

The Dissemination of the EFQM Self-evaluation Model across Europe

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Abstract

This article analyzes the diffusion process of the Total Quality Management (TQM) paradigm, and, more specifically, evaluates the diffusion process of the EFQM model, one of the most successful self-evaluation models for TQM all over the world. The work refers to the major level of dissemination achieved by this self-evaluation model across Europe, although their unequal dissemination is also stressed. A clear predominance of countries with disparate market structure and institutional environment, such as U.K., Spain, Germany, Italy and Turkey, is pointed out. The conclusions drawn in the article may be of interest both for academic and professional spheres of activity but, overall, for public-devisors.

Keywords: *Quality management; Total Quality Management; self-evaluation model; EFQM*

JEL classification: M19, M21

Introduction

Over the last decades, the paradigm of Total Quality Management (TQM) has been successfully forged in our business world. TQM may be defined as something that is both complex and ambiguous; nevertheless, some key elements or principles can be mentioned which are common to all of them (Sousa & Voss, 2002; Claver-Cortes et al., 2008; Teh et al., 2009): customer satisfaction, continuous improvement, commitment and leadership on the part of top management, involvement and support on the part of employees, teamwork, measurement via indicators and feedback.

There are, in short, two main reasons for it having spread so widely: on the one hand, the successful diffusion of ISO 9000 standards for the implementation and certification of quality management systems, standards that have been associated to the TQM paradigm (Heras et al., 2008), and, on the other, the also successful diffusion of self-evaluation models, and, specifically in Europe, the dissemination of the self-evaluation model promoted by the European Foundation for Quality Management (EFQM).

The aim of this article is to analyze the diffusion process of the TQM paradigm, and, moreover, to evaluate the specific dissemination process of the EFQM self-evaluation model. Therefore, the article is structured as follows: following this introductory section, the evolution of the TQM paradigm is analyzed; in the following –third– section, a short introduction to the EFQM self-evaluation model is presented; in the fourth, the adoption of the EFQM self-evaluation model across Europe is analyzed; in the fifth are to be found the discussion and conclusions drawn from the article; the sixth and last section contains the bibliographical references.

1. The evolution of the TQM paradigm

A proliferation of paradigms is occurring in management thought and practice, defining paradigms as means of understanding the world and a basis for informing action (Clarke & Clegg, 2000). As Thomas Clarke and Stewart Clegg (2000) pointed out, 'frequent paradigm shifts are essential for survival in a business context of constant innovation'. This notion of management paradigm and, more specifically, the notion of management paradigm change can be related to the notion of management fads and fashions (Abrahamson & Fairchild, 1999).

In the academic area one of the tools most used to try to measure the changes of management paradigms or fashions consists of analyzing the evolution of the citation of those paradigms in the specialized and non-specialized journals (see, for example, David & Strang, 2007). Therefore, in figure 1 this evolution is presented, taking into account a search realized in the base ABI-Inform Global Edition, a literature database that contains summaries or abstracts of articles of more than 1.000 international magazines on business and management shows trends in attention to TQM within the business community. Following David and Strang (2007) we chart annual counts of articles indexed by ABI-Inform Global Edition whose titles include the term "total quality management".

As pointed out by David and Strang (2007) the wave of media attention shown in Figure 1 mirrors the pattern observed for other management paradigms or fashions (Abrahamson & Fairchild, 1999) and helps us to chart TQM's fashion cycle. In the aforementioned figure is observed that TQM experienced his period of summit, at the beginning of the nineties. Is observed that from the end of the nineties practically it disappears of the not academic publications with a fulminating fall, and is in the publications of academic character where the citation of the term has had a much more gradual reduction. As we'll see, it seems that this evidence is not consistent with the evolution of ISO 9000 certification and the adoption of EFQM across Europe (Heras et al., 2008).

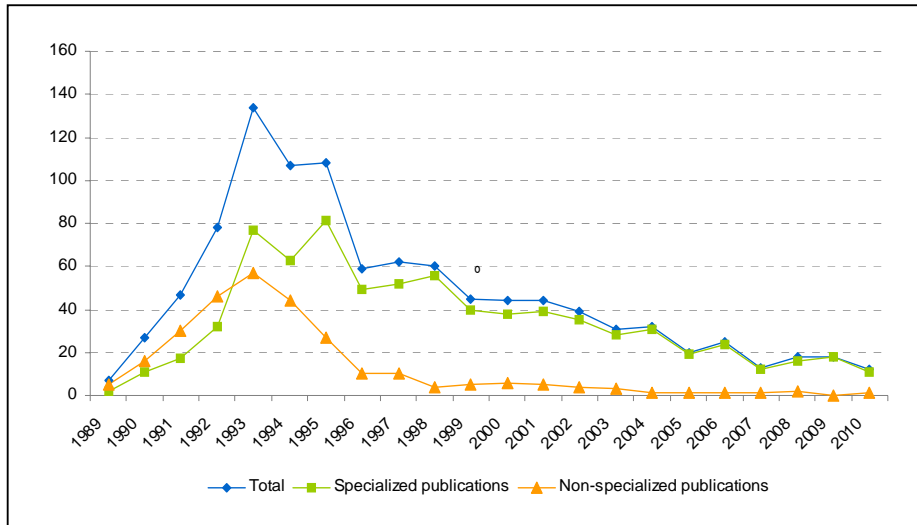


Figure 1 Trends in attention to TQM within the business community
(Specialized and Non-specialized publications)

Source: own data based on information obtained from ABI/Inform.

On the other hand, if we analyze the evolution of the citation of the TQM concept by means of Google Trends we see that there is a continuous decrease in the volume index of the concept (see Figure 2).

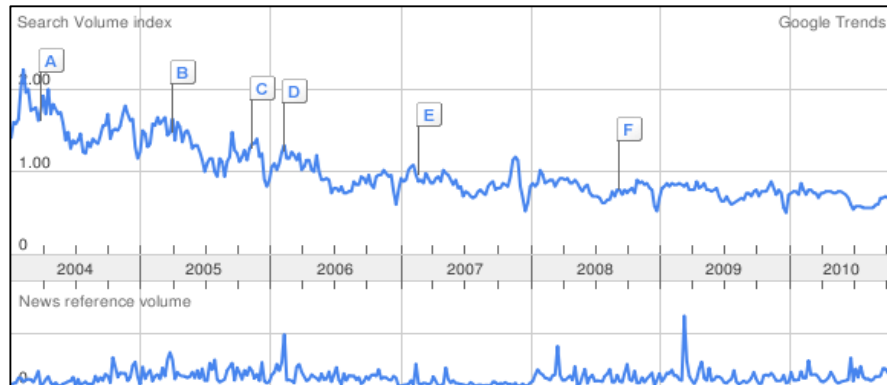


Figure 2 Trends in attention to TQM within the global internet community
(Data based on Google Trends)

Source: own data based on Google Trends (October 2010).

Regarding the regions of the world where more is quoted the concept, it has to be underlined the presence of ten non-European countries in the top-ten ranking; they are the following ones (from the first to the 10th position): Pakistan; Thailand; India; Malaysia; Indonesia; Iran; Philippines; Hong Kong; United Arab

Emirates and Taiwan. Anyway, we have to take into account the Google Trends provides insights into broad search patterns and that several approximations are used when computing the results, as stressed by the promoters of this tool.

2. The EFQM self-evaluation model

Self-assessment informs the organization about its strong sides as well as permits to identify areas which should be improved (Dale, 2003). Generally speaking, companies may resort to different approaches to self-assessment: questionnaires, workshops, pro-forma and award simulation. Irrespective of the approach chosen, the generic stages of self-assessment are as follows (EFQM, 2003): developing management commitment, communicating self-assessment plans, planning self-assessment, establishing teams and training, conducting self-assessment, establishing action plans, implementing action plans and reviewing.

Created in 1998 by fourteen of the biggest European firms and following in the footsteps of American industry, the European Foundation for Quality Management (EFQM) model is used to evaluate firms according to the development of their TQM philosophy and system. Organizations need to establish appropriate management systems in order to be successful. Thus, it established a frame of reference which allows organizations to evaluate themselves according to determined criteria grouped into enablers and results.

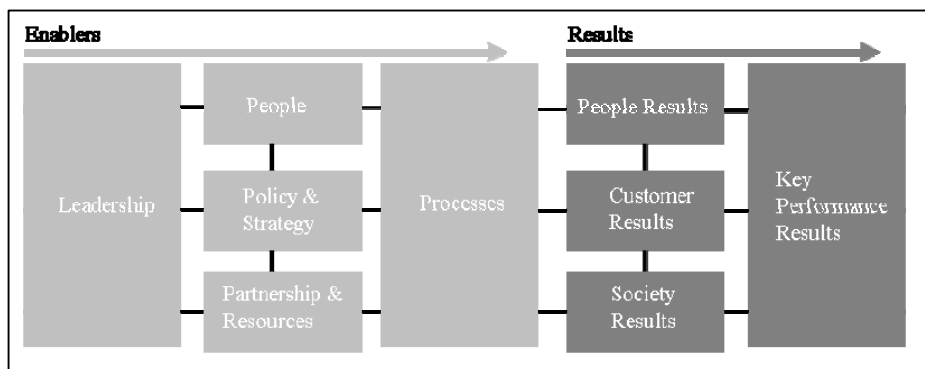


Figure 3 EFQM self-evaluation model
Source: EFQM, 2003

In short, EFQM model, also known as the EFQM Excellence Model, is a framework for organisational management systems, promoted by the European Foundation for Quality Management (EFQM). The EFQM model is a non-prescriptive assessment framework that can be used to gain a holistic overview of any organisation regardless of size, sector or maturity (EFQM, 2010). Through this process an organisation should be better able to diagnose its priorities, assign resources and generate realistic business plans. Otherwise self-assessment has wide usefulness to big or small organisations, in the public as well as the private sectors.

Increasingly organisations are using outputs from self-assessment as part of their business planning process and use the EFQM model as a basis for operational and project review.

The EFQM Excellence Model is based on 9 criteria (see Figure 3). Five of those are “Enablers” and four are “Results”. On the one hand, the “Enabler” criteria cover what an organisation does, and, on the other hand, the “Results” criteria cover what an organisation achieves, outcomes which the company target, measure and achieve. In other words, “Results” are caused by “Enablers” and “Enablers” are improved using feedback from “Results”. The ideal achieving a maximum of 1,000 points in the nine criteria is the purpose of EFQM.

3. Adoption of the EFQM self-evaluation model across Europe

According to José Ignacio Wert, the former President of the European Foundation for Quality Management, EFQM, in 2006 30,000 European organizations were using the EFQM self-evaluation model (Wert, 2006). Likewise, the European Foundation for Quality Management claims in their webpage that “the EFQM Excellence Model is being implemented by over 30,000 organisations in the world”, but this organisation gives that information without any kind of reference to the source of the data (EFQM, 2010). This is the only general reference found regarding the use of the model, since there is not much quantitative material available. Contrary to what is happening with the international standard ISO 9000, it is much more difficult to carry out a descriptive analysis of how widespread use of the EFQM self-evaluation model is, since it is not a certification-oriented reference, and there are therefore no unified records of firms applying this model.

In matters such as this, the only possible way of analyzing usage of the EFQM self-evaluation model consists of analyzing the evolution of different acknowledgements awarded on the basis of this model, both those of the European Foundation itself as well as, if possible, different national and regional awards presented in Europe. Besides the data regarding acknowledgments received, it would also be interesting to obtain data about the companies who apply for this type of recognition.

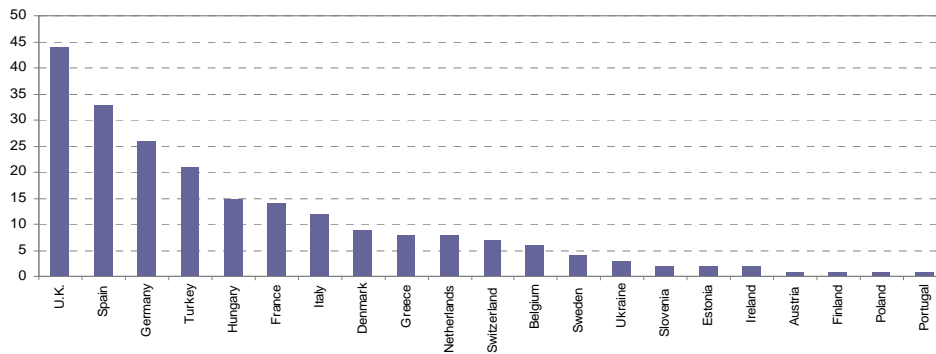
Before conducting the analysis regarding usage of the EFQM model in the European arena, we will briefly refer to the complex scheme of acknowledgments currently in force from the European Foundation for Quality Management, EFQM.

Firstly, there are the “EFQM Excellence Awards”, which are the main prize, previously known as the “European Quality Awards”. These are the awards the European Foundation presents annually, and they constitute the maximum recognition awarded by this institution. This acknowledgment is awarded in three different fields: “Large Organizations, Business and Operational Units”, “Public Sector” and “Small and Medium-Sized Organizations”. Each year an organization obtains this maximum acknowledgment for each of the aforementioned fields (called “Excellence Award Winner”), and below this there are two other awards,

the “Excellence Award Prize” and the “Excellence Award Finalist”, this latter being a special mention for organizations that reached the final stage but did not achieve the levels of the other awards.

Besides these annual awards, the Foundation also employs a system of acknowledging “Levels of Excellence”, which are organized in two levels: “Committed to Excellence” (C2E), awarded to organizations that score less than 400 of the 1000 points the model awards and demonstrate commitment, having implemented a process of self-evaluation and improvement activities with tangible results; and “Recognized for Excellence” (R4E), for organizations scoring over 400 points.

According to the data available from the EFQM Foundation, between 1992 and 2006, close to 1000 European acknowledgments were granted in the different fields (this figure includes both “EFQM Excellence Awards” and “Levels of Excellence”, in both of its fields).



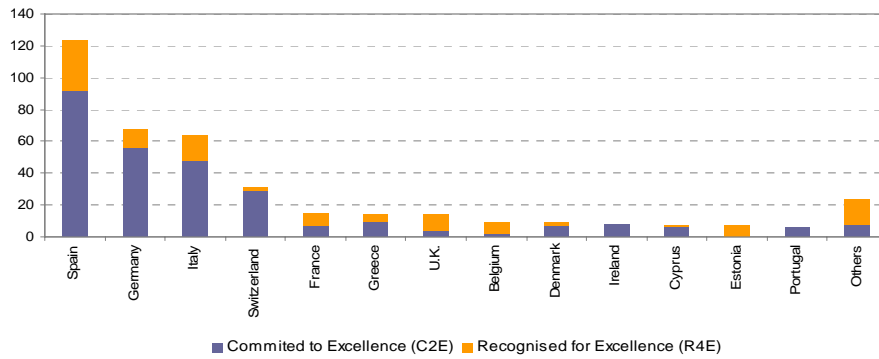
Graph 1 Distribution of “Excellence Awards” presented during the period 1992-2006 by country of origin of the recognized organizations

Source: own data based on information obtained from the EFQM.

Graph 1 presents the “EFQM Excellence Awards”, that is to say, the maximum level of acknowledgments, awarded per country from 1992, the year the awards began, until 2006, the latest year available. As can be seen in the graph, the countries with the highest number are the United Kingdom (44), Spain (33), Germany (26) and Turkey (21).

Similarly, Graph 2 presents the international awarding of “Levels of Excellence” acknowledgments, both in its C2E and R4E fields. In this case, more or less the same countries can be found sharing the top positions.

In short, in the comparison of European countries, countries with disparate market structure and institutional environment such as U.K., Spain, Germany, Italy and Turkey stand out in terms of acknowledgments received. The case of Spain and Italy, two countries where the intensity of ISO 9000 certification has been underlined (Heras et al., 2008) has to be pointed out.



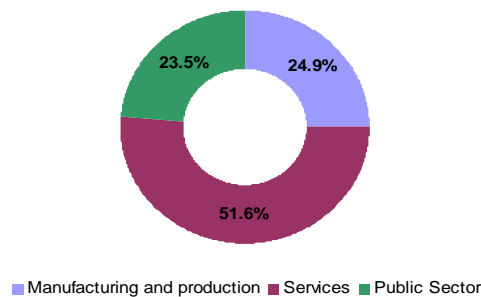
Graph 2 Distribution of “Levels of Excellence” acknowledgements for 2006 by country of origin of the winning organizations

Source: own data based on information obtained from the EFQM.

If we analyze the name and the characteristics of the awarded companies, we would see that a whole range of small, medium-sized and large public and private organizations from industry and the services sectors has been involved in spreading the EFQM model.

Nevertheless, as Graph 3 demonstrates, the great majority of acknowledgments have been awarded to firms not belonging to the manufacturing or production fields (including construction firms in this term). The weight of organizations in the manufacturing and production fields is only around 25%, and the rest of the acknowledgments have been awarded to firms in the service sector, specifically 51.6% to organizations the EQFM classifies as “Services”, and 23.5% to organizations classified as “Public sector”, which is mainly composed of educational organizations, private and public health services, as well as dependent bodies of the various public administrations providing public services.

Heras et al. (2008) mentioned many of the factors explaining industry’s reluctance to use the EFQM model in Spain. Among other things, the authors underlined that the model is too complex for traditional industrial SME, which generally lack the resources required to introduce it.



Graph 3 Distribution by sector of all acknowledgments awarded by the EFQM

Source: own data, based on information taken directly from the database of firms acknowledged by the EFQM.

It is interesting to compare this distribution of awards by sector with the other two most recognized international awards in the field of TQM, namely the Malcolm Baldrige, awarded in the USA and the Deming Prize, awarded in Japan.

The Malcolm Baldrige Award is presented to organizations across five categories: manufacturing, services, small businesses, education and healthcare. Having analyzed the trajectory of Malcolm Baldrige Awards presented from 1998 to 2006, we have been able to establish that the category of manufacturing has received the most awards (36.62%), followed by the small businesses category (23.94%) and services (21.12%). With a more specific analysis, there is no significant difference between the total percentage of award-winning organizations belonging to the industrial sector (52.11%) and the service sector (46.48%).

On the other hand, the Deming Prize is awarded to individuals or firms that have been outstanding in their work of promoting quality management. There are three categories: for firms or divisions of firms, for individuals and for units operating in quality control. Industrial firms have claimed an overwhelming majority of the prizes: 182 out of a total of 193 prizes awarded between 1951 and 2006 went to firms in the industrial sector. It must also be borne in mind that, in its beginnings, the prize was limited to Japanese firms, although lately, it has been broadened to include international firms in response to the interest these have shown in the prize. However, the category for individuals remains restricted to Japanese candidates.

Finally, it has to be underlined that although the EFQM model is used above all in medium and large companies, there has been a sharp increase in recent years in the participation of small businesses.

4. Discussion and conclusions

If the wave of media attention on TQM is analyzed, it is observed that the TQM paradigm could be close to its saturation. Nevertheless, the use of the EFQM model across Europe seems to be far away from its process of decline, if we take into account the documentation and data provided by the EFQM. On the other hand, it seems that the use of the EFQM self-evaluation model is greater in industrial organizations than in firms in the service sector.

It seems clear that the TQM paradigm is not without its problems as far as its mid- and long-term development is concerned. As Heras et al. (2008) pointed out, one clear challenge facing the TQM paradigm or movement is whether it can outlive passing trends and achieve genuine long-term continuity. Although new management paradigms may be necessary, either because they highlight details that the others overlook or even because there is a psychological need for conceptual renewal (the need to renew motivation via a commitment to something new), it is also true that the newest new thing is too often just the old one served up with different trimmings.

This is an issue that needs to be looked at closely by public players involved in industrial policy-making (understood in the broadest sense of the word

as the set of activities aimed at raising the competitive capacity of companies). As Heras et al. (2008) stressed, the mimetic introduction of management concepts under the influence of changing management trends, or even pressure from certain interest groups, should be replaced by a pragmatic or incremental approach towards improvement in business; in other words, an approach based on bringing management practices into line with cultural norms and the economic and social restrictions existing in a particular situation and place.

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