Exploring the Causal Relationships in the Criteria for Excellence Performance of China

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Abstract

Since the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China published the GB/T19580-2004: Criteria for Excellence Performance of China, many enterprises in China have adopted the Criteria to enhance their organization business management and to assess or self-assess organization performance. On the bases of both the Criteria for Excellence Performance of China and the survey data from China Association for Quality (CAQ), this paper systematically explores the relationships among ‘leadership’, ‘strategy planning’, ‘customer and market’, ‘information, analysis and improvement’, ‘resources management’, ‘process management’, and ‘performance results’ by using structural equations modeling and validates some of the anecdotal beliefs in quality management. This quantitative analysis provides a guideline for organizations in China to identify causal linkage among core value of total quality management and to identify strengths, deficiency, and opportunities to enhance competitive advantages and ensure the future business success.

Key Words: Performance Results, Structural Equation Modeling, Questionnaire, Data and Analysis

1. Introduction

With the development of global economic, quality has become one of the main successful
factors for survival and further obtaining competitive advantages in today’s business environment. Since China introduced total quality control in 1978, the level of quality management, product quality and service quality have made great progresses. In order to comprehend China enterprises quality management status quo and explore the relationships of core values of total quality management, China Association for Quality (CAQ) organized experts and practitioners in quality management to design questionnaires, which are based on the GB/T 19580-2004: Criteria for Excellence Performance of China (GB/T-19580-2004: 2004). This paper explores the relationships among the criteria model, which is composed of seven categories, such as, ‘leadership’, ‘strategy planning’, ‘customer and market’, ‘information, analysis and improvement’, ‘resources management’, ‘process management’, and ‘performance results’, by using structural equations modeling. In section two, the Excellence Performance model of China, published by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China in 2004 is introduced, and survey questionnaires that designed by CAQ (one author is the designer) is given. In section three, we analyze the relationships in the Excellence Performance of China by using structural equations modeling. In section four, we present main research results and further problems to be solved.

2. Theory Model and Designed Questionnaires

2.1 The Excellence Performance Model of China

An organization in the process of business improvement can follow a model to obtain competitive advantages, such as Deming Prize (Kondo, 1995), Malcolm Baldrige National Quality Award (NIST, 2007), and European Quality Award (Conti, 1995). Those models provide a way for assessment, self-assessment and diagnosis to improve business performance. In order to steer China enterprises focus on product and service quality, inspirit enterprises in pursuit of excellence business results, push enterprises learning and practice criteria for excellence performance, and enhance enterprises participating in globe competitiveness, the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China published GB/T-19580-2004: Criteria for Excellence Performance of China and GB/Z-19579-2004: Assessment Guidelines for Excellence Performance of China (GB/Z-19579-2004, 2004), those are used to assess China quality management award and organizations self-assessment. The model of GB/T19580-2004 is shown in Figure 1.

The model is composed of seven categories, including ‘leadership’, ‘strategy planning’, ‘customer and market’, ‘measurement, analysis and improvement’ ‘resources management’, ‘process management’, and ‘performance results’, which bears an analogy to the Malcolm Baldrige National Quality Award. In Figure 1, the left three categories, that is, ‘leadership’,