

**THE NATIONAL QUALITY AWARD IN SLOVENIA
'THE SLOVENIAN BUSINESS EXCELLENCE PRIZE'**



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Abstract

The national quality award, called the "Business Excellence Prize of the Republic of Slovenia (PRSPO)", is the highest national award for achievements in the field of quality of products and services, and business performance quality in Slovenia, as a result of development of knowledge and innovation. The beginning of the Award dates back to 1998, when the National Quality Award Act was adopted. The Award procedure is led by the Metrology Institute of the Republic of Slovenia within the Ministry of Education, Science and Sport. Organisations from both the private and public sector may apply for the Award. According to the Act, the Prime Minister of the Republic of Slovenia presents the Award to the winners. The Award criteria are based on the EFQM model and the applying procedure is similar to the European Quality Award (EQA).

1. General Information about Quality in Slovenia

With its area of about 20 000 km² and its population approaching 2 million, Slovenia belongs to the smaller-size European countries – and also to the youngest, since we have only been building up our own state since 1991, when we became independent. There are over 130 000 companies in Slovenia, the majority (98 %) being small businesses with up to 50 employees. The narrower public sector comprises about 3000 institutions. It is no coincidence that, in the past ten years, we have seen a boost of quality management systems in Slovenia (with 1200 ISO 9000 certificates and 180 ISO 14000 certificates granted), and there has also been strong interest in introducing the European Excellence Model through participation in the procedures of the National Quality Award. The key driving force of these processes has been the transition to the EU markets and the markets of other developed countries during the period since Slovenia became independent.

Although, at the beginning, the introduction of quality standards in Slovenia was much more intense in the private sector, it is becoming more and more evident that good performance of the public sector is equally important for successful overall development of a country – both in terms of increase of economic effects of the private sector, and the quality of life of the population in general.

Slovenia's harmonization with the EU has also shown effects in its perception of the quality issues. This was particularly evident during the introduction of the European Directives and Standards. Since its foundation in the independence year of 1991 Metrology Institute (MIRS) ¹ has been the main organiser of the national technical quality infrastructure. Its assignments included those of the national standards body, the national accreditation service, the national

¹ at that time called the Standards and Metrology Institute of the Republic of Slovenia - SMIS

metrology institution, and the coordinator of the National Quality Award. In these roles it was – acting mainly as a role model itself – the initiator and promoter of the introduction of up-to-date quality management systems into these systems and also more widely. MIRS is responsible for establishing and maintaining the national technical quality infrastructure in the fields of metrology and National Quality Award. In order to be able to perform these assignments, MIRS has established close partnerships with about 90 organisations from the public and private sectors, to build up the national metrology system, as well as with about 100 experts in the field of National Quality Award to build up a system of assessors and jurors.

In the field of National Quality Award, MIRS has been, since the very beginning in 1995, an initiator, organiser and financier of the activities for establishing the system of the "Business Excellence Prize of the Republic of Slovenia" - known in Slovenia by the PRSPO abbreviation. The core activity here is administration of the yearly assessment procedures.

2. The Slovenian National Quality Award and Related Activities

In the years 1993-1994, the National Quality Programme activities started, and that marked the beginning of our National Quality Award (PRSPO). Its basis is provided in the Republic of Slovenia Business Excellence Prize Act, which was adopted in 1998. PRSPO is fully funded from the State budget and managed by a Board appointed by the Slovenian Government. MIRS builds up, maintains and co-ordinates the system and performs the necessary systematic, technical and administrative tasks for the needs of PRSPO. Since 1995, MIRS has been an active member of EFQM, and since 2002, a National Partner Organisation (NPO). This has enabled us to promote, through close collaboration with EFQM, the bringing of the European Excellence Model into practice, and to help create future development in this field.

2.1. Our Approach

The approach that we took to launch the first assessment process was the pilot project approach, and the first project in 1996 was followed by another one in 1997. We focused on training of the employees in companies, translating and adopting the EFQM Model. In the meantime, the Slovenian Government started the procedure of adopting the Slovenian Business Excellence Prize Act.

Following two successful pilot projects, the first regular application and assessment process for the Slovenian companies was launched in 1998. The reason we decided to encourage first companies which had already been certified against ISO 9000 standard was their expectation of »something more« along with many of the other certified companies in the country. They wanted to improve their business. At the same time pilot projects were carried out as a preparatory step, to qualify the applicants and the assessors before taking part at the Slovenian Quality Award procedures.

2.2. The Basic Characteristics of the Award

The Slovenian Business Excellence Prize is the highest recognition given by the Republic of Slovenia within the national quality programme for the achievements in the field of quality of products and services as well as business quality.

The award is based on the nine criteria of the EFQM Model, and the award process is very similar to the EFQM award process. It is granted by the Slovenian Prime Minister during the Award Ceremony. The Prize may be applied for by the Slovenian business enterprises, institutes and other legal persons, as well as the state authorities wishing to introduce systems for attaining advanced business processes, thus ensuring competitive advantage to their products and services. The Award may also be granted to individual entrepreneurs who meet the conditions and it is presented as a sculpture (statuette) and as a certificate (document).



Figure 1: The statuette

2.3. The Award Process »Drivers«

The Board represents the highest level of decision-making in the award process. The Board consists of nine members: the minister in charge of economy, the minister in charge of science, the president of the Chamber of Commerce and Industry of Slovenia, the president of the Chamber of Craft of Slovenia, two directors of two business enterprises, two directors of organisations from public sector and a representative of Slovenian syndicates. Each year an Assessor Commission is appointed by the Board. The Commission consists of assessors, senior assessors and jurors. The assessors and senior assessors are responsible for assessing the application documents. There are 90 assessors in the system at the moment. The jurors are responsible for making proposals as to the award winners, which they present to the Board. The whole award process is coordinated by MIRS.

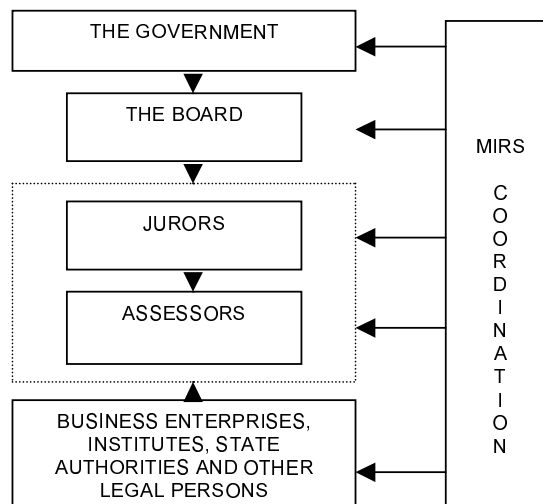


Figure 2: The Award system organisation chart

2.4. The Results of Award Activities

In the years 1996 – 2003 35 education and training courses with over 600 participants have been organised in order to raise the awareness of the importance of business excellence and to maintain the necessary level of information to the assessors and potential applicants.

Additional training in the subject of improving assessments (called "calibrations") are organised each year. The assessors should attend at least one calibration each year. Until now, 45 hours have been the average of training per assessor. The value of this method can be demonstrated through a case in 1998, when the Slovenian assessor team attributed the same level of scores to an application document as the European assessor team in the same year.

In 1996-2002 a total of 120 applicant assessments were carried out (of which 52 within pilot projects, 90 in the private sector and 30 in the public sector). So far, 52 Slovenian organisations have participated (18 from the public sector). Pilot projects started in 1996 with manufacturing and service organisations, followed by health care and tourism organisations. The number of applicants and finalists for the last five years, together with the range of scores for the finalists, are presented in Figure 3.

Year	Number of Applicants			Number of Finalists			Range of Scores									
							550-501		500-451		450-401		400-351		350-301	
Category	Large	SME	Total	Large	SME	Total	Large	SME	Large	SME	Large	SME	Large	SME	Large	SME
2002	14	0	14	4	0	4			4							
2001	10	2	12	2	1	3			1		1	1				
2000	11	5	16	3	0	3	1		2							
1999	13	2	15	5	1	6			4				1	1		
1998	7	4	11	6	1	7		1	1		2		2		1	

Agenda:

SME – Small and Medium Sized Enterprises

Large – Large Organisations

Figure 3: Slovenian Quality Award (PRSPQ) applicants and finalists according to the range of scores (1998-2002).

In promoting the EFQM Model and National Quality Award, MIRS as EFQM National Partner Organisation closely collaborates with the EFQM and other Slovenian institutions in quality area. Annual Winners' Conferences are organized since 1996, and The National Quality Award Ceremony since 1998.

In years 1998-2002 the following Slovenian applicants applied for the award at the European level: Hermes SoftLab, Ljubljana (1998), Danfoss, Ljubljana (2001), Saubermacher & Komunala, Murska Sobota (2002).

Figure 4 shows the average scores (in percentage) of finalists (1998-2002) according to individual criteria. We notice that there has been a visible progress in almost all the criteria. During the observed years the greatest progress has been made in the sphere of People and Customer Results, which show 10 % progress. Partnerships & Resources and Key Performance Results have improved as well. The Slovenian finalists have reached the highest percentage of the score at Society Results, where a considerable improvement has been made. This might imply that the applicants have raised their standards of attitude towards the environment by implementing the ISO 14000 standard. The finalists have also reached the highest percentage of the score in Key Performance Results, which is understandable, as only the enterprises with good business results compete for the Prize.

The Slovenian finalists have paid utmost attention to the elimination of gaps and deficiencies, and have thus achieved a more balanced level of business excellence. In spite of the great progress achieved, the companies' attitude towards people, i.e. People and Customer Results, remains the weakest point of the finalists.

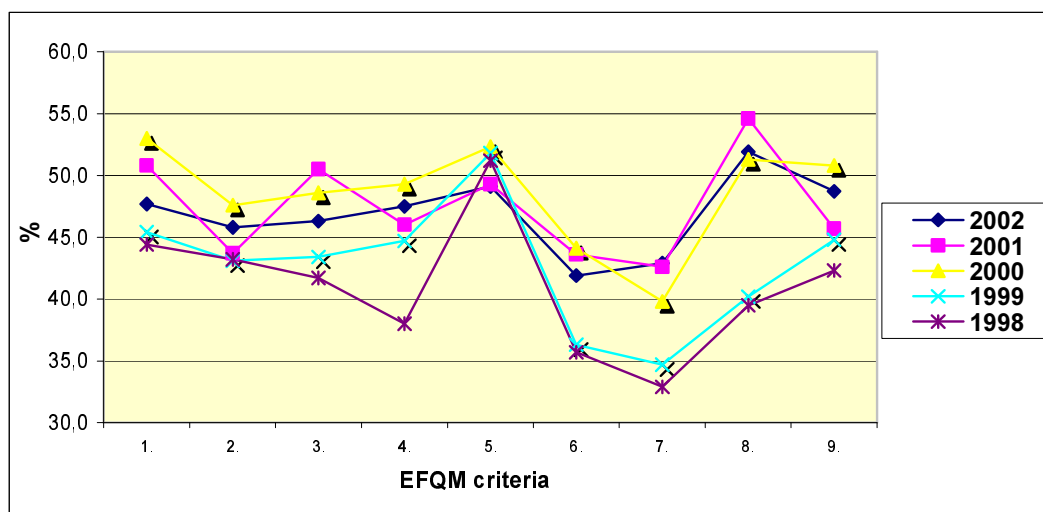


Figure 4: Average scores of finalists in the years 1998-2002

3. Comparison of the structure of Slovenian and EQA applicants

The structure of Slovenian applicants is very much similar to that of the applicants for the EQA. In the period 1996-2002, the majority were large organisations (69 %) (EQA 53 %); SMEs (25 %) (EQA 37 %); and the public sector (6 %), (EQA 10 %). In the period 1999-2001, three pilot projects were carried out for the health sector (altogether 18 applicants), which means that the share of public sector organisations increased during that period. An overview of the number of applicants for PRSPO as compared with EQA has shown that the number of large organisations participating in PRSPO is higher each year than in EQA. The ratio between the number of private sector applicants for PRSPO and those from the public sector (including pilot projects) in the period 1996-2002 is shown in Figure 5.

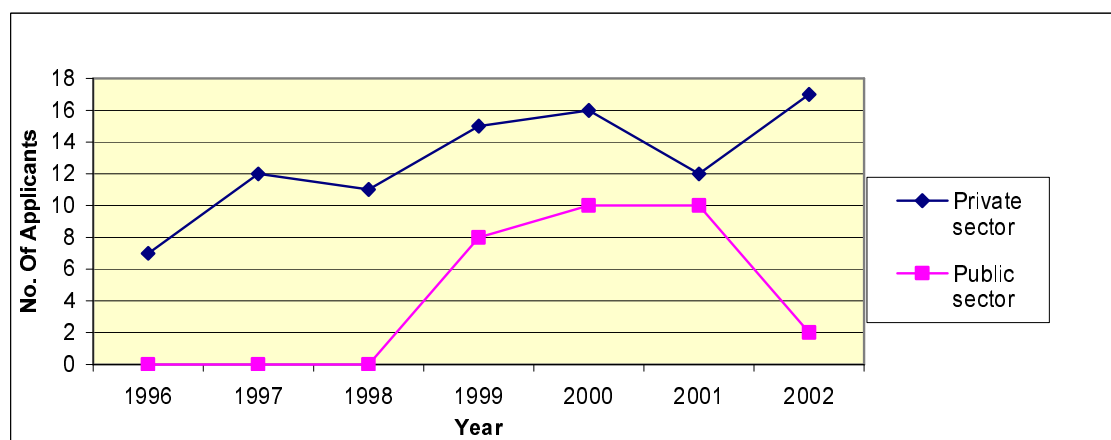


Figure 5: Number of applicants for PRSPO (including pilot projects) in the period 1996-2002

4. Perspectives of the Excellence in Slovenia

According to our estimation, the future of the EFQM Model in Slovenia greatly depends on the general deployment of this model, and also on the role of possible other, alternative models. We believe that the future rather depends on the research and promotion of the effects of the introduction of the EFQM Model, and on its advantages in comparison with other approaches. Appropriate promotion of the national as well as European quality awards is certainly important here, since it is one of the important driving forces for the application of the Model.

Developments in Slovenia show that, in the years to come, the EFQM Excellence Model will be more often applied in the public sector, which still has a lot of reserves. An amended Slovenian Business Excellence Prize Act has been adopted recently, which enables the establishment of a special award category for the public sector.

A development strategy for the Slovenian public sector until 2005 has also been adopted by Slovenian Government. Besides on ISO 9001, this also lays stress on CAF - Common Assessment Framework, which is adapted to the needs of public administration and based on the EFQM Model. In 2004, the most daring step under this strategy will be the intended implementation of a pilot project for the public sector according to the EFQM Model within the National Quality Award.

5. Continuous Learning, Improvement and Innovation by Using the EFQM Model

On the basis of our own experience gained in introducing the EFQM and CAF Model into our organisation, we can confirm that conducting of self-assessment has had positive effects on the change in thinking of the people, in particular the management. Communication has especially improved with the transmission of the relevant information to the people, internally as well as externally. Follow up activity consists from the action plan of improvements, which was adopted by management team and integrated in our business plan. Progress is regularly monitored during our business reviews, and this enables us to follow the implementation of the set objectives. As an obligatory part of the action plan we have set an objective to establish a system of continuous improvements and to repeat self-assessment in a period of two years.

The organisations applying for the National Quality Award relate of similar experience. The cyclic performance of self-assessments according to the EFQM Excellence Model by submitting a document for the Award systematically encourages the organisations to on-going learning and continuous improvement and innovation. This is even more important for Slovenia, who is endeavouring to increase its added value as much as possible, along with the retention and boosting of its global competitiveness. Besides, in a long term, we see important effects of the use of the EFQM Model on the quality of life and welfare of a wider society.

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