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QUALITY PAPER

Managing challenges in sustaining business excellence

Sustaining
business
excellence

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Abstract

Purpose – This paper aims to identify important challenges to sustaining business excellence amongst award-winning companies in Australia.

Design/methodology/approach – Companies which had won Australian Business Excellence Awards were chosen as cases for this research since they had used the excellence framework over many years and, having achieved significant results, now potentially faced issues in sustaining a high level of performance. Interviews with key managers, published materials and information provided during industry visits were used as the primary information sources in the study.

Findings – Findings suggest that the primary challenges include; leadership support, drive and consistency throughout the organisation and communicating strategy and making it meaningful for people at all organisational levels. These were addressed in a variety of ways in the companies.

Research limitations/implications – Companies which are successful at business excellence experience challenges which require ongoing management.

Originality/value – This research offers insights into the difficulties faced by successful organisations in their quest to build and maintain excellence and how they manage these.

Keywords Australia, Business excellence, Quality management, Sustaining, Challenges

Paper type Research paper

1. Introduction

We know much about what makes a great organisation yet considerably less about what it takes to build and maintain the greatness. More specifically, limited attention has been paid in the literature to challenges and impediments in building, driving and sustaining business excellence and quality by organisations using excellence frameworks. The literature on quality management successes and failures is useful in providing some insights into issues which are associated with sustaining excellence but generally do not offer insights into how challenges are managed. This paper takes as a starting point those organisations which have had sustained success with using business excellence frameworks for driving business improvement and focuses on their challenges.

Business excellence frameworks such as the EFQM Model (2010), Malcolm Baldrige Award and Australian Business Excellence Framework (ABEF) are used by organisations throughout the world as holistic models to guide their strategy, business processes and business improvement. According to Mann *et al.* (2011) in 2010 there were around 86 countries using these frameworks, many based on either the EFQM or Baldrige models. Whilst the use of an excellence framework does not mean that

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an organisation has formally adopted quality management as its focal strategy, quality principles do underpin the frameworks. These include process improvement, customer focus, management by data and facts, adding value, building partnerships and learning and innovation. In fact, it may be argued that excellence replaced quality for politically related reasons and that it would be impossible to pursue excellence without the adoption of quality principles. Dale *et al.* (2000) are critical of the movement in the term quality to excellence, particularly with reference to the EFQM framework. They argue that it reinforces the view of quality as a fad and has been used as quality failures in the nineties drove consultants and managers to pursue similar strategies but under a different title. Whilst this debate is not pursued here, it is acknowledged that there is a very strong link between quality and excellence and the two terms might frequently be used interchangeably.

The ABEF, like other frameworks, are not prescriptive about managing organisations, rather they serve as a guide for organisational strategy and improvement. Achieving success and sustainability is part of the model and within each of the categories of the framework, there are sub-categories which provide guidance on what an organisation could be focusing on as part of their strategy to build excellence. Continuous improvement is central to the framework and to achieve an award, organisations need to address their strategies and achievements on four elements, namely; approach, deployment, results and improvements for each of the categories of the framework. This process is also fundamental to those organisations using the frameworks for self-assessment purposes.

Whilst the primary aim of adopting an excellence framework is to provide guidance for building organisational performance as measured by various success indicators, it is also a process which can involve benchmarking and internal self-assessment around the core elements of the framework. There are also many challenges and impediments which organisations using the framework face and it is these which are the focus of this paper. Moreover, the focus is not on challenges at the implementation or transformation phase of excellence, rather at a level of maturity since all of the organisations studied had reached the level of a national excellence award and had been using the excellence framework for a period of time.

2. Challenges to sustaining quality and excellence

The literature on quality failure, quality success factors and sustaining quality provide some insights into the types of challenges which organisations face in the pursuit of excellence. Generally though, it does not specifically focus on the challenges and impediments to managing quality and business excellence.

2.1 Quality failure

In the early years of quality, especially the period of TQM mania in the early 1990s, the sceptics were asking questions about its robustness as an organisational strategy. Papers with titles such as “Why TQM fails”, “Ten reasons why TQM fails” and “The cracks in quality” are testament to these questions (Miller and Cangemi, 1993; Harari, 1993a, b; *The Economist*, 1992). In an introduction to a 1993 issue of the *California Management Review* devoted to quality, guest editor Cole (1993) spoke of failures and even the negative connotations of TQM. At the same time he acknowledged the substantial potential of the quality movement.

Wilkinson *et al.* (1998, p. 187) were asking the question; whither quality? They suggested that “one line of argument suggests that TQM practices have become normalised [...] thus it is not surprising that the high profile of TQM has faded”. They also coined the term partial quality management in reference to their UK research which suggested that some principles of quality had been introduced in organisations without any real transformation in organisational culture and ideology.

Beer (2003) suggested that the failure of quality management programmes was often the result of the inability of senior leadership to institutionalise it amongst leadership throughout organisations and in particular subunits. He claimed that it was often the gaps between the rhetoric and practices of leaders which can undermine quality initiatives and greater attention needed to be paid to leadership at all levels of the organisation.

The themes running through these publications included problems such as; focus on quick fixes, faddism, too focused on internal processes, lack of empowerment and reliance on consultants to implement. This literature also suggested a few themes which might produce success such as; the importance of senior leadership drive and support, how quality is implemented and the integration of quality into normal organisational practices.

2.2 Critical success factors for quality

A number of studies have sought to identify critical success factors (CSFs) for the implementation of quality management (Saraph *et al.*, 1989; Black and Porter, 1996; Tamimi, 1998; Jiju *et al.*, 2002; Sohal and Terziovski, 2000). These mostly focus on success factors during implementation stages rather than longer term sustainability. Whilst there have been some differences in emphases in outcomes between the studies, they typically show the following as CSF's; top leadership commitment, training and education, HRM, process management, quality data reporting, communication and customer satisfaction orientation.

Sebastianelli and Tamimi (2003) identified five obstacles to TQM in a survey of US quality managers. They were; lack of planning for quality, lack of leadership for quality, inadequate HR development, inadequate resources and lack of a customer focus. Taylor and Wright (2003) conducted a longitudinal study of the success with TQM in a sample of predominantly small firms and found key success factors to be:

- (1) managers understanding the purpose of TQM;
- (2) understanding of the relationship between TQM and ISO 9000;
- (3) including quality objectives in the planning process; and
- (4) senior managers taking charge of TQM and ensuring that a majority of employees are involved in its implementation.

Sohal and Terziovski (2000) identified the following success factors for TQM:

- (1) positive attitude towards quality;
- (2) leadership education and training;
- (3) integrating the voice of the customer and supplier; and
- (4) developing appropriate performance indicators and rewards.

These studies point to the importance of factors such as leadership commitment, training, engagement, HRM and customer focus in ensuring organisations experience success with quality. Many of these studies also focus on issues during the implementation phase of excellence and quality.

2.3 Quality sustainability

In 2002 the *International Journal of Quality & Reliability Management* published a special issue devoted to TQM sustainability (Volume 19, Number 5). In this, the guest editor, Mohammed Zairi, suggested that TQM sustainability was dependent on four factors. First, transformational change in quality focused organisations from reflecting a product and service orientation through to a customer and market orientation. Second, the existence of CSFs for successful TQM implementation. Third, the existence of a culture of continuous improvement, learning and innovation and fourth, an emphasis on measurement using a balanced approach.

van der Wiele and Brown (2002) examined the decade long experience of five large Australian organisations which had introduced quality initiatives in the 1990s. They found the following factors were important in influencing sustainability of quality initiatives:

- (1) top management;
- (2) the driving force;
- (3) human infrastructure;
- (4) management system to drive and monitor;
- (5) audits and assessments;
- (6) quality frameworks, e.g. ABEF;
- (7) mapping customer satisfaction; and
- (8) information technology to bind systems and provide information.

Similar factors have been identified by Palmberg and Garvare (2006) who examined the case of a Swedish company which won the Swedish Quality Award twice and found the key factors in sustaining quality to be; united leadership in driving quality, focus on organisational values and culture and ongoing systematic improvement. A strong driver was leaders who focused on values rather than rules and procedures. Likewise, Idris and Zairi (2006, p. 1249) point to sustainability of quality as being the product of the “comprehensiveness of critical factors and the intensity of implementation of critical elements”. They place leadership at the top of these critical factors.

Venkateswarlu and Nilakant (2005) studied five New Zealand companies and identified factors which influenced the adoption and continuity of TQM programmes. These were:

- (1) compulsions for change (reasons for introducing TQM);
- (2) core philosophy (archetype consistent with TQM);
- (3) commitment of senior management (e.g. walk the talk, do not delegate);
- (4) capability, experience and fit of TQM champion;
- (5) collateral changes (e.g. organisational structure, HRM); and
- (6) continuity of leadership.

Eriksson and Garvare (2005) suggest that an organisation can help sustain quality by participating in a quality award more than once and leave enough time between applications to complete improvements from the evaluation process. This notion of organisational self-assessment has been identified by van der Wiele and Brown (2002) as important in sustaining excellence.

Naor *et al.* (2008) differentiate infrastructure and core quality practices. Infrastructure includes behavioural, leadership and cultural aspects of quality. The theory is that those organisations which placed attention on the infrastructure and soft elements are more likely to have sustained benefits. Asif *et al.* (2008) focus on the institutionalisation of quality in order that it is embedded as an integral part of the organisation. Drawing on the strategic and operational management literature they suggest institutionalisation can be achieved through leadership creating a strategic fit, a culture, routines and a user oriented design.

Mann *et al.* (2011) research on business excellence in Asian organisations identified the top impediments to sustaining business excellence to be; a lack of understanding of how to develop an excellence culture, lack of clarity of the benefits and lack of time for excellence. Survey respondents suggested both national strategies such as promotion of excellence frameworks and government support and organisational such as training and increased senior leadership involvement in order to deal with these.

Themes running through this research include; leadership and systems to drive, human infrastructure and collateral changes. Based on this literature there are several issues worth exploring in examining challenges to excellence. These include; the role of drivers and leadership, supportive infrastructure and the integration of quality into strategy and customer service approaches.

3. Methodology

This study focused on the following two research questions:

RQ1. What are the challenges faced in sustaining business excellence?

RQ2. How are these challenges managed?

Given the exploratory nature of the study, a qualitative research approach was adopted following Yin's (2009) suggestion that this is appropriate for research questions addressing how and why issues. The specific methodology involved structured interviews and examination of company documents and presentations made at conferences and to company study tours.

A sample of organisations, namely recipients of Australian Business Excellence Awards (recognition through to gold), were identified as the desired group of organisations to participate in this study. Whilst this is a select and somewhat exclusive sample, it does represent organisations who have been using the excellence framework for a long period of time and have reached a high level of competence in this and therefore be in a position to provide insights into challenges from a maturity phase rather than simply those which might be encountered at a start up phase. A further reason for the selection of this group of organisations was that the focus was on what challenges were encountered and how they were dealt with by successful organisations rather than those who had experienced failures or the demise of excellence and quality initiatives.

Senior leaders responsible for leading the excellence initiatives in each organisation were phoned and e-mailed inviting them to participate in the study. All organisations

approached agreed to take part in the study. Interviews were conducted with members of the senior leadership team of these organisations who currently had primary responsibility for driving and coordinating the excellence focus and in some cases, people who were previously responsible for business excellence in the respective organisations. These included CEO's, quality and business improvement managers. In total, seven organisations participated in the study and are representative of different industries from both the private and public sector and most had been using the ABEF since 2000. All were medium to large in terms of employee numbers (more than 500 employees).

Interviewees were asked several questions concerning challenges and issues which they had encountered in the pursuit of excellence and how they had dealt with these. These were essentially exploratory and based around the ABEF categories. Additional background information was obtained from published material which was either publicly available or provided to the researcher. Presentations to study tours by senior managers and discussions with various senior management people during these visits were also used as information sources.

Notes were taken during the interviews which were also recorded. Analysis of the interviews was done on the basis of seeking themes identified by the interviewees on the questions of challenges and managing these challenges. These were recorded for each of the six major categories of the ABEF. All participants were provided with a summary of the findings and whilst not individually identified were offered the opportunity to comment on these.

4. Results and discussion

This section discusses the challenges faced by the organisations participating in this study in their pursuit of excellence and how they manage them. The discussion is structured around the categories in the ABEF.

4.1 Strategy

Strategy is an area in which most organisations had experienced challenges. Three specific areas identified as challenges are; the process of developing strategy, strategy communication and engagement of people with strategy.

The need to provide the link between strategy and operations is paramount in communication and engagement particularly at operational levels. An important task of leaders at functional and front line levels of the organisation is to convey meaning and plans on a page is one technique used to facilitate communication and ensure that normally lengthy and complex strategic documents are not overwhelming. Linking strategy to key pillars (e.g. people, risk, customers, technology) or strategies in the organisation is another. Pillars have an "owner" and are linked to the KPI. Focusing on a critical few KPI's rather than a large list is another. Other strategies include; management by walking about and discussing strategic matters with people and ensuring that the strategy is a living document and the basis for operational matters. One organisation uses the term work plan instead of strategic plan in order to emphasise its focus for everyday operations. Having employees involved in unit planning at the operational level is also a means of gaining commitment and engagement. While all organisations recognised the need to have a strategic plan to guide the organisation,

getting the right balance between strategic and operational plans is critical in order to engage people throughout the organisation.

Effective communication of the strategy throughout the organisation is a common challenge facing organisations. In order to effectively communicate strategy, organisations have endeavoured to find out what employees want to know so that they are not overwhelmed with detail. Staff surveys are one way of doing this. In one case the strategy was simplified into six pillars and then linked to a matrix which shows levels of achievement. Using language which all people can relate to and understand is important.

Whilst strategic plans are often developed by the senior management team, their effectiveness depends on the extent of engagement throughout the organisation. In dealing with this challenge, some organisations have endeavoured to involve a cross-section of people from throughout the organisation in the development of strategy. This ensures a broad range of ideas can be incorporated into strategy. In some organisations a more traditional approach to strategy development was used whereby the top management team (of up to 50 people) spent a couple of days developing the company strategy.

In order to build engagement with strategy throughout the organisation, all organisations link their performance management process and strategy so as to ensure all individuals see their contribution to the strategy and how their individual job roles contribute. This requires everyone to consider their individual roles in relation to the direction of the organisation.

The need to prioritise strategy so as to ensure that it is not overwhelming was considered a challenge by two organisations. One identified the critical few key strategies (very few objectives) and the other prioritised strategic goals by using a matrix which identifies urgency and impact on strategy to help select the key strategic priorities. One organisation refers to its strategy document as a work plan and the emphasis is placed on using it as a diagnostic tool rather than a reporting document. A few key KPI's drive strategy at all levels throughout the organisation with the remainder being used in operational areas.

4.2 Leadership

Leadership challenges identified include the need for support and drive at senior levels, building support from middle managers and ensuring consistent messages from leaders throughout the organisation.

The importance of leadership in driving and sustaining quality is expressed in the literature (Sohal and Terziovski, 2000; Sebastianelli and Tamimi, 2003; van der Wiele and Brown, 2002; Venkateswarlu and Nilakant, 2005). Most organisations in the sample had CEO's who had been with the organisation for periods of up to a decade and who were instrumental in driving excellence. In one case a new CEO had been appointed a few years ago who was an internal appointee who had been a significant driver of excellence and therefore no significant changes in direction or strategic focus had been encountered as a result. Transient leadership was therefore not highlighted as a challenge in most organisations although it was suggested in one case as an issue whereby new leaders (not at CEO levels) did not have knowledge of the corporate history and this may have presented some problems in not being able to understand the reasons behind particular strategic decisions.

The challenge of not having leadership passion and drive was identified in a couple of organisations although most had highly supportive leaders who were instrumental in driving excellence. Even though they were or are passionate, there remains the issue of making this infectious throughout the organisation, particularly where there may be several locations of operations away from the corporate headquarters. One organisation reported that whilst the CEO had not been strongly supportive of excellence, other senior managers were and thus, there was a strong drive for excellence despite the lack of support at the very senior level. In this case it was suggested that the supportive senior managers were driven by frustration with past processes and practices and the fact that they could see the benefits of adopting an excellence framework for the business.

A view expressed in one organisation was that whilst a supportive and passionate leader is central to driving business excellence, there still needs to be a routine of self-assessment in order that people are accountable and actions take place rather than remain simply words. This is supported by the work of van der Wiele and Brown (2002) who found audits and assessments and management systems to be important in sustaining quality. Ensuring that leadership appointments were made on the basis of their leadership skills and abilities and fit with the organisational culture including the business excellence approach rather than simply functional and specialist skills is something which one organisation has recognised and was addressing this with role profiling.

External political factors driving organisational strategy was identified in one case as a potential challenge. It was claimed that the CEO was driven by their political masters and to a degree a relatively autocratic managerial structure prevailed with specific reporting requirements. Such an environment was not conducive to employee participation. This organisation was now trying to move to a values based structure to allow individuals more autonomy in making decisions so long as they were consistent with the organisational values.

The need to have a critical mass of leaders who are supportive of the business excellence drive was identified by one organisation. The critical mass was defined as having at least 70 percent support. Of these, those who are seen as significant leaders of influence are important to have on board along with a few champions to reinforce, push and drive the excellence effort. These may be the CEO and in some cases may be others such as quality, operations or production managers.

Building and maintaining support from middle managers was a relatively common challenge. It was suggested that patience was required to build middle level management commitment to excellence and that this typically took up to five years. In one case getting them on board required the general manager to push with the message "what interests the general manager interests me" to help establish long-term commitment by reinforcing unwavering commitment and signal that it will not be a passing fashion. The need to have a clear plan for culture change and not trying to do too many things at the same time was identified as an important means of building managerial support throughout the organisation.

Ensuring consistency in messages throughout the organisation and working in the same strategic direction is an issue which many organisations have suggested that they have to deal with. Different personalities, communication skills and leadership styles lead to differences at supervisory, front line manager, branch manager and

other levels. In dealing with change it was suggested that some leaders may be “stuck in their ways”. Dealing with it involves a range of strategies including; management by walking about (MBWA), visibility of senior managers and bringing the leadership team together on a regular basis.

Some organisations in the study were multi-site operations with either interstate branches or various work sites in the same major city. This presents potential risks in developing and maintaining an excellence culture throughout the entire organisation. Relevant considerations include; does the headquarters have an advantage in that this is where the CEO and senior leadership team are located and therefore the strongest drive for excellence is found? How is excellence communicated throughout the organisation? How are leaders selected for different locations and what balance should there be between those from headquarters and local?

Organisations faced with multi-sites place an emphasis on leaders practising MBWA and being visible to reinforce excellence and build effective communication. In one company, the interstate travel expenditure was considered relatively high for an organisation of that size, but was seen as worthwhile to ensure effective communication and engagement throughout. The CEO regularly travelled to all Australian states and met with a range of people at all organisational levels in order to both listen to issues and communicate key strategic messages. He was able to remember many people on a first name basis. In another organisation, with eight work sites in a major Australian city, the senior leadership team regularly visited all sites and met with people at all levels to facilitate communication. They tended to spend more time at the work sites than in their corporate office which they considered vital. In this organisation e-mail is not heavily used, instead a face-to-face meeting or phone call was the preferred method of communication. Multiple sites also required careful selection of project managers who preferably had a long employment history with the organisation so that they are familiar with the culture.

4.3 People

The main challenges in this area are employee and managerial engagement, effective communication, and performance management processes and systems.

A theme which runs through all categories in the framework is employee engagement and to a lesser extent leadership engagement. Getting buy in and involvement and ensuring people commit time and balance between strategic and operational strategies is an ongoing challenge. This was mentioned as an issue by most organisations and it had been dealt with in a variety of ways.

Having an open culture in the organisation is important to ensure that people at all levels are able to have an input to a variety of issues and have a say on any matters. In one organisation, the open plan head office with an open door policy of the CEO facilitates this, in another, so-called skip meetings, whereby people are able to discuss issues with the next managerial level beyond their immediate boss is considered a means of doing this. Others involve a cross-section of people in the strategic planning process. Most have scope for people involvement in process or continuous improvement teams.

Engaging people through effective communication is an issue faced by all organisations. This can range from communication of strategy and making it relevant and meaningful to all throughout the organisation, communicating how people can

be involved in decision making and participation, communication of how to use information and consistent communication of key messages throughout the organisation.

Getting people together regularly and ensuring that senior managers/leaders are visible is practiced by most organisations studied here. The methods vary and include; fortnightly breakfasts, toolbox meetings (managers conveying important information), BBQ's, MBWA, newsletters, intranet information, interstate visits and meetings between senior leaders and people at all organisational levels. Even open office floor plans and having the senior leadership team spend limited time in an office are also strategies used to facilitate communication.

No significant challenges with training and development were identified, with many organisations finding that employees were often seeking more training rather than expressing training overload. Organisations had career development plans in place. One organisation identified that having only two quality specialists restricted the training activities which in turn inhibited the number of improvement projects that could be established. In another organisation they were working on developing improved induction training and another suggested having sufficient people trained in business excellence and quality to act as internal evaluators was paramount to success with excellence. They suggested that this ensured that action rather than simply words would drive the organisation in continuous improvement because of the regular self-assessment and also periodic external assessment. A challenge across many organisations is in developing creative approaches to training to ensure people were not taken away from operational duties for too long. This may involve online and shorter but frequent periods of training.

A few organisations indicated that they still had scope to improve their performance management systems primarily in terms of commitment and use. They have processes and systems in place but they need to be used more effectively particularly by middle managers who tend to be bogged down in operational issues. Plans and strategies are good documents but when it comes to annual reviews they need to hone in on performance in some areas. Dealing with this challenge involves manager training, awareness sessions and managing people training.

Organisations which have a large proportion of its people operating with a high degree of autonomy "in the field" (e.g. service technicians) tend to face the challenge of consistency and ensuring people are supportive of the quality and excellence thrust. One organisation has about 70 percent of its employees in the field and they report to service leaders whose span of control is around eight people. In this case the service leaders, as front line managers, play an important role in communicating company policy and ensuring those for whom they have responsibility working in tune with the company strategy. It was suggested that some of these leaders "were stuck in their ways" and proving to be a challenge in driving consistency and excellence. To address the issue of communication between field leaders and technicians, they have "toolbox" meetings on a fortnightly basis to discuss matters of interest and customer complaints and issues. At the organisational level the Quality Steering Committee monitors customer complaints to identify trouble spots. The quality manager had also provided training on the benefits of continuous improvement to these leaders and technicians.

4.4 Processes

No organisations in this study reported any major challenges related to processes although some issues were identified and included “silo” ways of thinking and the need to instil a continuous improvement and process focused mindset throughout the organisation.

Process improvement and continuous improvement were ongoing throughout all organisations. Most did suggest that cross-functional process improvement is an important means of ensuring silo thinking did not prevail. It was seen as equally important for both leaders and employees to be involved in this process.

Several organisations noted the need to take a “big picture” approach to processes in order to prevent getting bogged down in excessive detail and specific compliance and work role functions. Process improvement necessarily involves processes which are important to the organisation and which transcend functional areas so the focus needs to be strategic. A view expressed was that whilst improving smaller and more specific processes is part of a process improvement culture, the core processes need to be considered as a priority. One organisation has an objective to significantly reduce the number of processes and several organisations reported that they were simplifying processes where possible including aiming to be able to map them on a page. Most were conscious of the need to deal with non value adding creep and quality constipation particularly with processes. One organisation deals with this by process mapping and eliminating unnecessary steps.

An important task facing many organisations is identifying process owners and where they fit and who are the change agents responsible for process improvement. Since processes typically transcend functional areas or business units, an important task is to ensure that there is an assigned process owner who takes responsibility for it and improvements to it. Furthermore, they play an important role in communicating changes to processes.

Respondents from one organisation suggested that the ABEF and QA go hand in hand and the latter is essential in capturing and including improvements in processes and systems. The proviso that these processes are seen as business systems and not merely external audit requirements is critical.

4.5 Data and information

Many organisations face the challenge of having access to so much data and information and the need to be selective in what is produced and how it is used. A strategy used by some is to focus on exception based reporting to avoid information overload. One organisation has become more selective in its production and use of information by focusing on producing information which is helpful in the identification of client needs and how the organisation provides these requirements. This has taken the guesswork out of analysis and also means that any queries from customers can be addressed by using information.

In order to address the challenge of information access and dissemination, most organisations had an intranet facility accessible to all people in the organisation. A few were still moving from extensive paper based systems to an electronic format. An important consideration here is people not knowing where to find information so information management systems need to be user friendly.

An interesting point made by several organisations was the recognition of the need to capture implicit knowledge. Many faced problems relating to baby boomer

generation employees retiring in the next few years and recognised the need to ensure their knowledge is captured before being lost to the organisation. In other cases, such as a project management context, capturing the learning from each project during and upon completion is critical to ongoing improvement.

4.6 Customers

The use of customer feedback obtained through systematic processes was common throughout most organisations and they did not feel that there were any major challenges with this. The information obtained was usually an input to improvement team activities. Interdivisional teams, cross-functional teams and others are directed at organisational processes in order that silos do not develop or persist and interfere with delivery of customer service. Apart from improving customer service, these strategies and activities also help build internal learning and appreciation of the organisation as a whole. One organisation had placed considerable effort in improving internal processes and systems before paying more attention to external customers.

Several organisations have placed an emphasis on building an understanding of who the organisation's customers are, an appreciation of their importance and what their needs are in order to improve customer service. Building and understanding of each individual's role in delivering customer satisfaction, whether they have front line, backroom or leadership roles is seen as important throughout organisations. One organisation identified that so much work had been done on communicating with external customers that it now had to pay more attention to internal customers.

5. Conclusions

The prominence of leadership, drive and strategy and a management system to manage and monitor organisational improvement support the findings of van der Wiele and Brown (2002) and Venkateswarlu and Nilakant (2005). The need to have appropriate support infrastructure as reported by these researchers along with Naor *et al.* (2008) is also a key factor. This study also finds support for Beer (2003) who pointed to the failure of quality due to the inability of leaders to institutionalise it through subunits and sections of the organisation. Here we find organisations with multi-sites paying particular attention to ensuring all locations are supportive of the excellence thrust. It would certainly appear that leadership and strategy permeates most other functions in organisations and that extra time and effort spent on getting these two areas correct can produce benefits throughout the organisation.

Whilst much of the CSF literature deals with issues experienced during the implementation of quality, the importance of factors such as leadership commitment, process management and communication are all supported in the current study. Beyond implementation, organisations face the issue of ensuring constancy of purpose and drive so that complacency does not take over and improvement efforts lapse.

Factors related to quality failure identified by Sebastianelli and Tamimi (2003) such as; lack of customer focus, inadequate resources, inadequate HR development and training were not identified as challenges amongst the organisations in the present study. This suggests that the organisations examined here had addressed these potentially damaging factors and that these may be more important at the implementation phase.

The insights gained in this study shows that it is not always “plain sailing” for those who have reached excellence award status. Organisations face challenges and impediments as they strive for excellence including; ensuring ongoing leadership drive and support throughout the organisation, gaining commitment and sustaining the momentum and making strategy meaningful to people at all organisational levels. Communication and engagement of people throughout the organisation is something which all organisations recognise as a challenge and adopt a range of measures to deal with. Whilst most organisations faced these issues, in many cases each had different strategies for dealing with them. This suggests a danger in assuming “best practice” approaches which might have universal application.

The sample for this research was select and information gained from each organisation was based on between one and four people and relevant documents which were publicly available or provided to the researcher. In a number of cases information provided during study tours was also used. Further research using broader based methodologies which include a wider selection of interviewees would assist in validating the findings reported here and also provide employee perspectives. Examination of organisations outside Australia could also add to our understanding of these issues and provide insights into whether there might be differences across different cultural settings. The significance of national cultural factors on sustainability is an important issue for exploration.

Future research could also consider factors which might be relevant at different stages in the process of pursuing business excellence, e.g. implementation, development, maturity and sustainability. This was not explicitly considered in this study but the matter did emerge in some discussions. The focus here was not on the transformation phase but ongoing with a level of maturity. Another area worthy of further research is managing excellence where the organisation has multiple locations or sites at a national and international level. The current study has shown that issues such as consistency, communication and leadership across the organisation is a vital aspect for leaders to manage and can potentially cause problems in organisations which operate in more than one location.

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