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Review on the Supportive Effects of Information Criterion on Components of EFQM Excellence Model

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Abstract: The EFQM excellence model links different quality management concepts together to lead their effects towards organizational performance. This model follows the logic of TQM theory to obtain excellent results for the organization. Nine variables are included in this model. Recently, the necessary foundation of information, which supports components of the excellence system, has been investigated by authors. Consequently, information can be considered as the missing link in the quality management framework. This study tries to review the supportive effects of information dimension on different criteria of EFQM model. After review, it can be concluded that information have several direct effects on components of EFQM model. In other words, it is found that information concept has a complementary role in EFQM model. Consequently, integration of information criterion with EFQM framework is suggested by this study.

Key words: EFQM model; Information criterion; TQM; Quality Management; Excellence System.

INTRODUCTION

EFQM excellence model is one of the most comprehensive and prevailing quality models which is applied in many countries and sectors (Sadeh and Arumugam, 2010). The European Foundation for Quality Management (EFQM) was founded in 1988 (Moller and Sonntag, 2001). The foundation developed a multidimensional quality model, called the EFQM excellence model. According to the Foundation, quality management should be focused on all activities and levels in an organization and should be a continuous process towards improvement (Nabitz and Klazinga, 1999). The aim of EFOM excellence model is to represent the Total Quality Management (TQM) philosophy (George *et al*., 2003). EFQM excellence model is a valid framework for Total Quality Management (TQM) theory and presents a strategic option and an integrated management philosophy for organizations.

Recently, the importance of information flows in supporting quality management practices is frequently supported by authors. Besides, despite information is covered by TQM theory, it is not exist in EFQM framework as an individual criterion. The objective of this study is to review relations between information dimension and different criteria of EFQM model.

2. Materials:

2.1. Components of EFQM Model:

According to EFQM (2003), the EFQM excellence model is based on nine criteria, grouped into two parts, five enablers criteria (Leadership, Policy & Strategy, People, Partnership & Resources, and Processes) and four results criteria (Customer results, People results, Society results, and Key performance results). The enablers represent how the organization operates, and the results concentrate on the achievements towards organizational stakeholders and how they can be measured and targeted (EFQM, 1999).

2.2. Total Quality Management Theory:

TQM is defined as an approach to management characterized by some guiding principles or core concepts that embody the way the organization expected to operate, which, when effectively linked together, will lead to high performance. There is a general agreement that a framework is needed to put TQM into practice. In addition, several authors have proposed that models based on quality awards fit the definition of TQM, taking into account its major constituents, and could therefore be considered the valid framework for TQM (Bou-

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Llusar *et al*., 2009).

The main internationally recognized excellence awards are the Malcolm Baldrige National Quality Award (MBNQA) in America and European Quality Award (EQA) in Europe. According to Mavoridis *et al*. (2007), majority of countries use these two models or models which are extracted from them to implement TQM theory.

According to Sharma and Kodali (2008), core concepts of TQM theory in excellence award models are including: (1) Leadership, (2) Customer focus, (3) People management, (4) Strategy, Policy, Planning, (5) Business results, (6) Process management, (7) Information management & Analysis, (8) Impact on society (responsibility), (9) Employee satisfaction, (10) Resources, and (11) Market focus.

According to Sharma and Kodali (2008) and Bou-Llusar *et al*. (2009), Correspondence between excellence criteria of MBNQA and EFQM model and concepts of TQM theory reveals the MBNQA does not consider Partnership & Resources criterion, and Information & Analysis is not included in EFQM model. In other words, despite information is covered by TQM philosophy, it is not exist in EFQM framework as an individual criterion.

2.3. Influences of Information Criterion on Quality Management Dimensions:

According to Zeng *et al*. (2007), Information concept, includes transferring information, data and feedback between components of a company, builds vital foundation for excellence.

Review on the literature shows that reliable information help managers to implement correct policies and strategies towards stakeholders' benefits.

Also, internal information on quality is a big part of the feedback. There are several information tools which can be used to gather information on quality and to detect the cause of defectiveness. It is important to facilitate the detection of causes and conducting corrections in managing processes.

Also, the feedback which is given to employees provides a mean of learning and maintaining task-oriented behaviors. Consequently, it effectively helps staff in their activities.

Further, effective linkages with suppliers and customers require bi-directional and early information exchange between organizations regarding quality. The linkage with customers is vital to obtain complete and precise information on their needs and on the company capacity to satisfy these needs.

Several authors studied and examined supportive effects of information criterion on quality management dimension. Since information criterion exist in MBNQA model, majority of these studies determined effects of information on quality management components within the Malcolm Baldrige model.

Berente and Vandenbosch (2009) used a field study across five organizations to investigate role of information flows in organizational processes. The results indicated four principles of information flows (accessibility, transparency, timeliness, and granularity) contribute the business processes.

Zeng *et al*. (2007) indicated Information flows and exchanges are very important in implementing and improving quality management.

Sohn *et al*. (2007) considered some hypotheses about the relationships between Information & Analysis criterion and excellence criteria in SMEs in Korea. They found that Information & Analysis has direct positive effects on Strategy, People, Processes and Customer results.

Badri *et al*. (2006) attempted to test causal relationships among excellence criteria in education sector in United Arab Emirates. They found Information & Analysis has positive influence on Strategy, People (Faculty and Staff), Processes, and student results. Also, they found the Leadership has positive influence on Information & Analysis.

Sila and Ebrahimpour (2005) aimed to empirically investigate the relationships among TQM practices in American manufacturing firms. They found that there are five significant relationships between Information & Analysis and other excellence criteria including effects of Information & Analysis on Strategy, Processes, People, and Customer results. Also, they found that Information & Analysis is significantly affected by Leadership.

Prybutok and Cutshall (2004) conducted a study in American companies and found that Leadership has positive direct effect on Information & Analysis.

Flynn and Saladin (2001) examined causal relationships among excellence factors in manufacturing sector in US. Findings indicated Information & Analysis criterion has significant influences on Policy & Strategy, People, and Processes. Also, they found information criterion is directly affected by Leadership.

Meyer and Collier (2001) aimed to test the causal relationships among excellence criteria in American hospitals. The results indicated that Information & Analysis criterion has positive effects on Strategy, People, Processes, and Customer results. Further, it was revealed that Leadership has positive influence on Information

and Analysis criterion.

Pannirselvam and Ferguson (2000) endeavored to test causal relationships among excellence criteria in American companies. The results indicated Information & Analysis has direct positive effects on Strategy, People (Human recourses), Processes, and Customer results.

Wilson and collier (2000) aimed to test the theory and causal linkages among excellence categories in American manufacturing firms. The results indicated Information & Analysis has positive significant effects on other excellence criteria. They found Information & Analysis has direct positive effects on Strategy, People, Processes, and Customer results.

Choi and Eboch (1998) tried to evaluate direct impacts of excellence practices on Customer result in transportation and electronic industries in US. The results indicated Information & Analysis has significant positive effect on Customer results.

Winn and Cameron (1998) empirically investigated causal relationships between excellence criteria American higher education organizations. The results indicated Information & Analysis criterion is significantly affected by Leadership and also has direct positive influence on Policy & Strategy.

Wilson (1998) measured the causal effects among excellence categories in manufacturing sector in US. Results showed Information & Analysis has significant positive effects on Policy & Strategy, People, and Processes.

Discussion and Conclusion:

The importance of Information criterion in supporting quality management system is advocated by TQM theory and considered frequently in different quality frameworks. Also, the positive influences of this criterion on quality enablers and its contributions to organizational results have been examined and approved by several researches. Results of related studies indicated that Information can directly affect Policy & Strategy, People, Processes, and Customer results. Also, several researches support direct effect of Leadership on Information flows in the organization. It can be concluded that Information criterion has several relations with dimensions of EFQM model. This indicates Information can be integrated in EFQM framework as a separate criterion to support the system. Figure 1 presents the two-way relationships between Information criterion and EFQM dimensions.

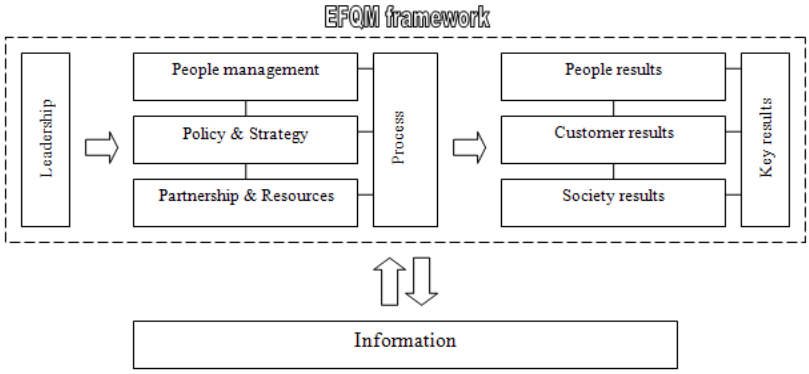

Fig. 1: Relationships between Information criterion and dimensions of EFQM model

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