A Comparative Analysis Of National and Regional Quality Awards

by

Robert J. Vokurka, Gary L. Stading and Jason Brazeal

Quality, as most organizations knew it, rapidly changed during the 1980s. Due to successful Japanese efforts, U.S. industries began to discover the competitive advantages that quality could bring and how the lack of a quality system could bring an end to business.

With customers demanding quality and competitors responding to such demands, businesses turned to total quality management (TQM) as the key to enhance overall performance. As customer expectations increased and performance improvement initiatives were implemented, quality evolved from a product specific focus to an organizationwide effort, from a separate manufacturing function to a strategic business initiative. The quality function was expanding, and with that came new practices concerning continuous improvement.

In the late 1980s and early 1990s, several countries established programs to recognize the inventive, yet effective, quality practices taking place—once again, after Japan, which began honoring quality practices in the 1950s. The criteria of most of these award programs encouraged strategic initiatives in the approach and deployment of quality practices. But as with most successful quality initiatives, the award programs underwent continuous improvements in design and administration.

In their pursuit of TQM, organizations around the world began turning to quality award programs for more than just the recognition such programs offered. Industries realized that the awards also offered models and tools for implementing a quality strate-
In an effort to improve quality management practices and the competitiveness of U.S. firms, President Ronald Reagan signed the Malcolm Baldrige National Quality Improvement Act on August 20, 1987. The Malcolm Baldrige National Quality Award (MBNQA) was created to promote quality awareness, identify the requirements for quality excellence, and share information about successful quality strategies and benefits.

The National Institute of Standards and Technology (NIST) currently administers the award, with ASQ assisting with the application review process, preparation of award documents and other administrative duties.

Striving to define quality performance, NIST developed a set of core principles for quality management, including customer driven quality, leadership, continuous improvement and learning, employee satisfaction, design quality and prevention, planning for the future, company responsibility and citizenship, and results.

Baldrige administrators believe these core principles form a framework for performance excellence—the basis of the award's criteria. The criteria, used to assess an applicant's performance, are divided into seven categories and provide the strategic direction for the entire system (see Figure 1). The categories are leadership, strategic planning, customer and market focus, information and analysis, human resource focus, process management and business results.

One objective of the MBNQA is to provide a model that shows understanding and improvement of quality management by continuously improving the award criteria them-
selves. The Baldrige model is refined annually, with major improvements implemented every two years.

**European Quality Award**

Recognizing the importance of quality performance, 14 major European companies formed the European Foundation for Quality Management (EFQM) in 1988 with the endorsement of the European Commission. And by 1991, EFQM had developed the European Quality Award program to honor outstanding European businesses.

Unlike other awards, the European Quality Award is a regional program that currently involves 16 countries: Austria, Belgium, the Czech Republic, Denmark, Germany, Hungary, Ireland, Italy, the Netherlands, Norway, Portugal, Russia, Slovenia, Spain, Turkey and the United Kingdom.

The award is similar to the MBNQA, but its criteria are comprised of enablers and results (see Figure 2). The quality improvement enablers include the following categories: leadership, people management, policy and strategy, resources and processes. Effective implementation of the enablers impacts the results categories—people satisfaction, customer satisfaction, impact on society and business results. EFQM improves its own quality model by continually analyzing applicant feedback and making necessary adjustments.

**Deming Prize**

In 1951, the Deming Prize was established in Japan by the Union of Japanese Scientists and Engineers (JUSE). It was named in honor of the American statistician and father of the worldwide quality movement, W. Edwards Deming. Today, the Deming Prize honors private and public organizations for the successful implementation of quality control activities.

Unlike other national or regional quality awards, the Deming Prize does not provide a model framework for organizing and prioritizing criteria. Instead, the evaluation includes 10 equally weighted points that each applicant must address. The 10 points involve the following categories: policies, organization, information, standardization, human resources, quality assurance, maintenance, improvement, effects and future plans. Expert panel members judge performance against these points. While the Deming Prize does not provide a model per se, the categories emphasize values similar to those of the other award models in this article.

**Canadian Quality Award**

The Canadian Ministry of Industry introduced the Canada Awards for Business Excellence in 1984, but revised the program in 1989 to reflect the MBNQA concept. The resulting program—the Canadian Quality Award—was released in 1989. Canada’s National Quality Institute continues to use the reward to honor the practice of continuous quality improvement in Canadian organizations.

Instead of a framework linking award criteria, the Canadian Quality Award relies on a continuous improvement guide entitled *The Roadmap to Excellence* (see Figure 3).

**Australian Quality Award**

The Australian Quality Award provides a model certified by the Australian Quality Council, an organization recognized by the Commonwealth Government of Australia as the top organization for quality management. The council was formed in 1993 with the merger of Enterprise Australia, the Total Quality Management Institute, the Australian Quality Awards Foundation and the Quality Society of Australia. Six additional organizations later joined the council, encouraging quality performance in Australian industries.

The goal of the award program is to develop and deploy a comprehensive and contemporary body of quality principles and best practices. The council measures quality performance through seven categories of criteria (see Figure 4). The people, information and analysis, and strategy, policy, and planning categories have the greatest effect on the quality of processes, according to the model. The quality of the processes, in turn, affects organizational performance. Customer focus and leadership are key elements, interacting with all the other parts of the model. Although it is
similar to the MBNQA, the Australian Quality Award has an increased emphasis on the significance of multicultural management.

Comparative analysis

The quality award programs, their models and their criteria have several objectives in common. Each program emphasizes continuous analysis and improvement (see Table 1) and, with the exception of the Deming Prize (which is concerned with company-wide quality control for product manufacturers), focuses on organizational quality management. Overall, the programs exemplify customer driven quality through streamlined processes, product design, leadership, human resource development and customer focused strategic plans.

All of the quality awards aggressively evaluate their applicants, with judges and assessors trained in the awards’ programs, criteria and models.

The assessment procedures share four characteristics:
1. Individual assessors or examiners evaluate the submissions.
2. A consensus score is determined by an impartial group of examiners.
3. A site visit is awarded to high scoring finalists.
4. Awards are given to the companies found to best exemplify the criteria of the award models in both the intent and weighting of the criteria.

All of the awards’ criteria are updated periodically by award administrators in order to represent the most current understanding of organizational quality practice and improvement. Throughout the criteria, customer, employee and community satisfaction are emphasized. Benchmarking is also consistently recommended where improving business practices is concerned.

While the programs have similar criteria, the approaches and definitions involved vary from award to award. Table 2 demonstrates how each award’s criteria address seven quality areas—leadership, planning, customers, employees, processes, suppliers and results.

Differences also exist in the point allocations placed on each criterion (see Figures 5a through 5e). Business results have the greatest weight for the MBNQA, customer satisfaction for the European Quality Award, organizational performance for the Canadian Quality Award, and people or process for the Australian Quality Award. All of the checkpoints in the Deming Prize are equally weighted.

Table 3 demonstrates how the European Quality, Deming, Canadian and Australian award criteria address MBNQA categories. When compared to the
### Table 1: Award Descriptions

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Malcolm Baldrige Award (U.S.)</th>
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<th>Deming Prize (Japan)</th>
<th>Canadian Quality Award</th>
<th>Australian Quality Award</th>
</tr>
</thead>
</table>
| **Objectives** | • To help improve performance practices and capabilities.  
• To facilitate communication and sharing of best practices among U.S. organizations.  
• To serve as a working tool for understanding and managing performance, planning, training and assessment. | • To stimulate and assist European organizations in improving customer and employee satisfaction, impact on society and business results.  
• To support European managers’ efforts to initiate total quality management and achieve global competitive advantage. | • To evaluate and recognize methods of companywide quality control for Japanese businesses. | • To encourage the adoption of quality principles, practices and processes in Canada.  
• To improve the profitability, responsiveness and efficiency of organizations through continuous improvement.  
• To bring higher living standards to Canadians. | • To give Australian organizations the drive and knowledge for achieving the world’s best quality practices.  
• To secure the Australian Quality Council as the Commonwealth’s principal quality organization.  
• To create national wealth. |
| **Quality principles** | • Companies must have direction and customer focus.  
• Quality and performance are judged by customers.  
• Organizational and personal learning are required.  
• Employees and partners are vital to company success.  
• Success requires capacity for change and flexibility.  
• Market leadership requires a future orientation.  
• Making meaningful change requires innovation.  
• Management requires factual analysis.  
• Public responsibility is important.  
• Performance measurement should focus on results.  
• A systems perspective is required. | • Customer focus.  
• Supplier partnerships.  
• People development and involvement.  
• Processes and facts.  
• Continuous improvement and innovation.  
• Leadership and consistency of purpose.  
• Public responsibility.  
• Results orientation. | • Create a vision, and demonstrate commitment.  
• Learn the new philosophy.  
• Understand inspection.  
• Stop making decisions purely on the basis of cost.  
• Improve constantly and forever.  
• Institute training.  
• Institute leadership.  
• Drive out fear.  
• Optimize the efforts of teams.  
• Eliminate exhortations.  
• Eliminate numerical quotas and management by objective.  
• Remove barriers to pride in workmanship.  
• Encourage education and self-improvement.  
• Take action. | • Cooperation + team + partnering = win-win.  
• Leadership = involvement + example.  
• Primary focus = customer.  
• Respect and encouragement heighten employee potential.  
• Strategies should be process oriented and prevention based.  
• Companies should continuously improve methods and outcomes.  
• Decisions should be made based on factual data or information.  
• Companies are obligated to stakeholders and society in general. | • The customer defines quality.  
• All processes are variable.  
• Improved process = improved output.  
• Decisions should depend on facts.  
• Improvement should be planned.  
• People work in a system.  
• People = most important resource.  
• Leadership = direction + support.  
• Continuous improvement requires continual learning. |
| **Criteria** | 1. Leadership.  
2. Strategic planning.  
3. Customer and market focus.  
4. Information and analysis.  
5. Human resource focus.  
2. Policy and strategy.  
3. People management.  
4. Resources.  
5. Processes.  
7. People satisfaction.  
8. Impact on society.  
2. Organization.  
3. Information.  
4. Standardization.  
5. Human resources.  
6. Quality assurance.  
7. Maintenance.  
8. Improvement.  
2. Planning.  
3. Customer focus.  
4. People focus.  
5. Process management.  
6. Supplier focus.  
2. Strategy, policy and planning.  
3. Information and analysis.  
4. People.  
5. Customer focus.  
6. Quality of process, product and service.  
7. Organizational performance. |
MBNQA, for example, the Deming Prize places more emphasis on process control and improvement. On the other hand, customer and market knowledge get relatively little consideration. Similarly, the Canadian Quality Award is less concerned with competitive information and success measures, but is more focused on continuous improvement.

The importance of business results

Results are important when implementing any quality endeavor—true TQM cannot be successful without evaluating results. As is the case in the evaluation of any improvement initiative, results are the true indicator of success. The award criteria reflect this importance, as one of the greatest commonalities found between the programs is the weight that business results are given.

TABLE 2  Common Award Criteria

<table>
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<tr>
<th>Malcolm Baldrige Award (U.S.)</th>
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<tbody>
<tr>
<td><strong>Leadership</strong></td>
<td>Executive, company and community leadership.</td>
<td>Inspiration, support and promotion of total quality management.</td>
<td>Policy, organization and helpful supervision.</td>
<td>Strategic direction, involvement and improvement.</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>Human resource development and participatory environment.</td>
<td>Release of full potential through people management.</td>
<td>Training and motivation of skilled labor personnel.</td>
<td>Human resource planning, participation, learning and improvement.</td>
</tr>
<tr>
<td><strong>Processes</strong></td>
<td>Process design, implementation, management and improvement.</td>
<td>Identification, management, review and improvement.</td>
<td>Standardization, quality assurance, maintenance and improvement.</td>
<td>Design, control, analysis and change, and improvement.</td>
</tr>
<tr>
<td><strong>Suppliers</strong></td>
<td>Improvement of partnering process and evaluation of supplier performance.</td>
<td>Leadership involvement with and management of supplier resource.</td>
<td>Vendor training and associations of related companies.</td>
<td>Partnership, supplier quality and improvement.</td>
</tr>
</tbody>
</table>

All the awards encourage continuous improvement of leadership techniques, strategic plans, company processes and stakeholder relationships through the analysis and change of business results.

FIGURE 5a  Percentage Emphasis of Baldrige Award Criteria

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where competitive advantage is concerned.

The history of change regarding the MBNQA exemplifies the importance of rating business results. When first established, the award did not allocate substantial weight to such results. As award winners began to realize that TQM did not guarantee increased profits, the MBNQA criteria gave more weight to results.

Now, business results and customer and market focus account for more than 50% of the MBNQA model weighting (see Figure 5a).

Despite changes in customer expectations, economic pressures and management approaches, quality awards continue to offer organizations comprehensive and contemporary bodies of quality principles and...
A COMPARATIVE ANALYSIS OF NATIONAL AND REGIONAL QUALITY AWARDS

FIGURE 5b Percentage Emphasis of European Quality Award Criteria

FIGURE 5c Percentage Emphasis of Canadian Quality Award Criteria

FIGURE 5d Percentage Emphasis of Deming Prize Criteria

FIGURE 5e Percentage Emphasis of Australian Quality Award Criteria
practices. With the national and regional quality awards being periodically reviewed and updated, further similarities between their models and criteria should result as these quality award models continue to evolve and mature. As processes evolve, a strategic model for quality and organizational performance assessment is emerging.

The model should not be considered a panacea for all problems, however. Competitive advantage still remains a function of individual organizational infrastructure and cannot be achieved by simply replicating a quality award model. Instead, the award programs should be used to provide a foundation for assessing and encouraging TQM in the global marketplace.

REFERENCES

3. Ibid.

BIBLIOGRAPHY


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