In Search of Sustainable Business Excellence: An Application of the EFQM Model

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Abstract: - Sustainable environmental excellent organizations can operate in different environments, with different stakeholder constituencies, and come in all shapes and sizes but what they do have in common is a mindset based on eight Fundamental Concepts of Excellence according to EFQM. Each concept is a part of sustainable business. Regardless of sector, size, structure or maturity, organisations need to establish an appropriate environmental management framework to be successful in a sustainable way. The EFQM Excellence Model upgraded to Sustainable Environmental Excellence Model (SEEM) is a practical, non-prescriptive framework that enables organisations to: assess where they are on the path to sustainable environmental excellence; helping them to understand their key strengths and potential gaps in relation to their stated (Sustainable Environmental) Vision and Mission as well as to integrate existing and planned (sustainable environmental) initiatives, removing duplication and identifying gaps. Sustainable Environmental Excellence Model provides an holistic view of the organisation and it can be used to determine how these different methods fit together and complement each other. The SEE Model can therefore be used in conjunction with any number of these tools, based on the needs and function of the organisation, as an overarching framework for developing sustainable environmental excellence because (sustainable environmental) excellent Organisations achieve and sustain superior levels of performance that meet or exceed the expectations of all their stakeholders (EFQM Excellence Model 2012). Sustainable Environmental Excellence Model and environmental excellence indicators are powerful tools that serve many purposes, useful as tools for sustainable environmental performance evaluation and public information.

Key-Words: Business, Environment, Excellence, Management, Organization Model

1 Introduction

What is a green business? A business functioning in a capacity where no negative impact is made on the local or global environment, the community, or the economy. A green business will also engage in forward-thinking policies for environmental concerns and policies affecting human rights [1]. Green businesses adopt principles, policies and practices that improve the quality of life for their customers, employees, communities, and the planet. The members of the Green Business Network are changing the way America does business. What do green businesses have in common? Green businesses are socially and environmentally responsible. Green companies adopt principles and practices that protect people AND the planet. They challenge themselves to bring the goals of social and economic justice, environmental sustainability, as well as community health and development, into all of their activities — from production and supply chain management to employee relations and customer service. Green businesses care for their workers. Green businesses ensure they don’t use sweatshop or child labor. Everyone who works directly for them or their suppliers earns a living wage and works in healthy conditions. They create jobs that empower workers and honor their humanity. They also serve as models for the role businesses can play in the transformation of our society to one that is socially just and environmentally sustainable[2]. The successful green business development and implementation of green innovation in an organizational system can produce a significant saving in the amount of business and environment resources and therefore a smaller environmental impact. [3]. If you put a group of people in a room and ask them what Excellence is, you will receive many different answers but they should have something in common: Excellence is about doing your best… And every day,
we are reminded of how important it is to strive for excellence, not only in life but also at work. By nurturing a culture of excellence within your organizations, you open the path to success [4].

We need an integrated system approach of green business and excellence. Integrated system approach integrates the requirements of sustainable green development and environmental excellence with other business requirements. European Foundation of Quality Management (EFQM) is helping to prepare a new generation of business leaders by offering training and development opportunities built on practice-based learning and exchange between organizations. Excellent organizations can operate in different environments, with different stakeholder constituencies, and come in all shapes and sizes but what they do have in common is a mindset based on eight Fundamental Concepts of Excellence according to EFQM [3]. When the EFQM Excellence Model was first issued in 1992, it was the inclusion of a criterion called “Impact on Society” that caused the most discussion. What did this mean… and why was it so important? Since then, the knowledge and understanding of topics like 'Corporate Responsibility' and 'Sustainability' have progressed significantly [4].

Today, one of the 8 Fundamental Concepts of Excellence is defined as “Creating a Sustainable Future”:

“Excellent organisations have a positive impact on the world around them by enhancing their performance whilst simultaneously advancing the economic, environmental and social conditions within the communities they touch.”.

Therefore, the EFQM has designed a number of approaches to help organisations on their Journey to Sustainability, addressing Guiding, Recognising and Training needs [4].

2. EFQM Model

All European organisations, both in the public and private sectors, are facing new challenges. The increasing pressure to compete on a global stage with limited resources means we all have to work together to secure our future prosperity, and that of generations to come. The EFQM Excellence Model provides a framework that encourages the cooperation, collaboration and innovation that we will need to ensure this goal is achieved. [13]."

The EFQM Excellence Model is a non-prescriptive business excellence framework for organizational management systems, promoted by EFQM(formerly known as the European Foundation for Quality Management) and designed for helping organizations in their drive towards being more competitive [4].

All organisations strive to be successful, some fail, some achieve periods of success but ultimately fade from view, and a few achieve sustainable success, gaining deserved respect and admiration. The EFQM Foundation was formed to recognise and promote sustainable success and to provide guidance to those seeking to achieve it. This is realised through a set of three integrated components which comprise the EFQM Excellence Model:

- The Fundamental Concepts of Excellence
- The Model Criteria
- The RADAR Logic

The RADAR logic is a dynamic assessment framework and powerful management tool that provides a structured approach to questioning the performance of an organisation. At the highest level Radar logic states that an organisation should:

- Determine the Results it is aiming to achieve as part of its strategy.
- Plan and develop an integrated set of sound Approaches to deliver the required results both now and in the future.
- Deploy the approaches in a systematic way to ensure implementation.
- Assess and Refine the deployed approaches based on monitoring and analysis of the

Figure 1: Total Environmental Management
results achieved and on-going learning activities.

![Figure 2: EFQM Radar Logic [4].](image)

We believe that the EFQM Model is a common framework that helps us all to improve our businesses. And also offer approaches to help organisations on their journey to sustainability.

3 EFQM Approaches to help organisations on their Journey to Sustainability

3.1 Recognising

The Committed to Sustainability (C2S) approach is based on a respective Framework which includes 5 Themes and 20 Topics and recognises organisations at two levels:

**Committed to Sustainability Validation:** Assess the process to identify and the execution of 3 sustainability related projects, during a 1-day assessment, leading to be recognized with “Committed to Sustainability”

**Committed to Sustainability Assessment:** Assess your organisation on how Sustainable it is on all 5 Themes and 20 Topics, during a 1-day assessment, leading to be recognised with “Committed to Sustainability 2 Star”

![Figure 3: EFQM Triangle Model [4].](image)

3.2. Training

EFQM training courses are for managers and specialists from departments such as sustainability, corporate responsibility, business excellence, strategy & planning, human resources, communications, procurement, environment, health and safety management and functional specialists.

**Sustainability Management Training (SMT):** A course, designed for professionals who want to understand the way to manage Sustainability and handle required change, structured around 14 systematic steps. The course is highly interactive, in small teams (maximum number of participants is 12), includes team workshops, individual exercises, best practices from leading organisations, case studies, videos examples etc.

**Sustainability Assessor Training (SAT):** A 2-day course, designed for professionals who want to be able to assess objectively and improve their organisation's Sustainability level. The course is highly interactive, in very small teams (maximum number of participants is 8), includes team workshops and personalised individual feedback.

3.3. Guiding

The EFQM Sustainability Framework is drawn on the expertise of a group of leading companies and the UN Global Compact. This is designed to be a non-prescriptive guidance framework, designed to guide any organisation, regardless of size or sector, to become more sustainable.
4. Approaches within Lipovec – Rozman – Kralj Environmental Management Model

The environmental management model consists of 5 phases (execution is added as a separate phase). Each of 5 phases is further divided into specific approaches (steps) that must be carried out systematically and implemented in a manner that takes into account all of the organization’s stakeholders. The specific approaches are listed as follows [5].

- Periodical analysis of organization’s internal situation (strengths and weaknesses):
  - Business;
  - Environmental Quality of business;
  - Existing environmental mission, vision, policies and values;
  - Strategic and tactical goals as well as strategies and tactics from previous period.
- Periodical analysis of organization’s external situation (opportunities and threats):
  - Environment (external influencing factors).
- Periodical analysis of stakeholders – their goals and past/current/future relationship between the stakeholders and the organization.
- Environmental mission, vision, values – the organization forms/updates the mission, vision and values, taking into account all stakeholders.
- Environmental goals – the organization defines:
  - Strategic environmental goals (indicators) of business – considering internal in external influencing factors and in cooperation with all groups of stakeholders;
  - Annual (tactical) environmental goals (indicators) of sustainable business excellence in cooperation with all groups of stakeholders.
- Strategies/tactics – the organization defines:
  - Strategies to attain the strategic environmental goals;
  - Tactics to attain annual (tactical) environmental goals;
  - Processes (key (energy efficiency) processes, supporting environmental processes and their sequence) for the accomplishment of strategies and tactics;
  - Process-based environmental goals (costs, assets, stakeholders, duration, information, documents etc.).
- Procedure for planning sustainable business excellence:
  - The organization defines the procedure of planning the sustainable business excellence, taking into account the time (when to plan), people (who plans), procedure (the sequence of planning phases), documents (regulation) and communication (with all involved);
  - The organization regularly checks the suitability of the planning procedure;
  - The organization introduces measures required in case of deviation from the anticipated process of planning the business;
  - The organization verifies the efficiency of measures to improve the procedure of planning the business phase;
  - The organization adopts its plans in advance of the period they relate to.

4.1 Planning the environmental business excellence

The environmental management model searching sustainable business excellence includes the following approaches for planning the sustainable business excellence:

4.2 Planning the organization

The phase of planning the organization is, alongside the phases of actuating the organization and controlling the organization, one of the key parts differentiating the proposed model from the existing models. In this part the planned sustainable (energy efficiency) business excellence of the organization as a whole is adapted to the individual level (employee or other kind of stakeholder). This part is essential for effective and efficient implementation.
The environmental management model includes the following approaches for planning the organization:

a. Analysis of current situation:
   - Existing duties, responsibilities, authorities and communication of employees as well as structures, connected with the mentioned elements;
   - Roles of individual groups of stakeholders, except employees;
   - Existing organizational processes (planning, execution and control).

b. Duties. The organization as a social unit defines:
   - Duties for specific jobs, according to defined goals, strategies and tactics;
   - Roles of specific groups of stakeholders, except employees.

c. Responsibilities. The organization defines:
   - Responsibilities for execution of duties with an emphasis on individual’s personal responsibility.

d. Authority. The organization as a social unit defines:
   - Employee authorization for execution of duties;
   - Methods of delegating the duties, responsibilities and authorizations as well as empowerment of employees.

e. Communication. The organization as a social unit defines:
   - Holders, paths and deadlines for communication by leaders with employees and among them;
   - Systems for informing all stakeholders.

f. Organizational structures and processes. The organization as a social unit defines:
   - The organizational structure that every stakeholder is familiar with;
   - The actual job systemization;
   - Planning, actuating and controlling the organizational processes (methodology, holders, documentation, audits, learning, improvements etc.);
   - System of (energy efficiency) indicators for efficiency of organizational processes.

g. Procedure for (energy efficiency) planning the organization. The organization as a social unit:
   - Defines the procedure for planning the organization, taking into account time (when to plan), people (who plans), procedure (the sequence of planning phases), documents (regulation of organization) and communication (with all stakeholders);
   - Regularly checks the suitability of the planning procedure;
   - Introduces measures required in case of deviation from the anticipated organization planning procedure;
   - Verifies the efficiency of measures to improve the organization planning procedure;
   - Adopts the plan before the beginning of the period for which it refers to.

4.3 Actuating the organization

The key task of the managers within this phase is to recruit, introduce, allocate, develop, motivate and lead the employees as well as to communicate with them. In like manner they should also interact with other stakeholders. The actuating the (energy efficiency) organization phase is crucial, yet is often not thoroughly enough understood and the phases of management process are not executed sufficiently systematically and consistently. The environmental management model includes the following approaches for actuating the organization:

a. Human resources management. The organization as a social unit defines the processes of:
   - Recruiting and selection of new employees with adequate competences (knowledge, abilities, personal and social characteristics);
   - Introducing new employees via mentorship (also in case of allocation and/or advancement);
   - Education and training in order to introduce, motivate and retain good workers – specialists as well as managers;
   - Knowledge management (planning, organizing and controlling the activities, connected with knowledge) – for employees and other stakeholders;
   - Moving the employees to other jobs or into other organizational units inside the organization as well as external fluctuation – leaving the company or pensioning off;
   - Decentralization of HRM functions – from the personnel department to leaders.

b. Leading in narrower sense. The organization as a social unit defines the processes of:
   - Influencing on employees and other stakeholders by leaders, taking into account the principles of direction towards the people, leading by example and accessibility of leaders;
   - Including the employees and other stakeholders (in planning, projects, participation at conferences etc.).
- Stimulating the employees and other stakeholders to inclusion, learning and giving the proposals for improvements as well as to planning, execution and control of improvements;
- Stimulating and supporting the teamwork and the exchange of best environmental practices within the organization and with the stakeholders;
- Execution of personal evaluation / personal development interviews with employees and of processes to take measures on the basis of identified improvement opportunities.

c. Communication. The organization as a social unit defines:
- The processes of communicating the environmental mission, vision and values of the social unit to all stakeholders;
- The processes of communicating the environmental goals, strategies/tactics to employees;
- The system of communicating/reporting in support of the execution;
- The system of conflict management;
- The culture of open formal and informal communication in all directions of the organizational structure.

d. Motivation. The organization as a social unit defines the system of:
- Motivating and rewarding for all groups of stakeholders so that the reward is tied to responsibility;
- Sanctions for not attaining the goals, not respecting the rules and agreements (known in advance and consistently executed);
- Material rewards for proposals for environmental improvements and innovations of employees;
- Non-material rewards for proposals for environmental improvements and innovations of employees (selecting the best employee, the best team etc.);
- Performance appraisal of employees and appraisal of leaders with the aim to improve their competences;
- Safe and pleasant working conditions, considering equal opportunities and support of employees when balancing professional and private life;
- Leaders’ support for execution of tasks and attaining the goals with the aim of assuring a pleasant atmosphere, trust and commitment of employees;
- Employee satisfaction surveys and other methods of gathering feedback from employees and measures on the basis of identified weaknesses as well as the control of executed measures.

4.4 Controlling the organization

The socially responsible and environmental management model includes the following approaches for controlling the organization:

a. The organization checks the real duties, responsibilities, authorities, communication, structures and processes and compares them to those planned.

b. The organization looks for deviations between planned and actual duties, responsibilities, authorities, communication, structures and processes and tries to identify the causes.

c. In order to eliminate the deviations of the actual compared to planned, the organization takes measures – and introduces changes on the basis of facts (improvements, innovations).

4.5 Controlling/checking the sustainable business excellence

The controlling/checking of (energy efficiency) business phase is the last phase of the management process. The sustainable (energy efficiency) business excellence and environmental management model includes the following approaches for controlling/checking the business:

a. The organization tracks what was planned in the (energy efficiency) planning the business phase (environmental mission, vision, goals, strategies, tactics).

b. The organization designs the (energy efficiency) system (i.e. standardized method) of:
- Comparison of actual (energy efficiency) results with the planned ones, comparison with trends and results of competitors and with other best environmental excellence practices;
- Determining the deviations between actual (energy efficiency) and planned situation and causes.

c. The organization designs the (energy efficiency) processes to introduce the measures to implement change (improvements, innovations).

4.6 Execution of tasks - operations

The phases of planning the sustainable (energy efficiency) business excellence as well as planning and actuating the organization are followed by the execution of tasks on the basis of business functions or
other forms of organizational unit. The tasks have to be executed in accordance with adequate structures/processes, through which the organization performs and achieves results. Besides the basic business functions (purchase, finance, ‘manufacturing’, HRM, sales etc.) that are directly connected to the organization’s core business, there are also some other supportive functions that have to be executed, such as R&D, accounting, safety, logistics, legal affairs, investments, etc.

The environmental management model searching sustainable business excellence includes the following approaches for execution, which is not a sequential phase of management but is tightly connected with all five phases of the environmental management process:

a. The organization defines the systems of:
   - Managing relations with existing stakeholders and developing new partnerships, joint introduction of improvements, recognizing and rewarding the contribution to the common success;
   - Customer relations management (planned communications (web pages, e-mail, annual reports, brochures, press conferences, customer counselors)), customer support, care for service quality as the duty of each employee, accessibility of services, responsiveness to demand and complaints, stimulation of creativity and innovation in customer relations);
   - Efficient change management.

b. The organization develops its image to gain higher recognition and a better sustainable excellence image in public.

c. The organization disseminates best sustainable (energy efficiency) excellence practices from specific area of organization to other parts or to other organizations.

d. The organization actively contributes to the development of sustainable (energy efficiency) excellence society, taking into account the rights and interests of future generation.

5 TheEFQM Award Results 2015

EFQM were proud to announce the results of the EFQM Excellence Award 2015 [14]:

5.1. BMW AG WERK REGENSBURG - AWARD WINNER

With a workforce of approximately 9,000 people, BMW’s Regensburg plant produces around 1,100 cars per day. Besides its high flexibility and mastery of a large range of variants, this EFQM Excellence Award Winner’s outstanding efficiency becomes particularly apparent in its great launch expertise. The Jury recognised consistent top level performance and good practices amongst all the Fundamental Concepts of Excellence, including many specific role-model practices. BMW Regensburg are persistently pursuing Excellence.

5.2 WDH - AWARD WINNER

One of the UK’s largest social landlords, WDH owns 31,000 properties and repairs a further 12,000. As a social enterprise, this EFQM Excellence Award Winner’s vision is to create confident communities and improve the quality of life of the people living in their homes. The Jury was impressed by WDH’s long-term plans to improve the lives of their customers and the outstanding results in all performance areas. On top of that, there is a vision that runs through the organisation like a golden thread, supported by an inspirational leadership and passion in the organisation.

5.3 BOSCH CAR MULTIMEDIA PORTUGAL, S.A. - PRIZE FOR “LEADING WITH VISION, INSPIRATION AND INTEGRITY”

Bosch Car Multimedia Portugal, S.A. produces a wide portfolio that spans across navigation systems, instrumentation systems and high-end car radios for the automotive industry to only name a few product lines. Over the years, the know-how of the more than 2,000 associates turned the company into a reference in the electronics sector. The Jury was impressed not only by the way the changing business environment has been managed with agility, but more importantly by the strength of the leadership and vision, and the robust foundation that has been established for the future.

5.4 CABINET D'ORTHODONTIE BECKER & ASSOCIÉS - PRIZE FOR “ADDING VALUE FOR CUSTOMER”

With its 5 sites located in Luxembourg, Cabinet Becker’s private dental practice specialises solely in orthodontics. They deliver excellence in their diagnosis, treatment and medical care in line with patients’ needs. The jury was impressed by the excellence service with a personalised patient programme, and considered that Cabinet Becker to be outstanding within their sector.
5.5 COCA-COLA ICECEK AS BURSA PLANT - PRIZE FOR “DEVELOPING ORGANISATIONAL CAPABILITY”

Fifth largest Coca Cola bottler, Coca-Cola Icecek produces, distributes and sells sparkling and still beverages in Turkey and across the region with a workforce of 10,000 spread across 24 plants. Within this entity, the jury recognises the Bursa Plant’s very high flexibility to manage the whole portfolio and the excellent execution of operational activities.

5.6 ROBERT BOSCH, BLAICHACH PLANT - PRIZE FOR “MANAGING WITH AGILITY”

With a workforce of about 3,100 people, Robert Bosch’s Blaichach/Immenstadt plant is the biggest industrial employer in Germany’s Allgäu region. It manufactures mainly electronic brake control systems (ABS and ESP®), injection components and sensors for powertrain technology. The jury recognised the continuous flow of improvement activities deployed within processes as well as the extraordinary wide and deep set of technical competencies and the strong deployment of methods and tools.

5.7 ROBERT BOSCH, RODEZ PLANT - PRIZE FOR “SUSTAINING OUTSTANDING RESULTS” & FOR “DEVELOPING ORGANISATIONAL CAPABILITY”

Located in France’s Midi-Pyrénées region, Robert Bosch’s Rodez Plant provides work for approximately 10,000 people. The Plant manufactures energy saving and emission-reducing engine components. The jury was impressed by the plant’s strategy deployment, the alignment of people strategy, the high level operations and maintenance excellence as well as the deployment of tools and techniques. They recognised the consistent deployment of excellence approaches.

5.8 SAKARYA UNIVERSITY ESENTEPE CAMPUS SERDIVAN - PRIZE FOR “DEVELOPING ORGANISATIONAL CAPABILITY”

Founded in 1970, Sakarya University has become a world-class education centre with its over 40 faculties, schools and institutes located in Turkey. The jury was impressed by SABIS, the unique interface to access any information system within the campus. It provides access for all students and staff and allows for effective management and communications.

5.9 SANITAS HOSPITALES - PRIZE FOR “SUCCEEDING THROUGH THE TALENT OF PEOPLE”

Responsible for managing hospitals infrastructure within their Group, Sanitas Hospitales receives an EFQM Excellence Prize. Their network is composed of 4 hospitals, 20 multi-speciality centres and offers emergency care at home. The Jury recognised their outstanding results, the patient care “green jacket” programme and also the “Everyday hero programme” they have created for employees.

5.10 VAMED-KMB KRANKENHAUSMANAGEMENT - PRIZE FOR “ADDING VALUE FOR CUSTOMER”

VAMED-KMB, with its highly qualified staff of 1,000, provides valuable and sustainable operations management services for hospitals on behalf of Vienna’s healthcare system. They have maintained the Vienna General Hospital ever since its construction. The Jury recognises the strong interaction VMED-KMB have with their customer, which justifies an Excellence Prize for Adding Value for Customer.

5.11 GENERAL DIRECTORATE OF IETT ENTERPRISES - FINALIST

IETT is the public bus transport directorate operating under İstanbul Metropolitan Municipality. IETT offers services in the province of İstanbul (a total surface area of 5461 km²). IETT owns the General Directorate Building located in Beyoğlu/Tünel, an administrative building located in Karaköy and ten garages for parking and maintenance-repair operations in various districts of İstanbul.

5.12 GERIATRISCHE GESUNDHEITSZENTREN DER STADT GRAZ - FINALIST

The Geriatric Health Centres of the City of Graz, Austria (GGZ) are a competence centre for geriatrics and gerontology. They are a commercially independent and in legal terms an integral part of the City of Graz (100% public ownership). The GGZ consists of 2 clinics, 4 nursing homes, 4 day-care centres and assisted living and other forms of accommodation. The
scope of the assessment included the 2 clinics and 2 day-care centres, located in the same street.

5.13 METSÄ FIBRE OY - FINALIST

Metsä Fibre (MF) is a Finland-based responsible pulp producer. The main raw material for its Botnia products is renewable wood from sustainably managed northern forests. MF produces bleached softwood and birch pulp developed for the production of high-quality boards, tissue and printing papers and specialty products. In addition, MF produces biochemicals and bioenergy.

5.14 PIERBURG S.A - FINALIST

Pierburg S.A., formerly known as Carbureibar S.A., was founded in Eibar, a town in the Basque Country (region of Spain), in 1957 by 2 families. The company initially manufactured carburetors for motorbikes, cars and motor powered machinery, vacuum pumps for braking systems and mechanical fuel pumps. Pierburg S.A. became part of the German Pierburg GmbH group in 1991 and is currently the leading plant of the Pierburg Group in the manufacture of exhaust gas recirculation valves (EGR) and control valves for secondary air systems (SAS).

5.15 SCLE SFE - FINALIST

SCLE SFE is based in the south of France, with headquarters in Toulouse and an agency in Marseilles. It is specialised in the design, manufacturing and the distribution of products, systems and services for the high-voltage transformer substations automatisms and for railway signalling systems. Safety, quality, performance and availability are SCLE SFE’s focal points.

6. Conclusion

We often talk about it, and in general we feel we're doing an excellent job, but what is Excellence? Excellence is more than just doing well, or being good. Excellence is when people strive to be the best they can be and this applies to organisations as well... [13]. At its simplest level, the Model is a cause and effect diagram. If we want to achieve a different result, we need to change something we do within the organisation. The Model provides a framework for understanding which levers we need to pull in order to achieve the results we want. It helps us understand the role each part of our organisation needs to play in effectively implementing our strategy; whether that’s in an SME, a school or a global company[13].

And because what is considered excellent today will only be considered as adequate tomorrow, there is a continual improvement loop, feeding back the learning from the results achieved and using creativity and innovation to drive increased value for all the stakeholders[13].

References


