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Anton Petric

TPV

Bostjan Gomiscek

University of Wollongong in Dubai, BostjanGomiscek@uowdubai.ac.ae

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Upgrading of the Management Review on the Basis of the EFQM Excellence Model

Anton Petrič¹, Boštjan Gomišček²

¹TPV d.d., Kandijška cesta 60, Novo mesto, Slovenija, t.petric@tpv.si

²University of Maribor, Faculty of Organizational Science, Kidričeva 55a, Kranj, Slovenija, bostjan.gomiscek@fov.uni-mb.si

Suppliers in the automotive industry can use for strategical planning a number of different approaches and tools, which can upgrade the quality management systems (ISO 9001, ISO/TS 14696) to achieve the breakthrough power to meet needs in order to achieve a significant role in the automotive supplying chain. One of the very popular and positively accepted tools to achieve continually improving is implementing of the principles of excellence, according to the EFQM model.

On the basis of case studies is in the article analysed and represented a useful value of the implementation of the quality management system audits and management review according to ISO/TS and their positive impact on the development of key indicators of the company TPV d.d. from Novo mesto, which is mounted as a development supplier in the automotive industry. With the implementation of self assessment according to the model of excellence EFQM we demonstrate the added value of the take up of the principles of excellence, according to the present system auditing according to ISO standards and the implementation of management review according to ISO/TS requirements.

We upgraded in the existing management system performing of management review as manager's tool, which came directly from the requirements of standard ISO/TS, on to the level of the fundamental principles of excellence by EFQM model and mark it as one of the more effective managers tools with which you can still effectively introduces the leadership of the continuous improvements and strategically manages the company.

Keywords: quality management standard, EFQM Excellence model, auditing, self-assessment, management review

1 Introduction

»Improve or perish» is the motto that the business world should assume with the aim to remain competitive in a constantly changing and evolving global market (Karapetrovic and Willborn, 2001).

The automotive industry is known for a high degree of emphasis on the introduction of continuous improvement. These are the condition that the individual automobile factory together with the whole system of their suppliers to compete at a very demanding market and provide a stable and positive business. One of the unpopular, but very effective levers to achieve still better results in the automotive industry, and search and implementing procedures of continually improving is a constant downward pressure on prices or so called "the progress of prices". This means, that by the negotiations of a particular business transaction in supplying chain customer usually requires an annual reduction of product prices. Because of fact, that basic costs of material and work are known by the signing of the Contract is therefore on the supplier to continually searches for possible improvements in its own process, and in such way ensure positive business remains competitive and attractive to customers.

The rapidly increasing global competition that many industry sectors world wide have been facing over the past

decade, associated with rapid technological changes and product variety proliferation have led to a new scenario in which industries, in order to remain competitive, must continuously change, improve and implement best practice management principles, strategies and technologies. The competitiveness of a company is mostly dependent on its ability to perform well in dimensions such as cost, quality, delivery dependability and speed, innovation and flexibility to adapt itself to variations in demand (Carpinetti, Buosi and Gerólamo, 2003).

Also Spence (2008) notes that the changes are imminent. There is not only one strategy, which will retain the organisation on the market for always. Stern, Shiely and Ross (2003) underline that an enterprise needs a winning strategy and relevant organization. Also the well known companies namely can lag behind the competition, if they are not adaptable.

In particular, the production companies have been in recent years the area, where the use of various approaches to improve the competitiveness increased. Such as Just-In-Time (JIT), World Class Manufacturing (WCM), total quality management (TQM), Process Reengineering (BPR), PRSPO (Recognition of Republic Slovenia for Business Excellence), Lean production are just some of them (Horžen, 2005).

Entire family of standards, which are currently the most commonly in the operational use (quality management system ISO 9001, the technical specification for the automotive indus-

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try ISO/TS 16949, the environmental management system ISO 14001, etc.) have as a key starting point for a defined request: "the organisation shall establish, document, implement, maintain and continually improve the system ..." (SIST ISO 9001, ISO 14001). This of course clearly shows how important role the continually improving of the quality has on a successful business of enterprises. Based on the empirical analysis from 212 responses of Slovenian companies that had already acquired the ISO 9001 quality standard certificate, Piskar and Dolinšek (2006) proved that positive effects can be noticed in different business activities stemming from the implemented quality management system.

Zulauf (2007) provides the conclusions regarding the ability of the system thinking. On this basis concludes that the vision of the future is not a forecast in the statistical sense, but this is simply seeing how the system works and where it is intended.

Mønsted and Føns (2002) note that, based on the fact that ISO standards are not as versatile as the EFQM model, it is logical to start searching for the achievement of excellence in the implementation of ISO 9001.

It is therefore appropriate to highlight the difference between the audit, which provides the comparison with the base standard, and self-assessment by EFQM model where the organization looks into herself and specifies the priorities for improvement.

That therefore indicates the direction of upgrading of the integrated system of quality management with all the characteristics and consequently the monitoring through the system of audits in the system through self-assessment (without stand as a candidate for the prize) to the evaluation of excellence (stand as a candidate for the prize). Van der Wiele et al. (2000) note that the use of the self-assessment is mostly internal decision, since the biggest difference between ISO 9001 and 9004 standards and models of excellence is in the reasons for their use. Both approaches have different objectives and purposes.

If we focus ourselves on the analysis of the situation or improving business performance from the views of the two models, we have available (internal audit and self-assessment by the model of excellence), it is necessary to establish, that only implementation of this two approaches is not sufficient.

The important role can play the top management, which is by ISO standards family 9000 committed to regularly management review checks, to provide its leading role for the continuing progress (SIST, 2004).

In this article our focus is on the activities of the audit, self-assessment and management review and their contribution to the performance of the company. We build on the premise that it is possible to connect the quality and excellence models in an effective tool in hands of the top management and define the implementation of management review as key universal tool, with which the top management controls and manages performance of the company.

The company TPV d.d. recognizes that the environment in which it works is extremely dynamic and variable. Competition is growing, also come from countries where the worker deserves a tenth of the incomes of our employees, but car manufacturers (OEMs) are looking for a cheaper solution as soon as possible. It is imperative, that the company as soon

as possible responds to all these changes. Therefore existing integrated quality management system represents no longer that breakthrough power, which would provide a constant adaptation to new challenges. EFQM excellence model is recognized as one of the possible solutions. The implementation of management review should be seen in the company as a process, so we want by introducing the quality management principles to the principles of business excellence to upgrade also management review. In this way we want to show and confirm the flexibility of both root systems and their mutual complementarities, which results in more successful and more comfortable approach of company to the market.

1.1 Approaches to the assessment and implementation of continuous improvements

Mønsted and Føns (2002) note that one of the biggest advantages of using the model of excellence EFQM is in implementation of the self-assessment. Model of excellence can be the perfect tool for the detection of strengths and opportunities for the organization. If a process of continuous improvement is to be sustained and its pace increased, then it is essential, that executives monitor on a regular basis what activities are going well, which have stagnated, what needs to be improved and what is missing. Self-assessment against a recognized quality/excellence model could provide a useful framework (Williams et al., 2006).

Karapetrovic and Willborn (2001) indicate that audit tells us whether we are good in relation to the baseline standard, while the self-assessment explores how good we are at a scale of excellence. In doing so it has the objective of the top-level importance performance, the starting point is the initial state of execution and we are looking at which level of performance we are. Van der Wiele, Dale and Williams (2000) note that there is a big difference between two models of quality management ISO 9001 and EFQM and consequently application of audit or self-assessment in the reason why a particular model is used. Therefore implementation of self-assessment as a continuation of improvements in the direction towards excellence is an internal decision of the organisation.

Technical specification ISO/TS 16949, which is adapted to the automotive industry and is based on the ISO 9001 in the introductory part stresses that implementation of the quality management system should be strategic decision of the organization. To lead the organisation in direction of improved performance standard states, that the top management shall guide and manage the organisation in a systematic and transparent manner. Therefore there are eight quality management principles identified: focus on customers, leadership, involvement of the employees, process approach, systematic approach to management, continual improvements, decision-making on the basis of the facts and mutual beneficial relations with suppliers (SIST ISO 9001).

ISO 9001 for the purpose that organization should function effectively requires the process approach. The advantage of the process approach is that it allows carrying out constant supervision during the links of the individual processes within

the system processes as well as control over their interactions (SIST ISO 9001).

The process of internal audit is an independent tool for gaining objective evidence that the existing requirements have been met. Internal assessment measures performance and achieved improvements in the quality management system according to the basic standard of quality management.

ISO 9004 in section 8.2.1.3 sets out examples which should be examined in internal assessment (SIST ISO 9004):

- effective and efficient implementation of processes,
- opportunities for continuous improvement,
- the ability of the processes,
- successful and effective use of statistical methods,
- use of information technology,
- analysis of data on the costs relating to the quality,
- successful and effective use of resources,
- the results and expectations of the processes and products performances,
- the adequacy and accuracy measurements of performance,
- activities for improvement and
- relations with interested parties.

A basic guide, which must be observed (if there are any sincere intentions) in the implementation of internal audit is to bring real benefits. If the assessments are properly designed, they can help organization, by achieving the objectives pursued and open always new areas, where it is possible to implement continuous improvements. Internal audit should not become only to count the number of non-compliance. This is linked in particular to the approaches and relationship of management. In so far as it has a relationship to the audit minimalistic and sees it only as additional operating costs, ensuring that it is formally establishing compliance with the requirements are met, then it is not possible to expect greater progress. The advantage of efficient audit is a systematic search for deviations from the prescribed activities within the processes of the company, and the search of possible areas for continuous improvement. Alič and Rusjan (2009) indicate that internal audits in duly motivated companies give more positive than negative effects on businesses and have an important contribution to achieving the objectives of the business.

Unlike the standard ISO 9001, which lays down the requirements for the quality management system of the enterprise is a model of excellence EFQM wider in horizon of action, and directs the company into a more comprehensive approaches.

The global, systematic and open approach of the model is a key aspect. The framework of criteria, sub-criteria and areas of improvement is essential for the continuous improvement of organizations in the never-ending search for excellence. The open character is determined by the continuous search of excellence. This process is unlimited because the areas of improvement are in nite. Organisations and people will always be motivated to achieve continuous improvement (Martín-Castilla and Rodríguez-Ruiz, 2008).

Excellence means approach to business that strives for optimal operation of all the activities and functions, it means holistic approach (Savić et al., 2007). This model attempts to

include all areas of business. The organisation EFQM defines the following ways of the application of the model:

- as an internal tool for the implementation of self-assessment whereby the organization gets the information, how far has gone on the road to excellence, helps her understand the gaps and indicate solutions,
- as the basis for a common language and way of thinking about the organization, shared by all workplaces in the organization,
- as a framework for the promotion of initiatives, prevent duplication and identifying gaps and
- as the structure for the system of management of the organization.

EFQM Excellence Model takes into account the eight basic principles of excellence: focus on results, the focus on the customers, leadership and stability of purpose, management by processes and facts, development and integration of employees, ongoing learning, innovating and improvements, developing of partnerships and social responsibility of the organization.

Model of excellence as a method for determining the Status, uses the so-called logic of RADAR, which is made up of the following elements (MIRS, 2004): **Results, Approach, Deployment, Assessment, Review.**

The findings shall be defined through two scoring metrics and valued as enablers and results.

Mønsted and Føns (2002) indicate that the model of excellence is, whether that is the basis for the European Prize of excellence, very useful in understanding and identifying the key links, and the cause/consequence relations, which the organization faced by business. They note that one of the biggest benefits of using a model of excellence EFQM is in the introduction of the self-assessment. Model of excellence can be the perfect tool for the detection of the advantages and opportunities of the organization.

Through self-assessment with the model of excellence the organization in addition to their strengths and opportunities realizes also where it is located in the path to excellence, where is located relative to the comparable competition and where are the areas where it is necessary to target resources to maximise the progress and benefits. There are four basic techniques of self-assessment developed, but regardless of which approach the organization has chosen is the key meaning to choose self assessment as a strategic tool which is implemented in the long term. In this way approach is becoming gradually more difficult, but organisation develops herself and becomes more sovereign (MIRS, 2004).

Each of the techniques has its advantages and brings certain benefits. Which is suitable to each organization, should determine the organization by itself. It is appropriate to start with the simpler techniques and gradually make progress with the use of complex techniques.

In the process of self-assessment is to stress two basic situations, which substantially affect the launch of activities tied to the excellence (MIRS, 2004):

1. the strong commitment of the leadership

Suitable for the start of the activities of self-assessment, it is expected the steering role of leadership as the generator of changes.

2. the weak commitment of leadership

In this case it is necessary to reflect upon whether it is appropriate to begin a self-assessment, or whether it is still too early.

Van der Wiele et al. (2000) note that the great difference between the two models of quality management ISO 9001 and EFQM and consequently applying of audit or self-assessment is in the reason why the particular model used. Therefore, implementation of self-assessment as a continuation of the improvement in the direction towards excellence is internal decision of the organization.

Both approaches have different objectives. ISO 9001 requires the described processes; deviations must be dealt in accordance with prescribed procedures. Self assessment with the model of excellence requires a broader understanding of the organization and orientation on a wide range of activities either inside as well as also outside of the organization.

Karapetrovic and Willborn (2001) indicate that audit tells us whether we have a good assessment in relation to the baseline standard, while the self-assessment explores how good we are at a scale of excellence. Management review is defined in the ISO 9001 in section 5.6. The results of the management review must enable controlling of the achievements of the organisation at least quality objectives that are defined in the business plan and satisfaction of customers with delivered products (SIST ISO 9001).

ISO & IAF (2009) defines different ways and approaches for the implementation of the management review:

- a review on the basis of the report of the representative of the management or other staff,
- use of electronic media,
- ordinary meetings of the management, which examined areas or issues of the budget and objectives.

Among other things, also observes that the management review was not intended exclusively to meet the requirements of the standard, but should be an integrated part of the business process of the organization. Management review is a bilateral process in which top management meets with other levels of the organization. The key is to be shown a sincere interest of both sides. The above indications confirms Bones (2009) who indicates that auditors in practice too often note that management review is carried out as a formality, with a view to only provide the clear record of carried activity, which represents a clear deviation from the requirements of the standard to the »commitment of leadership.« Participants of the management review often seen this activity as the inevitable barrier on the path to certification and identified it as the loss of time of top management.

Practice, with which we face in the company TPV d.d. in third parties audits shows quite the opposite, since they usually begin with a review of the minutes of the management review and then, on this basis, develop a full assessment of the processes. A key focus is on the added value of the management review, clarity of objectives, the realisation of the objectives

and ongoing progress. Also this is one of the causes to emphasis management review.

2 Methodology

On the basis of case studies we carried out a survey in TPV d.d., which operates in the field of the automotive industry as a development supplier. In this article is analysed and shown the added value of the implementation of quality management system audits and management review according to ISO/TS and their positive impact on the development of key performance indicators of company. In the analysis we have included data of audits according to ISO/TS for first and third parties, the performance indicators and business operations for the period from 2006 to 2008 and the results of the self-assessment according to model EFQM.

Presentation of TPV d.d. company

The beginnings of automotive operations in Novo mesto began in 1954 when the company was founded as Moto montaža. Production of delivery vehicles began in cooperation with the company Autounion from Germany, from which they developed its own delivery vehicle in following years. By promoting its own brands of cars have also changed the name to the Industry of Motor Vehicles (IMV).

With the collapse of Yugoslavia, the market IMV's shattered. Thanks to the rapid restructuring of production programs and adapting to new global market conditions, decreased from IMV's developed a new company, one of them was TPV, which has started a new production of automobile parts and components in connection with established global manufacturers of automotive equipment.

A key product of the car seat Renault Clio and Twingo, the factory is specialized in producing components for seats, as well as other products especially the first installation for car interiors.

Specifics of company TPV d.d. from Novo mesto additionally to the production programmes also tied to the following important factors:

- Customers are located in Slovenia and wider in Europe, representing the diversity of approaches and of course for the TPV as a supplier the obligation to respond to any specifics.
- Production is organized in independent technological rounded production units and subsidiaries. Other business functions are organized by directorates. In directorates, production units and subsidiaries are organized sections, which are finally organized in jobs in which they combined, which represent the simplest elements of the process.
- Individual plant (business units) as part of the TPV are specialized by technology and processes and are among themselves dislocated.
- Directorate (Joint Services) are located in Novo Mesto, their processes are highly intertwined with the operations of individual business units.

- Natural conflict between development processes (central) and production (site), evident in project management ie. shifting responsibility from the department to department.

Decision to introduce the principles of excellence is part of the strategic direction of the company, which wants to provide longer-term existence on the market and improve her competitive advantage.

Specifics of automotive industry lies in the fact that the buyer no longer expected only quality, but the perfection that is reflected in the strategy to achieve the quality level measured in a few ppm and cost effectiveness.

In this paper is on the case of TPV d.d. carried out an analysis of actual company data TPV d.d. who has implemented an integrated quality management system based on three initial ISO standards (quality, environment, health and safety) and reflects a long experience with implementation and includes:

- Introduction of an integrated system of quality management, and analysis of the results of internal audits carried out on the model of ISO TS 16949, ISO 14001 and OHSAS 18001. Results of them are connected with the attainment of indicators of the enterprise and business results.
- Performing of self-assessment according to the model EFQM, based on the analysis results are set out areas for improvement, and found out the differences between the two approaches.
- According to both analysis there is shown the differences of the two baseline approaches, strengths and weaknesses of assessment models and their added value. Furthermore, there are indicated guidelines for development activities upon which it is possible to take advantage of synergistic effects of different approaches towards business excellence.

Table 1: Analysis of the results of internal audits and audits by third parties (2006 - 2009)

SHARE OF NON-CONFORMITY BY AREA OF QUALITY MANAGEMENT SYSTEM	First party audit			Third party audit		
	2006	2007	2008	2006	2007	2008
System general	5%	7%	2%			25%
Documentation	17%	18%	31%	24%		13%
Management commitment			1%			
Focus in customer	3%	9%				
Policy						
Planning	4%	1%	2%	14%		
Responsibility, authority and communication	9%	9%	13%	10%		
Management review				5%	8%	6%
Resource management	2%	3%				
Human resources	2%	9%	3%		8%	6%
Infrastructure	5%	3%	1%			
Work environment	2%	1%	3%	14%		
Product realization	3%	8%	12%	10%		
Customer related processes		1%	1%	5%		
Design and development	5%	1%				6%
Purchasing	4%	2%	2%		17%	
Production and service provision	16%	9%	7%	5%	25%	19%
Monitoring and measuring equipment	8%	7%	6%		17%	13%
Measurement, analysis and improvement		2%				
Monitoring and measurement	4%	9%	14%	10%		6%
Control of nonconforming product	2%	1%			17%	6%
Analysis and use of data	2%			5%		
Improvement	9%	3%	3%		8%	
Total	100%	100%	100%	100%	100%	100%

3 Research

Presentation and analysis of the results of audits, the relationship with indicators

Analysis of internal audit is conducted on the basis of studies carried out audit records in the three-year period (2006 - 2008).

The evaluation was conducted as a calculation of the volume of the non-compliance in the particular field of standards depending on the number of detected non-compliance in the period.

By comparing the proportions of non-compliance identified in internal audits and audits by third parties relating to the fields, we want to see how the approach to assessment one another is covered and which areas are more vulnerable in terms of non-compliance. In the present analysis are grouped all the non-compliance in audits carried out within integrated system of quality management, including assessment of ISO TS 16949, ISO 14001 and OHSAS 18001.

Results of the analysis (Table 1) can be summarized in the following substantive points:

- Internal audits focus on the content of the documentation and induce changes which provide more effective implementation, which is positive.
- The company is a manufacturing-oriented, so the emphasis in audits is on the realization of the product when considering the unconscious present.
- documentation, i.e. in the direction of increasing efficiency and

- for effective performing of the company and the processes that are taking place in it is a necessary condition of trained and competent employees and a clear polyvalence within processes.

Allocation of substantive findings in internal audits, also indicates that the assessments are carried out comprehensive, because all substantive comments as identified in almost all areas, which is very positive, indicates a desire for continuous holistic business improvement, while also indirectly shows impact pressures from market which quickly eliminate inactive companies from the game.

In order to obtain a comprehensive overview on the operation of process, there is carried out also an analysis of third-party audits.

The results indicate more systemic problems, which is understandable, since audits are performed by professional auditors, who are not burdened with internal problems. This is most visible through the non-compliances on the implementation of management reviews, while by internal audits these findings have not been seen.

Summaries of these assessments are related to:

- setting clear trusts in relation to operational objectives,
- sense of individual decisions and their added value and
- the role of management reviews by continuous improvements in performance.

Key operating indicators are systemic identified, also manner and frequency of calculating them is clearly defined. Most indicators are calculated on a monthly basis and a smaller share quarterly or annually. Evaluation of indicators

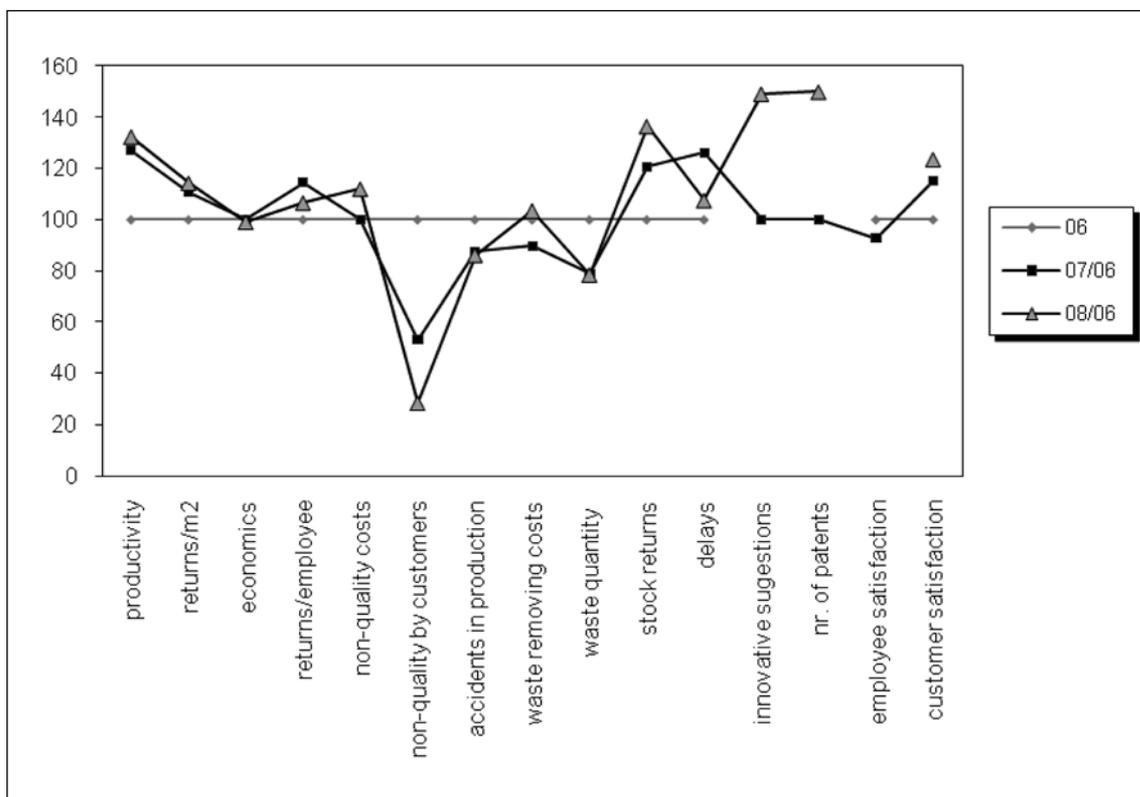


Figure 1: Performance indicators for the period from 2006 to 2008 (in %)

in specific time period from success point of view takes into account the ratio between the realization of performance regards to target.

Most performance indicators show positive trend (Figure 1). Improvement of most indicators scored according to the base year (taking into account problems in times of economic crisis), reflect to the fact, that conducting of audits and efficiency of corrective actions based on identified non-compliance is also shown through the indicators, which are used by company to monitor the level of business performance of its operations, particularly in relation to proper implementation of management review, which through its structure and form, in particular correct implementation represents a powerful lever for promoting the necessary activities and rapid, appropriate actions.

Self-assessment

Approach to the introduction of the principles of excellence in the performance of the company took place in project manner. An internal project was opened for performing self-assessment, where were defined all necessary boundary conditions and parameters for the successful implementation of the project.

Self-assessment activities were conducted by two trained assessors for EFQM excellence model. Initial training of employees was implemented which includes:

- presentation of model EFQM,
- recognizing of fundamental principles of excellence and self-assessment techniques,
- the expected effects of excellence model use and
- presentation of an internal project.

Self-assessment was conducted on four internal organizational units within three manufacturing factories and joint service unit.

The sample of participants in self-assessment is linked to the internal organization:

- board and directorate directors,
- production plant directors and section leaders,
- leaders of working units in production plants.

The self-assessment involved 39 employees, representing 93% of the target population. A total of 1951 responses were obtained. Self-assessment in individual units was moderated by internal assessors.

Special basic questionnaire technique was used for self-assessment. The reason for using the basic questionnaire is in the following of recommendations by EFQM for gradual introduction of self-assessment activities.

Participants in the self-assessment have been reminded to the importance of maximum objectivity in the evaluation and propriety, as the best way to present a honestly view mirror which is seen by employees.

Results are evaluated on a scale: A - fully achieved; B - significant progress; C - some progress; D - has not yet begun (MIRS, 2004).

In the framework of self-assessment exercise was also included recognition of the key factors of success in the fol-

lowing areas: organizational environment, organizational relationships, competitive environment, strategic challenge and system for improvement.

The results obtained on the basis of the questionnaire showing the distribution predominantly in category B and C (Table 2). Numerical grades were not crucial for the results; we were interested mainly for position and perception of current state from employees. Figure 2 presents the results for each criteria in individual units and the average level of TPV d.d.

Self-assessment showed that there is slightly more positive perception of enablers against to perception of the results, suggesting that results are achieved with planned and systematic work.

Table 2: Statistic of obtained self-assessment answers

Distribution of responses	frequency	share
has not yet begun - D	233	12%
some progress - C	1054	54%
significant progress - B	617	32%
fully achieved - A	47	2%
Total	1951	100%

Profile of self-assessment (Figure 2) shows a fairly evenly distributed evaluations according to individual assessment criteria - some larger deviations are conditioned by the fact, that each unit operates in a specific environment and is faced with specific problems on the basis of specialized production.

- Summary of the findings based on self-assessment:
- employees stressed as the most positive criteria processes, which suggests to the tradition linked to a mature quality management system and results related to the society, which is substantially mostly tied to the ISO 14001 standard, with which employees are faced in every days business life,
 - as the most negative, it was recognized results relating to employees, which is confirmed by dropping of satisfaction in the survey, but also indicates the time period in which the self-assessment was carried out (global economic crisis - resulting concern for jobs) ,
 - maximum difference of 24% between extreme units is a good starting point for reflection on what is happening in each unit and on the other hand in addition what was the approach to the self-assessment
 - according to fact, that company puts great emphasis on process approach and process management in particular, is from self-assessment evident, that perception of processes is not homogeneous through units, because the largest difference of 33% is recorded between the lowest and highest score,
 - employees perceive the key results fairly balanced, because of the smallest difference 17% is observed between the lowest and highest score.

Based on self-assessment key areas for improvement and strengths have been identified. On this base were introduced actions to improve the situation.

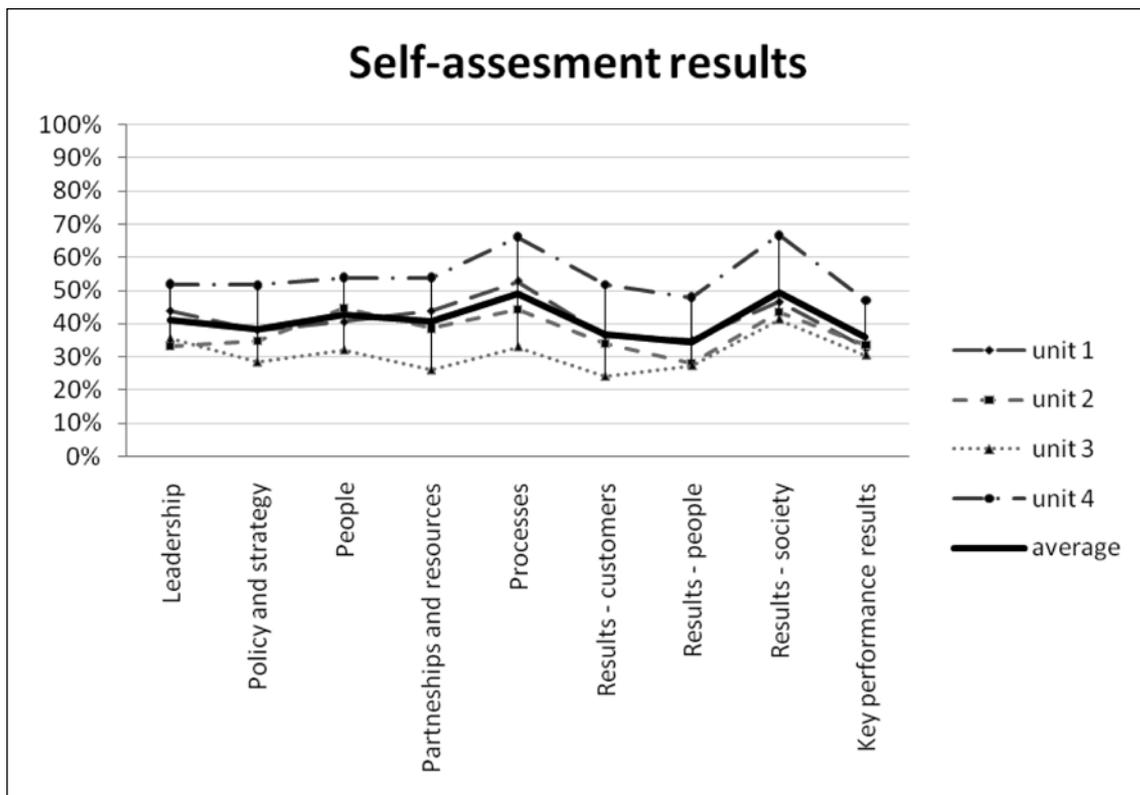


Figure 2: Results of the self-assessment by individual criteria in individual units and average

4 Discussion

Mønsted and Føns (2002) notes that according to fact that ISO standards are not as versatile as the EFQM model, it is logical to start the search to achieve excellence through the implementation of ISO 9001:2000.

Van der Wiele, Dale and Williams (2000) argue that the benefits from the use of self-assessment according to base model are not in obtaining recognition, but in adapting a methodology for assessing progress towards excellence.

Russell (2000) notes, that it is more realistic, if we see the standard ISO 9001 as a useful, even necessary step on the path to excellence. EFQM excellence model provides a holistic framework, on which can organization map out her route in the future. Well-established quality management system can significantly contribute to the efforts of the organization's path towards achieving excellence and complementary approach.

However, Russell (2000) points out, that organization on their path towards excellence and taking into account the fact that they already have implemented ISO 9001 first properly thought, how efficiently they use their quality management system.

If the quality management system depends on the quality manager, and taking into account a potential threat to the external auditors of quality management system, then the organization is not mature for steps toward excellence.

Therefore management of organizations should take a clear commitment and demonstrate the will and determination for continuous improvement, and particularly with their own action demonstrate commitment to the promotion.

That use of ISO 9001 is only a step on the path to excellence is evident from the requirements of both models, since the initial four elements of ISO 9001 can be connected or extended to the EFQM excellence model (Figure 3).

Russel (2000) concluded that ISO 9001 is not to be seen as competing model, but as a complement to the model of excellence.

Among other things he states, that management review is not intended exclusively to meet the requirements of the standard, but should be an integrated part of business process of organization. Management review is a two-way process in which top management meets with other levels of the organization.

Up stated remarks confirmed Bones (2009), which states that auditors in practice too often find that management review is conducted as a formality, with the aim to provide only evident record of checks carried out, which represents a clear deviation from the standard requirements for a "management commitment".

Robitaille (2004) emphasizes the transformation of the management review implementation from passive reporting to strategic planning. Management review is defined as dynamic, constantly evolving set of operations that convert the policy of the organization into operational performance.

It has been empirically verified, that the application of holistic management models such as the EFQM excellence model has a positive effect on corporate performance (Kristensen et al., 2000).

Based on this experience we assume, that performing of management review can be transformed in a way to allow

ISO 9001		EFQM
Management responsibility		Leadership
		Policy and strategy
Resource management		People
		Partnership & Resources
Product realization		Processes
Measurement, analysis and improvements		Results - customers
		Results - employees
		Results - society
		Key results

Figure 3: Relationship between elements of ISO 9001 and EFQM

monitoring of organizations achievements in broader context and provide additional input (the results of the EFQM model self-assessment and review of the achievement according to implementation of company's strategy) and outputs (output decisions and actions of management review) become an additional condition for approving of annual business plan (Figure 4).

Upgrading of the model (Fig. 5) takes into account according to the technical specification ISO/TS 16949 key leadership role, who is responsible for promoting continuous improvement in the organization, implementation of management review fits in the PDCA cycle to phase C (control).

Therefore, the update is performed on the right side of the excellence model, which defines results, thereby leadership as

a generator of change must ask itself about the factors, that have influenced achieved.

In doing so, we consider the use of proactive RADAR logic, which is not intended only for assessment but also for development of management system based on structured problem analysis.

Based on own experience of implementation of ISO / TS and taking into account their requirements and achieved positive trends in indicators which are used to achieve a positive development, can for such approach to management review be used following bases:

- technical specification ISO/TS 16949 in the input data in the management review sets out recommendations for improvements and in output improvements of efficiency of quality management system and its processes, which indicates the openness of the specification,
- management review is one of the key tools of top management to implement the continuous improvement in organisation, so it is feasible to update on a new, higher baseline level of quality management, which is defined as excellence,
- achieving of objectives of organization's continued improvements must be linked with the process of planning,
- introduction of excellence also means receiving basic principles of excellence, which have recognized correlation with the fundamental principles of quality management and upgrade them in specific points,
- according to higher goals of the company's sufficient progress in the management system.

Management review in this way gets more dynamic and decisive role by strategic transformation of defined business policies in the long term, efficient operations. Managers can on the basis of large-scale information, quickly and effectively act on the necessary short-term and long-term changes in the company and completely focus to management of strategically important areas. By adopting the principles of excellence management review on the input side includes information of the results of self-assessment and on exits extends throughout the company's structure even stronger culture of excellence.

With upgrading of the management review to the principles of excellence follows:

- self-assessment include in the systemic approach of process oriented performing,

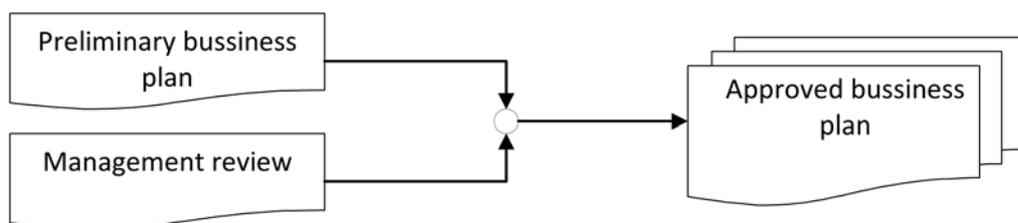


Figure 4: Approving the annual business plan

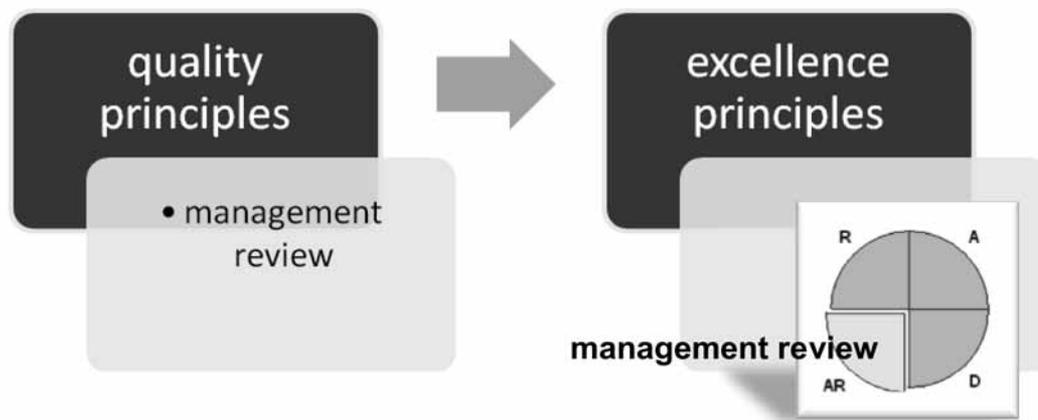


Figure 5: Schematic representation of an upgraded management review

- results of self-assessment are controlled at the highest level of the organisation and thereby highlight the role of top management,
- the principles of excellence extends throughout the company's structure and thus develop culture of excellence,
- process of management strengthen its role towards continuous improvements.

5 Conclusions

The results of self-assessment can be further, in addition to the information required in accordance with ISO / TS, used as input data into a management review.

Usefully complement and build upon the results of audits, and guide organisation to development of "soft" factors, which are necessary for the comprehensive treatment of the organization for achieving the desired or necessary competitive advantage.

Implementation of the management review based on a model of excellence we recognize as logical loop into a whole circle of continuous improvement, which offers a reasonable upgrade of existing management review implementation.

The results of internal audits analysis carried out shown mainly operational problems associated with:

- lack of documentation management,
- inefficient management of corrective actions,
- non-compliant operation of manufacturing processes and
- lack of the defined responsibilities and empowerment.

Therefore, the decision to compare internal audits with third parties audits makes sense, since the summaries of these audits indicated substantially more on systemic problems that are associated with:

- setting clear trusts in relation to operational objectives,
- sense of individual decisions and their added value and
- role of management reviews to continuous improvements.

Positive trends of most presented indicators indicate a content value and appropriateness of internal audits and third parties. Implementation of the EFQM excellence model self-assessment with the results obtained guide in the comprehensive treatment of influential factors to achieve the desired results.

Based on analysis of the requirements of ISO / TS to carry out audits and management reviews we identified gaps and opportunities, how it is possible to upgrade the existing approaches which are used in TPV d.d.

In this way EFQM excellence model self-assessment additionally focus to further direction of development:

- areas of management and organizational climate and
- strategic planning of enablers, which achieve results.

Top management can take with upgraded management review a much more proactive role in monitoring and developing activities of continuous improvement. In this way can organisation faster and more effectively achieve the realization of the set strategic directions and objectives in the field of quality management. It is also an opportunity to place it broader - we can move even into the areas of strategic planning.

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Anton Petrič is employed in the company TPV d.d. from Novo mesto. The main areas are quality management systems, environmental management, safety and health at work and cooperation in implementing the business excellence model. He manages a Directorate of management systems.

Boštjan Gomišček is an associate professor at the Faculty of Organizational Sciences, University of Maribor. As head of the Laboratory for Quality Management, he is engaged in the following research and teaching fields: quality management, environmental protection and maintenance management.