leaders of Pomeranian organizations for the continuous improvement, learning, creativity, innovation and following in the spirit of sustainable development by using the Pomeranian Model of Excellence.

This regional model is based on the best European approaches, with particular reference to the CAF (Common Assessment Framework), addressed to public organizations. The model criteria have been adjusted to different types of organizations.
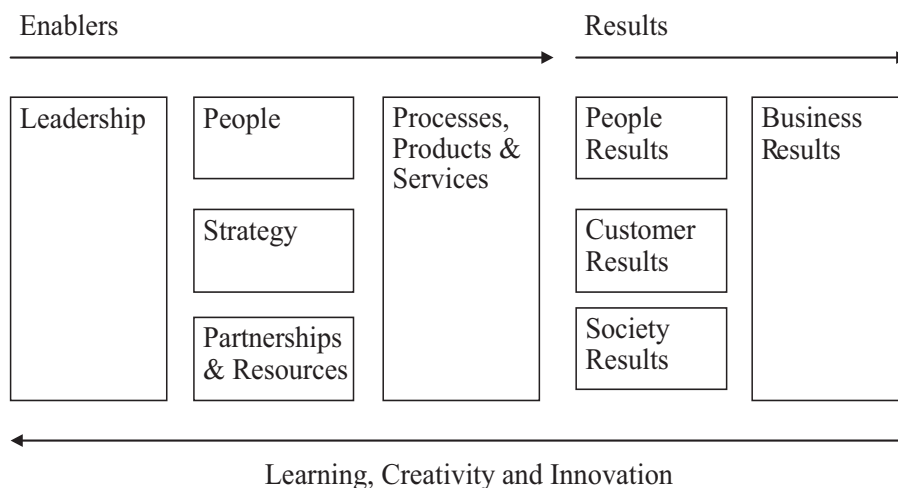

Fig. 1. EFQM model

Source: [20]

Table 1. The results of self-assessment and verification – the report of one of the participants of the 22nd edition of the Pomeranian Quality Award

Criterion	Self-assessment [points]		Verification [points]	
1. Leadership	152		157	
2. Strategy	76		77	
3. People	118		118	
4. Partnerships & resources	136		144	
5. Processes, Products & Services	106		108	
6. Customer Results	25		44	
7. People Results	60		64	
8. Society Results	54		66	
9. Business Results	37		58	
Summary	764	70.51%	836	79.62%

Source: source materials (report of one of participants)

Each of the criterion consists of sub-criteria defined in the form of questions. On this basis the participants perform the self- assessment of their organizations. This is the first step in the PQA procedure. Participants previously trained in terms of requirements of the Pomerania Model of Excellence model, fill in the self-assessment questionnaire and send it to the organizational committee.

In the next stage the external verification is carried out by experts. Each participant receives a report with the result of self-assessment and verification. In addition, the document contains the description of strengths and weaknesses of the evaluated organization.

Table 1 presents the results of self-assessment and verification contained in the report of selected participant of the 22nd edition of the competition for the Pomeranian Quality Award [18, 21].

The report shows number of points the participant obtained during the self-assessment and number of points during the verification. The weakness of the report is the lack of the maximum number of points in a given criterion. Analyzing the above report, it can be seen that the expert's assessment score is higher than the self-assessment score. This is an interesting phenomenon, which the authors decided to develop in the next chapter.

Research methodology, results and discussion

The authors analyzed 57 reports of organizations participating in the 21st and 22nd edition of the PQA competition. Organizations can apply in the following categories: micro-organizations, small, medium, large and public sector. Questionnaires of self-assessment and the on-site verification reports were analyzed.

Figures 2–4 show the percentage of the score resulting from the participant's self-assessment (S) and what resulted from the verification by the expert (V). The analyzed organizations have been marked with the following symbols:
- micro and small: from MS1 to MS25,
- medium and large: from ML1 to ML15,
- public: from P1 to P17.

After analyzing the histograms, it can be seen that in each group the points awarded by experts are higher than those awarded in the self-assessment.

The average result from the self-assessment of micro and small organizations is 81%, while after the verification is 89%. The largest difference (42%) in this group is in MS5. The average result from the self-assessment of medium and large organizations is 82%, while the verification is 90%. The largest difference (34%) in this group is in ML7. The average result from the self-assessment of public organizations is 77%, while the verification is 86%. The largest difference (50%) in this group is in P1. The above analyzes show that only 2 out of 25 (8%) micro and small organizations have S > V. None of the medium, large and public organizations have a S > V.

The majority of micro and small organizations – 17 out of 25 – (68%) and 10 out of 15 (66,7%) medium and large and 15 out of 17 (88%) of public organizations have S < V. Other organizations have S ≈ V.

The participants of the competition for the PQA are organizations with very different experiences,
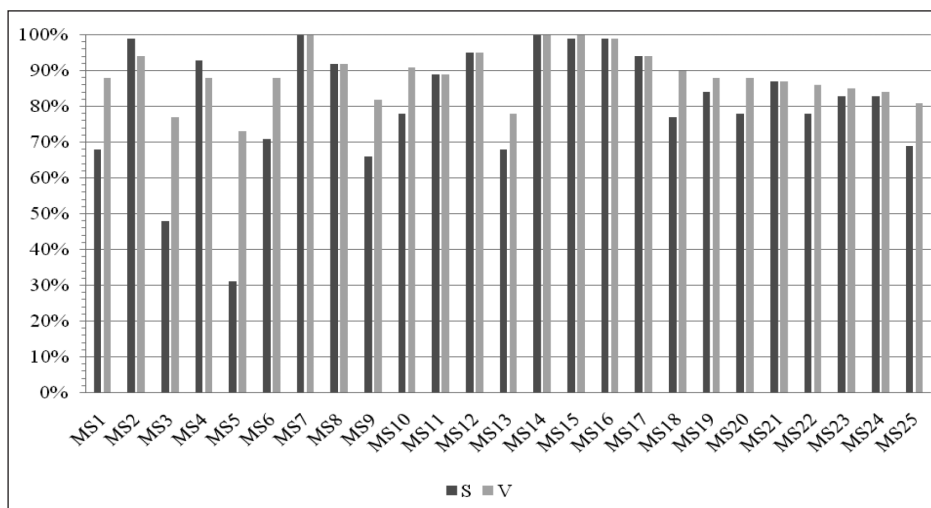

Fig. 2. The results of self-assessment and verification of micro and small organizations

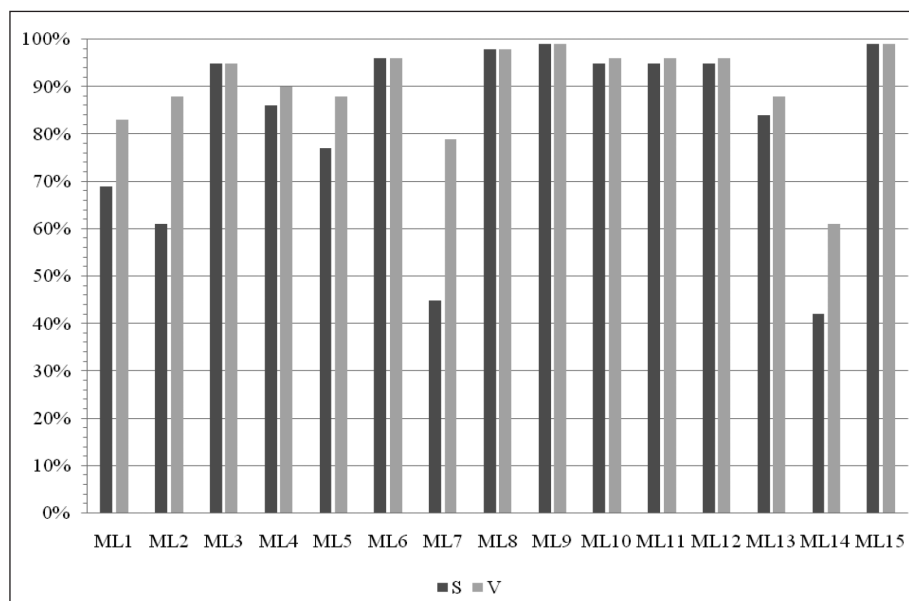Source: self elaboration based on verifications reports of participants of 21st and 22nd edition for the PQA

Fig. 3. The results of self-assessment and verification of medium and large organizations

Source: self elaboration based on verifications reports of participants of 21st and 22nd edition for the PQA
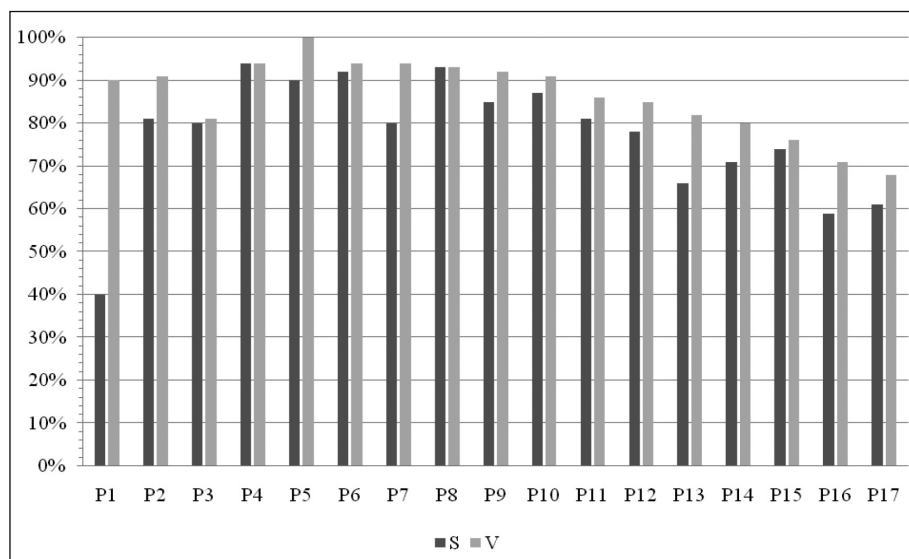

Fig. 4. The results of self-assessment and verification of the public organizations

Source: self-elaboration based on verifications reports of participants of 21st and 22nd edition for The Pomerania Quality Award

of awareness of the organizations participating in the competition.

For example, two of the micro and small organizations categories (MS7 and MS14), rated themselves at 100%, which was accepted by an expert. The authors found out that these were organizations already participating in the competition in previous years. Such high self-assessment means that the only goal of these organizations is to get a prize in accordance with the principle "maybe it will succeed" and not to consciously present their current situation in order to be able to determine the directions of necessary changes.

So, on the one hand, the accuracy of the self-assessment carried out is important, followed by reliable verification. On the other hand, the organizers of the competition do not want to discourage applicants.

The χ^2-Pearson test was carried out to examine the potential relationships between the results in the studied groups. In the χ^2 test, there were no statistically significant differences between MS and ML referring to the relationship between S and V, and the same in the case of MS and ML counted together. Whereas there is statistically significant difference between public organizations and the rest of analyzed business entities (p < 0.05).

In the aspect of self-assessment and verification, public organizations are assessed differently than the others, there is a statistically significant difference. The lowest results were recorded in this category.

The average self-assessment result for public organizations is 77% and the verification is 86%.

This is the similar result to the results of European organizations. The best European organizations have a level of around 70% [11, 20].

It is worth noting that often in small family businesses self-assessments are performed by the owners of the company, in public organizations this self-assessment is performed mainly by employees. Among the participants in the category

types of activity, qualifications of employees etc. After the interviews with the organizers, the authors found out that the experts conducting the verification have to adjust the levels of conformity of some organizations.

Participation in the contest requires a lot of work. Experts do not want to discourage the participants and often accept their self-assessment or slightly reduce the final grade. Often, experts raise their mark and note their comments in the descriptive part of the report.

Both higher and lower self-assessment mark than final verification mark indicates certain gap

of "public organizations" there are many healthcare units – in particular – hospitals. Murphy [12] claims that small organizations have less awareness of their level of maturity than large and public entities. This statement is supported by many studies.

Conclusions and future research

In connection with the fact that the level of maturity of the best surveyed organizations is 70%, it can be concluded that the experts conducting the verification in the Pomeranian Quality Award competition overrate the participants. This approach is not conducive to the reliability of the competition. However, it is worth noting that this competition is one of the few based on BEM in Poland. By participating in this initiative, organizations can reap far greater internal benefits than in other competitions that distinguish leading organizations.

According to the authors, a good solution would be to introduce a separate category for organizations that want to participate in this event once again. An interesting solution has been applied to the organizations that re-enter the competition in the case of the Deming Prize. The Deming Grand Prize was established for the of receiving the prize, a significant improvement in the implementation of TQM (Total Quality Management) should be demonstrated [22].

Generally, management system of regional quality contests based on models of excellence in Poland is heterogeneous. It seems that regional competitions, which are – by assumption – a preliminary stage for contests at the national and/or international level, should be based on the same rules. The current system do not create conditions for comparing the results of the awarded organizations (benchmarking) representing different regions of the country. This is not conducive to the generally understood idea of excellence on a national scale.

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