

■ **EVALUATING THE EQA BUSINESS EXCELLENCE MODEL
CONTRIBUTION TO EFFECTIVE HR UTILIZATION**

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Abstract

The aim of this paper is to theoretically investigate whether the EQA Business Excellence model is vehicle for effective human resource utilization. In quality and business excellence literature is often argued that the most important factor is the “human resources” and its mobilizations and empowerment is the key to success of any TQM programme or initiative. However, although organizations are moving away from a “process-oriented” approach mainly through ISO 9000 certification by adding new ideas and implementing frameworks and models such as the European Quality Award, the HR issues are neglected or not systematically incorporated into these quality improvement efforts.

Keywords

MMIS, Selection and Evaluation Criteria, Marketing Strategy

Introduction

In the TQM literature the importance of the “human element” in the quality improvement efforts are often been overlooked. According to Wilkinson, et al. (1991), organizations are often engaged in a “hard”, production-oriented perspective of Total Quality. Only recently a number of authors suggested that the shift on thinking about quality has major implications for the management of labour and has occurred in parallel to a shift in thinking about Strategic Human Resources Management (Tuttle, 1991; Vouzas, 2004; Hart & Schlesinger, 1991). It has been argued that TQM cannot be applied in isolation. TQM is a total philosophy involving all organizational members and has a high personnel content. Several studies suggest that TQM implementation is closely related to the HR function (Soltani, 2003; Snell & Dean, 1992; Kufidu & Vouzas, 1998). TQM can force the HR function to abandon its traditional role and be engaged in a more “strategic” orientation and perspective.

Business Excellence literature is mostly based on rhetoric and “good stories” on EQA and MBNQA awarded organizations in Europe and USA. Bohoris (1995) in a comparative analysis of the two main awards stated that “Quality Awards’ assessment procedures seem to be the only comprehensive means available to date by which TQM initiatives can be thoroughly monitored and assessed, providing any business with a competitive internal mechanism necessary to face the imposition of future new barriers to trade in the form of technical or quality standards requirements. However, the criticism over “excellence models and awards” is growing (Dale, et al., 2000; Laszlo, 1996; McDonald, et al., 2002; Steventon, 1994). According to Dale et al. (2000) the EQA “acted in response to the perceived tarnished image of TQM, whilst the consultancies sought to address the diminishing demand and increasing competition for their services”.

HR utilization and Quality Improvement

The literature on HR utilization and quality improvement

efforts is rather limited. The majority of these studies are descriptive in nature, with many generalizations, and basically put the basis for a better understanding of the role of the personnel function in quality improvement efforts. TQM is often confused with quality initiatives, short-term projects and ISO 9000 series certification (Giles & Williams, 1991; Hill & Wilkinson, 1995; Ho, 1994). In some other instances when a specific framework is used such as the MBNQA, the analysis of the relationship is just another parathesis of the role of the personnel professionals in the implementation of TQM initiatives in a specific time period (Hart & Schlesinger, 1991; Blackburn & Rosen, 1993). The vast majority of quality experts, researchers, academics and practitioners in recent years seemed to agree that "human resources" issues are at the core of the quality philosophy and that employee involvement and commitment is essential for the successful introduction and implementation of quality initiatives, programmes or practices and techniques (Redman et al., 1995; Chen, 1997; Blackburn & Rosen, 1993; Hart & Schlesinger, 1992). It is widely accepted that Total Quality Management has a high human resource context and that quality movement recognizes the importance of human resources and states a conceptual and well-defined image concerning human behaviour and motivation (Pfeffer, 1994). According to Wilkinson et al., (1991), putting human resources issues in the top management agenda is a prerequisite for the effectiveness of all quality improvement efforts. In recent years, research evidence suggest that as TQ improvement efforts proceeds a change in the corporate culture occurs, resulting in the establishment of a work climate in which participation, trust, responsibility for goal achievement and employee involvement takes place (Lawler, 1994; Morhman, et al., 1995).

Several studies suggest that TQM implementation is closely related to the Strategic HRM and the role of the HR function in it (Hart & Schlesinger, 1991; IPM, 1993; Tuttle, 1991; Ciampa, 1992). Total Quality Management is a new management philosophy, which provides a unique way of improving organizational performance and attaining com-

petitive advantage. Total Quality calls for a cultural shift, emphasises self-control, autonomy and has a significant effect in the way people are managed. In the context of these changes, new realities and perspectives emerge for the effective utilization of the organization's human resources. Aligning Total Quality with human resources effective utilization is often the responsibility of the HR function. Achieving this goal requires radical changes in the way the organizations HR function operate. Hendick & Triplett(1989), suggest that implementing Total Quality initiatives (including the ISO 9000 series certification) requires continuous adjustments of every facet of work environment and corporate culture and HR can play an important role in TQM assessment, planning and implementing process as well as in annual monitoring and review. Furthermore, improving quality, meeting customer's needs according to the literature is part of everybody's job and everybody should feel responsible (Deming, 1986; Tuttle, 1991). Quality efforts should be based on a long-term perspective and be part of the overall business strategy including people-related issues such as education and training, performance appraisal, employee involvement, recognition and improving quality of work life. However, research evidence shows that the SHRM issues are not directly put into strategy formulation and in shaping the quality mission and policy (Ciampa, 1989; IPM, 1993). In the US, organizations that were awarded the Malcolm Baldrige National Quality Award, SHRM was considered as essential element in complying with the award criteria and to the effective management of quality. In such cases, SHRM issues are in the top of the top management agenda and HR professionals are part of the top management team, and participate in the design and implementation of the organization's quality strategy.

The relationship between SHRM and ISO 9000 series certification is often seen as part of the HR function involvement in the design, introduction and implementation of a quality assurance system certified by an external evaluator. Wilkinson et al. (1991) and the IPM (1993) study suggest that HR fction actually plays an important role in the design

and implementation phase of a quality assurance system. On the other hand, there are cases in which a quality assurance system had been implemented within the HR department.

Research evidence shows that when quality management evolves from quality control or quality assurance, it tends to focus on the “process” (technical) aspects of quality rather than on the “human” aspects (Margington et al., 1993; IPM, 1993; Kufidu & Vouzas, 1998). Thus, organisations being engaged in a quality assurance approach to quality improvement, do not usually allow sufficient room for staff contributions, and training is targeting only towards people involved in the production process. The personnel department usually is a peripheral function with a very traditional role. On the other hand, research evidence shows that when organisations aim towards an organisational-wide approach to quality (TQM) mainly using the quality awards framework such as the EFQM or the MBNQA, seem to adopt a more productive and constructive approach to the management of human resources by upgrading the role of the personnel department, redesigning and enhancing the existing traditional personnel practices to fit into the quality plans and objectives, providing systematic education and training, relating rewards and recognition to quality and finally establishing agreements with trade unions.

The Excellence Movement and the “Human Resources” element

Research in the US shows that in organizations, which were awarded the MBNQA, the human resource function’s role was essential, but the overall rating on the HR utilization category was not satisfactory. In these cases the personnel professionals were part of the top management team and fully participated in the design and implementation of the organization’s quality strategy (Blackburn & Rosen, 1993). There are limited studies concerning the HR element of the European Quality Award and the reason is that in the academic community the EQA framework is not considered synonymous with Total Quality Managements but rather

such as a business audit approach and a technique within TQM (Vouzas & Gotzamani, 2005; McAdam & O'Neill, 1999; Mc Donald et al., 2002). A study in Denmark shows that "Danish companies are acting in order to improve the use of human resources in the company and to keep up with competition in the market". The increase in the resource score reflects that companies are also more focused in 1996 on the effective use of non-human resources in such a way that company goals and strategies are supported" Kristensen & Jørn Juhl (1999). Hamzah & Zairi (1996) in a study of British organizations winning the EQA give the following statement concerning people in one of the organizations studied "LL Bean Inc. is about people and respect for people. This is a way of respecting the talents within the organization. A lot of companies see people as the problem. We saw people as part of the solution". Xerox, a winner of the European Quality Award, uses extensively benchmarking for HR in the areas of "management development, recruiting, compensation and other personnel processes with the world class competitors". Vouzas & Gotzamani (2005) in a study in Greece found that "EQA seems to provide a new platform for introducing new practices and upgrading the role of the HR function. Management and utilization of people is at the core of the EQA and it seems that the sample organizations are striving to focus on specific issues and measures, covering all HR-related activities. In some organizations the strategic role of people is still not dynamic. It is considered to be very costly and complex, while respondents realize that there were still high opportunities for improvement in this area. It is obvious that human resources issues were not at the center of the quality strategy formulation and implementation within the sample companies."

Conclusions

Having in mind all the above it is obvious that EQA model is considered far more vital and challenging than the ISO 9000 in terms of its purpose, goals and context, and it is mainly used to promote quality awareness to all "internal" and "ex-

ternal” customers. Important factors that are evaluated by the EQA, were competitiveness, customer focus, continuous improvement, benchmarking, fact-based management, people participation and partnership, strategic quality planning. However the EQA is still not sufficiently by awards organizations and the main reasons are the dominant role required by senior management, the lack of integration between the model and the existing quality assurance and the lack of strategic orientation towards organizational excellence in all functions of the company.

Organizations although are aware of the fundamental principles and tools of quality improvement are still in an early stage of implementation. The author believes that one of the most prevailing factors contributing to the delay of the establishment of a “quality-based” culture and a move towards strategic Total Quality Management through the EQA model is the short period of systematic implementation and the preoccupation with the so-called “hard” aspects of quality. On the other hand, an effective and well-structured Human Resources Management strategy if is in place and if it is well documented and communicated to all organizational partners can provide the basis for an upgraded and more strategic role for the HR function. Furthermore, people element considerations can be integrated to line management responsibilities and easily measured and evaluated.

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