

TRUE BENEFITS FROM WINNING THE POLISH QUALITY AWARD- RESEARCH FINDINGS

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Abstract:

This paper highlights true benefits to laureates of the Polish Quality Award. So far, there have been 20 editions of the award. Presented research was done based on the feedback from 80% of all the laureates of all editions. The laureates were extensively surveyed and interviewed to discover, categorize and measure the diversity of benefits among the laureates. Furthermore, the paper presents the findings on the benefits of knowledge management and the role knowledge management plays in the process of enhancing the quality of management and innovation process in the award-winning organizations.

Keywords: quality, quality management, total quality management, knowledge management the Polish Quality Award, Polish Quality Award laureates, benefits and effects

1. INTRODUCTION

XXI century global knowledge-based economy relies extensively on quality, knowledge and innovation. Businesses adopt state-of-the-art strategies and seek new ways to adapt to continuously evolving markets and consumer demands. Quality Management System is one of the tools which, when well designed, implemented, supported and improved, can give a business a competitive advantage thus laying grounds for implementation of Total Quality Management principles. This paper aims to prove that truly quality-oriented businesses aspire to become laureates of the Polish Quality Award because they comprehend the notion and the art of quality, they manage quality effectively and seek ways to continuously improve quality in all dimensions and business processes for continuous improvement equals the total of actions undertaken to attain effective and efficient level of organizational operation. Complex approach to quality is evident in TQM philosophy which is promoted by the creators and organizers of the Polish Quality Award (PQA). PQA management excellence model is based on EFQM excellence model. PQA aims to promote TQM philosophy among Polish organizations so that they can embark on a journey leading to continuous improvement of management. PQA assessment is two-fold. Both the potential and the results of are assessed. The potential part comprises leadership, strategy, employees, partnership, resources. The results comprise customer-related results, employee-related results, wider society-related results and key business results (Wolniak 2011). The Polish Quality Award was established in 1994. For twenty years now, various private and public organizations have aspired to this prestigious title (Recha 2014). The results of research conducted by the author of this study are representative of some problems in the functioning of enterprises who have obtained the title of Polish Quality Award winner.

2. CHARACTERISTICS OF THE STUDIED POPULATION OF WINNERS OF THE POLISH QUALITY AWARD

The study included all winner companies (57) in the years 1995-2012. Forty six companies, representing 80% of the population agreed to participate in the study. The Polish Quality Award was established in 1995 by National Chamber of Commerce (KIG), Polish Centre for Testing and Certification (PCBC) and Now Poland. The period of being in business varied. If we were to take the year 1989 as a base year, which was the beginning of the transformation of the Polish economy, 28 companies, representing 60% of the population had already been in business, while eighteen companies, or 40% of the respondents started its business after 1989, which means, they conducted its business for twenty one years or less. The study was completed in 2012.

The organizations varied in terms of number of employees. Organizations employing more than 250 people prevailed and accounted for 63% of respondents; organizations employing between 151- 250 people accounted for 13,3% of the population; organizations employing 100 to 150 people accounted for 11,1% of the population, organizations employing 51 to 100 people accounted for 6.7% of the population and organizations employing 10 to 50 people accounted for 4.4% of the population.

Thirty one respondents were manufacturing companies, representing 67.4% of the study population. The survey also covered respondents from budgetary sector, organizations from the sphere of public finance, public administration, local government, research institutes and healthcare institutions. In terms of ownership the distribution of respondents was as follows: 52.1% were privately-owned enterprises and the remaining 48,8% were public organizations.

Respondents were joint-venturers to a limited extent. 78.3% of the organizations did not exist have any foreign capital investors, while only seven respondents, representing 15.2% of the population had foreign capital invested in them. In terms of geographical presence 31.1% of the respondents operated on local or regional scale, three operated beyond regional scale, six operated on a national scale, and 21, which represents 45.5% of the respondents, on an international scale.

Almost half of the respondents exported its products, though the scale of exports varied. 7% of respondents exported 20% of its production, 11% to 40% of the respondents, exported 8.9% to 60% of its production, three companies exported 81-100% of their production.

3. BENEFITS FROM WINNING THE POLISH QUALITY AWARD- RESEARCH RESULTS.

The organizations which have won the PQA and quality-oriented and base on the culture of quality in business. At the beginning of the study respondents were asked a question about the benefits from winning the PQA. Out of the ten possible benefits 89.1% of respondents indicated prestige in the environment. In the second place was the improvement of the quality of management (76.1%), the third was a greater awareness of quality (58.7%). Respondents highlighted greater concern for customer service and creating conditions for improvement of management (52.2%). More than a third of respondents (37-39%) indicated that the PQA contributed to improvement in product quality, increase in the quality of work and allowed stronger identification of employees with the company. 26, 1% of respondents associated benefits from winning the PQA with increased awareness of the rank of knowledge and intellectual capital in the conditions of the new economy, only 4.3% of respondents indicated the relationship of the PQA with improved financial results.

The benefits derived from winning the PQA are similar among both domestic and foreign enterprises (Iaquinto 1999):

- a great way to self-assess,
- the possibility to training employees in basic management concepts and overall improvement of the organization,
- integrating various initiatives and pro-quality projects within the organization,
- the ability to identify and improve best practices within the organization and using them as a strategic tool for change management
- integrating employees from different levels of the organization,
- promoting values such as learning, creativity and teamwork,
- contributing to improve communication within the organization,
- acting as a useful managerial tool for the monitoring and control of the development of the organization,
- serving an important motivation function.

The study shows that nearly 90% of the winners of the PQA expected an increase in prestige in the environment. Actually, receiving the PQA is a great honour and at the same time the commitment to present the success to all interested parties. Encouraging is the fact that 76% of the winners of the PQA sees opportunity to improve the quality of management. Disturbing is the fact that only 26% of respondents see the relationship between winning the PQA and the rank of knowledge and awareness of intellectual capital in terms of the new economy. This may be due to a lack of sufficient knowledge about the growing role of intangible assets in the economy. Under the conditions of the growing importance of knowledge-based economy intangible resources become determinants of the success of organizations in terms of volatility, risk and uncertainty. It is therefore necessary to find ways to fill the knowledge gap in this field.

Knowledge management leads to increased efficiency of the organization, the average ratings among respondents being 4.2 out of 5. Assessment of 4.0 was assigned to employees to effective thinking stimulation and promoting best practices and experiences. 3.9 was given to the following benefits: increase in the effectiveness of the internal decision-making process and knowledge management systems as tools that help capitalize on human knowledge. 3.8 was given to shaping attitudes, experiences and skills conducive to the expansion of competence and adding value. 3.7 was given to acquiring tacit knowledge from its own employees, increased productivity and profits, creating a culture based on value added as well as product innovation and modernization of product range. Knowledge management can shorten the time of execution of tasks – rated 3.6, reduce manufacturing costs and thus increase the competitiveness – rated 3.5. Relatively low score of 3.5, respondents gave to the ability to identify the gaps of knowledge. The lowest mean score of 3.2 respondents attributed the increase in employee loyalty. The benefits above-mentioned confirm the usefulness of implementing knowledge management in quality-oriented organization (Skrzypek 2009).

In the context of increasing role of innovation, knowledge is becoming an increasingly important resource, strategic in its nature (Skrzypek 2008). An interesting issue was therefore to determine the role of knowledge in the process of improving the quality of management and innovation in the opinion of the winners of PQA.

Numerous theoretical and practical experiences of Polish and foreign companies show that there is a relationship between the quality of knowledge and the quality of management (Skrzypek & Skrzypek 2008). PQA Laureates recognized that the quality of knowledge of employees was reflected in the quality of management and quality of the market offer. According to 71.7% of respondents adequate quality of knowledge triggers creativity and activity, as many believe that the quality of knowledge workers is reflected in the quality of the market offer and the quality of management. Knowledge management introduces solutions which improve the efficiency of management according to 67.4% of respondents. Knowledge management allows for the introduction of solutions that reduce costs, according to 56.5% of the respondents. It also allows for quick response to situations occurring in the organization, according to more than half of the respondents (56.5%).

4. SUMMARY

The Polish Quality Award model enables the development of the concept of quality as a chief term, which refers to all elements of the organization and spheres of its operation. It is an opportunity for the development of positive relationships between productivity, competitiveness, quality of products, business and society. It can efficiently increase the organization's ability to self-adapt and self-regulate, which facilitates the coordination of economic activities and rationalization of tangible and intangible resources. It is used to indicate the gaps of knowledge and ways of winding-up and how to adapt to the increasing quality requirements. Polish Quality Prize Laureates point to the role comprehensively understood quality plays in improving the process of management, growth and competitiveness of the organization. The results confirm the growing importance of quality, innovation and expertise in all areas of process improvement- in quality oriented organizations.

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