

MANAGERIAL AND FINANCIAL PERFORMANCE APPROACHED BY BUSINESS EXCELLENCE MODEL

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Abstract. In the current context of globalization, organizations look for new and different ways to become more effective and efficient. Organizations that consistently apply the criteria of performance and efficiency, are focused on continuous quality improvement and customer satisfaction. European Foundation for Quality Management-EFQM brings together European organizations involved in the pursuit of excellence, which have adopted a Joint Model of Excellence, as a strategic tool for general management of the company. Their fundamental objective is to become leaders in their field and get

excellent results. The EFQM Excellence Model allows an integrative approach to the quality management, which includes: business results, customer orientation, information management, employee satisfaction. The EFQM Excellence Model allows companies to create measurable benefits by using TQM as an organizational tool. It was entered in the early 1990s in order to serve as a framework for the accession of the organizations in the European Quality Award. Nowadays it is the most widely used organized model in Europe, underlying the majority of national and regional Quality Awards, including the Romanian Quality Award JM Juran. The model is based on the following premise: Leadership build the company's Policy and Strategy, and these are implemented through People, Partnerships, Resources and Processes, to obtain Excellent Results, both in key performance areas, as well as on Clients, Staff and Impact on Society.

Introduction

In the current context of globalization, organizations search for new and diverse ways to become more effective and efficient. Organizations that consistently apply the criteria of performance and efficiency, are focused on continuous quality improvement and customer satisfaction. To excel in business [1] means to be better than others, particularly through managerial and financial performance. Business excellence refers to performances that give the organization's highest level of credibility in the market. Performance achieved by an organization, assessed and compared with some reference criteria, can express a certain "level of excellence in business". Public recognition of this level of excellence is by granting numerous awards for quality. Whole reference criteria which must be satisfied by an organization to get an award for quality is Excellence Model Business. There are many such models in the world, the most important being the model corresponding to the criteria Award Deming (Japan- 1951) National Award for Quality Malcolm Baldrige (USA - 1987) and European Quality Award (1991).

MATERIAL AND METHOD

European Foundation for Quality Management (EFQM) brings together European organizations involved in the pursuit of excellence, which have adopted a Joint Model of Excellence, as a strategic tool for general management of the company. Their fundamental objective is to become leaders in their field and get excellent results.

EFQM goes back more than 20 years, when 14 CEOs joined forces in 1988 to develop a Management tool that would increase the competitiveness of European organizations. Supported by the European Commission in the European Quality Promotion Policy, the founding members created the EFQM Excellence Model:

- to stimulate and assist management teams in adopting and applying the principles of organization;
- to improve the competitiveness of European Industry;
- to close the gap of competitiveness between European and the USA and Japan.

The EFQM Founding Members are: AB Electrolux, British Telecommunications plc, Bull, Ciba-Geigy AG, C. Olivetti & C. SpA, Dassault Aviation, Fiat Auto SpA, KLM, Nestlé, Philips, Renault, Robert Bosch, Sulzer AG, Volkswagen.

RESULTS AND DISCUSSIONS

The EFQM Excellence Model allows an integrative approach to quality management, which includes: business results, customer orientation, information management, employee satisfaction. The EFQM Excellence Model allows companies to create measurable benefits by using TQM as an organizational tool. It was entered in order to serve as a framework for assessing organizations for the European Quality Award. Nowadays it is the most widely used organizational model in Europe, underlying the majority of national and regional Quality Awards, including Romanian Quality Award JM Juran.

The Fundamental Concepts of Excellence are the underlying principles of the

EFQM Excellence Model, which are the essential foundation of achieving Sustainable Excellence for any organization.

Achieving Balanced Results. Excellent organizations meet their Mission and progress towards their Vision through planning and achieving a balanced set of results that meet both the short and long term needs of their stakeholders and, where relevant, exceed them.

Adding Value for Customers. Excellent organizations know that customers are their primary reason for being and strive to innovate and create value for them by understanding and anticipating their needs and expectations. Leading with Vision, Inspiration & Integrity. Excellent organizations have leaders who shape the future and make it happen, acting as role models for its Values and ethics.

Managing by Processes. Excellent organizations are managed through structured and strategically aligned processes using fact-based decision making to create balanced and sustained results.

Succeeding through People. Excellent organizations value their people and create a culture of empowerment for the balanced achievement of organizational and personal goals.

Nurturing Creativity & Innovation. Excellent organizations generate increased value and levels of performance through continual and systematic innovation by harnessing the creativity of their stakeholders.

Building Partnerships. Excellent organizations seek, develop and maintain trusting relationships with various partners to ensure mutual success. These partnerships may be formed with customers, society, key suppliers, educational bodies or Non-Governmental organizations (NGO).

Taking Responsibility for a Sustainable Future Excellent organizations embed within their culture an ethical mindset, clear Values and the highest standards of organizational behaviour, all of which enable them to strive for economic, social and ecological sustainability.

The EFQM Excellence Model is being implemented by over 30 000 organizations in the world. It is a non-prescriptive assessment framework that can be used to gain a holistic overview of any organization regardless of size, sector or maturity.

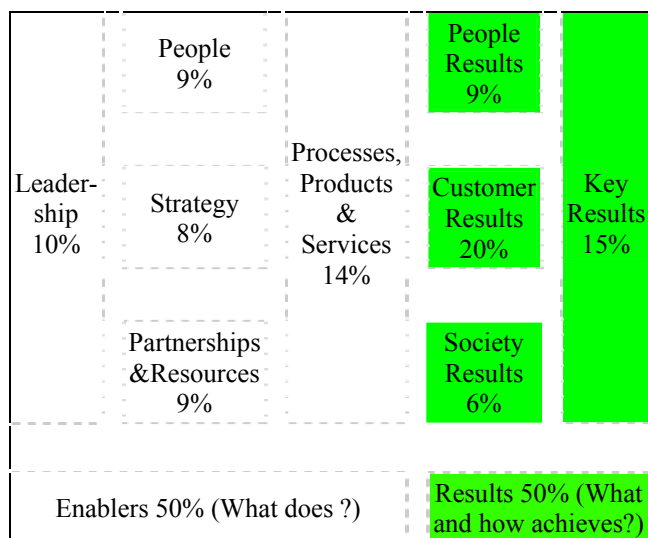


Fig 1, The EFQM Excellence Model

The EFQM Excellence Model is based on nine criteria. Five of these are "Enablers" and four are "Results". The "Enabler" criteria cover what an organization

does. The "Results" criteria cover what an organization achieves and how it does it. "Results" are caused by "Enablers" and "Enablers" are improved using feedback from "Results".[4]

The EFQM Excellence Award is Europe's most prestigious award for organizational excellence. It is given to Europe's best performing companies and not-for-profit organizations. It recognizes industry leaders with an undisputable track record of success in turning strategy into action and continuously improving their organization's performance.

The EFQM Excellence Award is the highest form of recognition an organization could receive because it comes from its own peers. Top executives from leading businesses and public service organizations study and visit the candidates, and after a grueling examination select the few outstanding achievers. Exceptional performance in a specific area or subject is rewarded with a prize. If a true role model is identified, if an organization outshines all the others as the example to learn from and to aspire to, they receive the ultimate recognition, the Excellence Award.

EFQM Excellence Award 2010. The year 2010 has been tumultuous on many fronts and the economic recession has continued to affect the economy. For some organizations, the challenges of 2009/2010 have been seen as opportunities and these organizations continue to be successful. The applicants for the 2010 EEA faced the additional challenge of having their performance assessed by experienced teams of EFQM assessors against the 2010 version of the EFQM Excellence Model. [3]

To be an award winner in a specific category, the Jury must be confident that it has identified an exceptional organization with excellent and sustainable results across all areas, and one that demonstrates a highly effective, efficient and continually improved management system. There were five organizations identified by the Jury as winners that received their Recognition in a specific category:

1. Bradstow School is a residential special school in the United Kingdom for children with autistic disorders and learning disabilities. They are a Prize Winner in Leading with Vision, Inspiration & Integrity and a Prize Winner in Succeeding through People.
2. Eskisehir Maternity's Mission is to treat mother and child illnesses, to guide society in this field and as a result to help the growth of healthy generations in Turkey. They are a Prize Winner in Leading with Vision, Inspiration and Integrity.
3. Olabide Ikastola Sociedad Cooperativa, is a Basque school run as a family cooperative. It is a not-for-profit private school, part-funded (grant-aided) by the Basque Government. They are a Prize Winner in Adding Value for Customers and a Prize Winner in Succeeding through People.
4. Stavropol State Agrarian University (SSAU) is a federal state educational institution of higher professional education situated in the town of Stavropol They are a Prize Winner in Nurturing Creativity & Innovation and a Prize Winner in Leading with Vision, Inspiration & Integrity.
5. VAMED-KMB is one of Europe's biggest facility management companies providing technical, administrative, and infrastructural services. They are a Prize Winner in Succeeding through People.

Romanian Excellence Award. Juran Award is the model of excellence in Romania, initiated by the foundation "Award for Quality Roman JM Juran", member of European Foundation For Quality Management. To the ninth edition of the national competition Excellence Awards JM Juran (November 2009), in Romania were 50 organizations which have assimilated and applied that managerial know-how, acquiring significant competitive advantages in economic relations.

Appropriate models for Quality Awards are also considered models for Total Quality Management because it provides organizations a coherent set of criteria for assessing TQM implemented. Typical benefits of using the EFQM Excellence Model include:

Table 1, Romanian Award winners during the years 2000-2008

Year	2000	2001	2002	2003
Prize Winner	No winner	No winner	SC CASIAL SA Deva	1. SC Electrica Banat SA 2. SC Romaqua Group SA Borsec 3. SC Search Corporation SRL

Year	2004	2005	2006	2007
Prize Winner	BCR	Institutul National de Medicina Aeronautica si Spatiale (INMAS)	CN Trans-electrica SA	No winner

CONCLUSIONS

For Leaders:

- Help deliver the strategy;
- Understand what is important to do as a leader;
- Develop a unique culture where Sustainable Excellence is the norm.

For Management:

- See the link between strategy and operations;
- Engage employees in change;
- Lead improvements.

For Employees:

- Provide their input to build a common direction;
- Understand the impact of their action;
- Contribute to progress.

A competition to identify exceptional organizations with excellent and sustainable results offer benefits:

- for the winners, which increase their credibility, increasing revenue and profits;
- to unqualified candidates, which know where they stand in relation with the best;
- for non-candidate organizations which learn first-hand how and what to do to get performance Winners.

References

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3. EFQM 2010 - Assessing For Excellence, page 7.
4. EFQM 2010 - Excellence Model, pag 4.
5. EFQM 2010 - Fundamental Concepts, pag 3-6.