

Integrated Business Excellence Approach for Long-Term Sustainability of Indian MSME Organizations

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ABSTRACT

Purpose – To study the current approaches to Business Excellence, Quality Management Systems, brief History of evolution of Quality and provide the theoretical contribution by comparing western thought with Vedic Indian thought.

Methodology / Approach – The study included Business Excellence Frameworks such as MBNQA, EFQM and Deming Prize from USA, Europe and Japan, and also, Indian adaptations such as Rajiv Gandhi National Quality Award (RGNQA), Zero-Effect Zero-Defect or ZED by Ministry of MSME, CII Exim Bank Award for Business Excellence, IMC Ramakrishna Bajaj Award National Quality Award, Golden Peacock and Business Excellence Award to identify the commonality and distinctiveness of the approaches.

Findings – The ISO Management Systems are widely accepted as QMS, EMS and OHSMS standards and progressive organisations have adopted MBNQA, EFQM and Deming Prize approaches for Business Excellence and Long-term Sustainability. The Vedic Heritage of India which is over 5000 years has tremendous knowledge value and the “Vedic-SRK Model” is contributed to the researchers and academicians.

Originality of Value – The approach of Vedic SRK model is unique but however, the Vedic terminology used in aspects of Quality, Leadership,

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Workforce etc., are commonly used in India. However, author submits that the Vedic approach to Business Excellence is not total and requires further theoretical study as the knowledge is vast.

Keywords: *Quality Management System, ISO 9001, Business Excellence, MSMEs, India, Vedic Business Excellence*

INTRODUCTION

Business Excellence Models / Frameworks (BEMs) have been adopted for Profit and Non-Profit Organisations worldwide and the foremost BEMs are Malcolm Baldrige National Quality Award (MBNQA), the European Foundation for Quality Management (EFQM), Australian Business Excellence Framework, and Deming Prize.

Indian Industry has adopted Golden Peacock National Quality Award, CII-Exim Bank award for Business Excellence, and IMC Ramakrishna Bajaj National Quality Award. They are based on either MBNQA or EFQM Models. In 2014, Ministry of MSME has promoted Zero-Effect Zero-Defect (ZED) Program for MSMEs. (Ministry of MSME, 2022). (TBExG, 2022) Tata Sons have implemented Tata Business Excellence Model based on MBNQA for Tata Group of Companies (TBExG, 2022). Mahindra Group has instituted Mahindra Institute of Quality to promote Excellence in Quality (MIQ, 2022).

These developments in Business Excellence were due to increasing Quality consciousness and increasing Competition and need for Market Leadership. Hence, USA (MBNQA-1987), Europe (EFQM-1988) and much earlier in Japan (Deming Prize-1951) were institutionalised in these developed countries. Today, we have over 96 Countries where BEMs are being practiced and implemented for the benefit of Organisations and the Society at large (MBNQA-USA, 2021) (EFQM, 2022) (Deming Prize, 2022).

Made-in-China 2025 and Industry 4.0 (Li, 2018) are challenging the Manufacturing Sector in India and mandate is to perform or perish. Indian MSMEs, including Manufacturing for the market success, require Capital Investment, Training and Skill Development, Competitive Cost Structure, Research and Development, Information Technology-led Innovation. The Traditional Competitive Advantages of Quality, Cost, Delivery, Service, Support and Performance remain the key focus areas for Indian MSME Manufacturers to compete with South Asian Countries and China.

This study attempts to study the different Business Excellence and Quality Management approaches suitable for MSMEs for Long-Term Sustainability. The “Vedic SRK Model” is author’s theoretical contribution to Indian approach based on general Vedic concepts.

PROBLEM STATEMENT / MOTIVATION

Indian MSMEs are 633.88 Lakh in number and contribute to 30% of National GDP. There are 196.65 Lakh Manufacturing MSMEs which form 31% of total MSME Units (Ministry of MSME, 2022).

Key Issues in MSMEs

- The reasons for sickness of MSMEs are Poor Demand (41%), Working Capital Management (20%), Raw Material Issues (5%), Inadequate Power (6%), Workforce Issues (6%), Marketing Challenges (11%), Equipment Non-Availability (3%), and Management Issues (6%) – (Muthu, 2015).
- COVID-19 has severely impacted further the economic viability of running the enterprise. Only 7% of MSMEs would survive beyond 3 months, 25% of MSMEs would not survive 4 Weeks of Lockdown, and in case of 8 Weeks lockdown, 43% of MSMEs would be shut (Arjun Kadam et al., 2020).
- The MSMEs have to be innovative, inventive, international in business outlook, strong technological base, and willingness to restructure themselves to continue to contribute to 29% of India’s GDP (Kumar Singh & Sharma, 2018).

Hence, there are wide gaps in systematic approach to running MSMEs beginning with Core Values, Leadership, Strategic Management, Excellence in Products and Services offered, Workforce Management, Financial Management, Exceptional Quality through Systems and Processes to exceed Customer Expectations / achieve Customer Delight

OVERVIEW OF HISTORY, APPROACHES, FRAMEWORKS, METHODOLOGIES IN QUALITY AND BUSINESS EXCELLENCE

Western Quality Management Evolution

Evolution of Western Quality Management Systems began in the late 13th Century with Craftsmanship and Guilds in the Medieval Europe

who developed strict rules for product and service quality. There was an Inspection Committee who enforced rules of marking flawless goods with special mark of symbol. Craftsman themselves often placed a second mark on the goods they produced for traceability but over time these marks came to represent the craftsman's good reputation. The inspection and craftsman's marks were proof of quality for customers throughout Medieval Europe till the early 19th Century. The concept of Inspection and Traceability are key elements of Quality even today.



Source: ASQ.

Fig. 1: Evolution of Quality

Further, the Craftsmanship Model with emphasis on product inspection started in Great Britain in the mid-1950's and grew into the Industrial Revolution in the early 1800's with improvements in production methods. In 19th Century, USA adopted the model and has tremendous personal stake in meeting quality requirements, with the risk of losing customers and Quality Control emerged. Then, the specialisation of Craftsmen, Owners becoming Production Supervisors, decline in employee autonomy and empowerment, audits and / or inspections to ensure Quality were taking shape. The defective products were reworked or scrapped. This marked the beginning of organisation structure with Manager, Inspectors and Workers and early rejection and rework concepts.

In early 19th Century, the Industrial Revolution brought Management approach of Frederik M Taylor with focus on Productivity with reduction in workforce, specialisation and introduction of Inspectors, Supervisors and Managers. The Productivity Vs Quality face-off saw Inspection ensuring defects were not reaching customers.

The devastating World War – II led to a Legislation which turned Civilian Economy to Military Production. Quality was critical to war efforts and “Safety” concept began. The poor quality could impair safety of Military Personnel. This required Unit-by-Unit Inspection, and this required huge Inspection personnel. This was replaced by “Sampling Inspection” to replace Unit-by-Unit Inspection created by Bell Laboratories and other Industry Consultants by use of Sampling Tables and Military

Standard MIL-STD-105. This marked the beginning of “Statistical Quality Control” under Walter Shewhart and Training were imparted to Suppliers for use and application of SQC Methods to ensure Quality.

Walter Shewhart further, improved the early success and created “process approach” in Quality. The model was taking an Input – Process where value is added – and then Output. The process control showed that all process yield data which could be analysed by Statistical methods and that can be used to control the processes. The processes can be made stable and in control and the special causes of variation can be fixed to improve Quality. This is the foundation of “Control Charts”. The SQC and Control Charts are key Tools even today. Edward Deming, a statistician became proponent of SQC and became a leader of Quality Movement in USA and Japan.

Japan became the epicentre of breakthrough Quality Practices by contribution from Edward Deming and Joseph Juran. The “Total Quality” approach, Total Employee Engagement in the areas of Quality and Process Improvements resulted in Japan’s High-Quality Export, Lower Prices, and Customer delight across the world. Even today, Japan is the leader in Quality Practices.

USA was challenged with success of Japan in their own backyard, and this resulted in “Total Quality Management” emphasising not only Statistical but holistic approach embracing entire organisation. Concept of TQM is widely employed to increase employee participation to improve Quality. The building blocks of TQM were Ethics, Integrity, Trust, Training, Teamwork, Leadership, Recognition and Communication. ISO 9000 series of Quality Management Systems and Malcolm Baldrige National Quality Award started in 1987. MBNQA was initiated by US Congress to improve Quality and Management of businesses and the adoption was slow but eventually came onboard (ASQ, 2022).

Toyota Production System (TPS) has evolved and are applied widely in Manufacturing and Automotive Sector. The philosophy of TPS is “A production system based on the philosophy of achieving the complete elimination of all waste in pursuit of the most efficient methods.” (Source: Toyota Global Website). The TPS is also known as Just-in-Time (JIT) system and Lean Manufacturing System and has been studied worldwide and adopted in Non-Automotive Industries as well. The key concepts are “Jidoka” or “Automation with a human touch” and JIT concept in which each process produces only what is required for the next step. JIT practice includes continuous flow, Takt-time, and Pull Systems. Jidoka practice

includes stop and detect abnormality, separate man and machine work (Toyota-Global, 2021).

1987 to Date

ISO 9001 is well established framework for MSMEs and is recognised by customers globally, affordable, resources for the implementation and skilled Quality personnel are available, certifying bodies are well recognised to assure the Customers of Quality Products. The limitations are that the Quality Management System are not implemented in comparison to Global Standards. This is more due to leadership commitment to QMS, gaps in implementation due to lack of focus, and viewed as additional work due to the documentation rigor and system requirements (ISO, 2020).

The Business Excellence Models (BEMs), namely MBNQA, EFQM and Deming Prize are valued by Business Excellence Experts and Practitioners for the Value the Framework provides to the Profit and Non-Profit Organisations for sustained excellence. The Model requires interested organisation to conduct systematic study of the Criteria, find areas of improvement, implement and practice core values, systems and processes, demonstrate the results of such implementation. The Organisations are assessed by a team of Experienced BE Assessors, and they provide Score based on Assessment, Strengths and Opportunities against Categories in the Framework. The assessment is done on yearly basis to enable organisation towards the Excellence Journey. There are few differences between the Framework which are explained under Business Excellence Frameworks. The limitations are poor adoption by MSMEs as compared to large organisations. Lean and Six Sigma is again a well-established methodology, invented by Motorola Engineers, Implemented with great zeal by Jack Welch, CEO, GE in early 90's. The Fortune 500 companies which have adopted have more failures than successes. The methodology however has robust theory and still valued to solve organisational problems. (MBNQA-USA, 2021)

Information Technology and Industry 4.0 has transformed the way businesses are conducted. Agile Framework, Scrum Methodology, and Project Management Institute Frameworks are evolving meet the quality and improve delivery. The IT Solutions have been designed for every function from Design to Delivery. For example, Enterprise Resource Planning encompasses all functions of the organisation and connects every employee in the organisation. The synergetic work and alignment to the overall objectives are made possible in lesser time and reduced

process defects. There are IoT, Cloud computing, 3D Printing and other advanced technologies which are disruptive technologies with potential risk for traditional manufacturing processes (Yadav, 2020).

Quality in Ancient India

Quality is “Guna” in Sanskrit and has been ascribed to personal and material characteristics. It appears in Vedanta, Bhagavad Gita, Mahabharata, Ramayana and the Upanishads. Hence, Quality and Excellence have been part of Indian Ancient History. So, the Concept of Quality is not entirely western and Universal.

2600 – 1900 BC (Harappan Civilisation)

Stone Bead Making at Khambhat in Gujarat and Chanhudaro in south Pakistan while explored showed that high quality and high valued beautiful long barrel cylinder beads manufactured were centralised and controlled by powerful and wealthy merchants. They used “uniformly good quality raw materials” and used “high level of standardisation”. The process of manufacture was strenuous and tiring, using cylindrical drills of 6 sizes for a single bead, intense drilling producing heat which turned the colour of the bead to red, high level of polishing was observed, and time required to produce one set of 36 beads used to take about 480 days. The key features of this discovery are the technological process, information security, sourcing of uniform and quality raw material from Gujarat, product standardisation were followed as early as 2600 BC.

Ancient India – (Harappan Civilisation)

Standardisation of Coins, Bricks for Houses (3:2:1), Crafts and Artefacts, and there are plenty of examples for “Product Standardisation”.

BCE- 500/400 BCE

Painted Grey Ware is a fine, smooth and even coloured pottery, with a thin fabric. This was well-worked and very high-quality clay was used. The designs were simple geometric patterns painted in black. The uniform colour and smooth texture of the parts show very sophisticated firing techniques requiring uniform high temperature be maintained in the kiln. Emulsion was used to obtain smooth surface on a matt finish. The products were generally used Open mouthed bowls, Lotas, and miniature pots used for cooking, everyday use and food storage. This must have been used for Deluxe Table Ware by well-to-do people as this formed 3-10%

of total pottery assemblage. Hence, it is evident that Input Materials, Uniform Colour and Textures, Advanced Processing Techniques, Surface Treatment, and Product Differentiation by Quality were being practiced.

300 – 200 BC

Maurya Dynasty Rule and Arthashastra – There are Management, Strategic and Leadership Lessons in Arthashastra and few aspects of precise measurements of the architecture of Pataliputra (the Capital of Magadh), the supervision of weights and measures, the quality control over manufactured product, different taxes depending on the quality of the land etc., bring to knowledge that early need for Measurement Systems Analysis, ascertaining the Quality of Manufactured Products and variations in input will impact the output are well thought of.

200 BCE–300 CE

Hastinapura - The rings and beads (of carnelian, jasper, and terracotta) which were discovered showed a high quality of workmanship. The concept of human skills and human touch for quality products was in vogue similar to Jidoka (Automation with a Human Touch) (Singh, 2008).

Ancient India has a tradition of achieving high standards of innovation and excellence. The Architectural wonders like Taj Mahal and Konark Temple, multitude of products like jewellery, textiles, artistic and ornamental articles have been produced for many centuries. There exists wide knowledge in our cultural and spiritual heritage in Ancient India and there is a need to identify and find applications in the areas of Excellence, Quality and Management.

Quality Management in Modern India

Early 1900s

The Indian conglomerates in British India have contributed to the industrialisation and growth of Indian Economy in Textiles, Finance and Banking, Construction, Steel and Iron, Electricals, Manufacturing, Paints, Hotel and Hospitality, Insurance, Automobiles, Media and Printing, Tobacco, Pharmaceuticals, Engineering, FMCG, Farm Equipment, Footwear, Food and Edibles, Chemicals, Coffee and Tea. These Companies have grown into trusted organisations due to Quality and Service. This was an era marked by perseverance of Indian leaders who established the foundation for Industrial India and were known for their notable contributions to the country.

1947 – 1991

Post-Independence was a protected business environment, and Quality and Service were not being consciously seen as a requirement by both consumers and businesses. It was predominantly seller's market. There were many weaknesses which were visible and quality movement suffered. The weaknesses were loss of trust and credibility in the system, laxity and callousness in achieving targets, poor observance of rule/ norms, poor quality of products and services, time was not being valued, short term gains were preferred over long-term goals and objectives, labour unions were politically managed, poor accountability for results and actions, management commitment was questionable, National Quality policy was not available, non-availability of resources / technology/ infrastructure, quantity oriented approach at the cost of quality, teamwork was missing, the agreements between companies and formation of cartels leading to seller's market and not consumer oriented, government licence raj, bureaucracy led delays, etc., led to Indian products being sold only in India and due to lack of quality of products, we were unable to compete globally (Jagadeesh, 1999).

1990 to 2019

ISO 9001 was significant Quality Management System adopted by MSMEs. By 2009, India had 37,493 Organisations which were ISO 9001 Certified. (ISO, 2020) The Quality Consciousness, need for Quality in Products and Services, Increasing Competition, Opportunities in Global Markets were key drivers for growth amidst challenges.

Economics reforms led by PV Narasimha Rao and Manmohan Singh in 1992, ushered a new era of globalisation in wake of unprecedented financial crisis. The structural reforms and stabilisation policies targeted removal of rigidities in Indian Economy and correcting the fiscal and balance of payments weaknesses. The key aspects were Liberalisation, Privatisation and Globalisation. In this era, Information Technology flourished and was led by Infosys, Wipro, TCS, Cognizant, Satyam (now Mahindra) and the IT Exports were growing in this period. The growth in 1997 was 6.8% in Agriculture, 7.0% in Industry and 7.4% in Services.

2020-21

Covid-19 has presented challenges to all businesses globally and Indian Manufacturing MSMEs are no different. Only 7% of MSMEs would survive beyond 3 months, 25% of MSMEs would not survive 4 Weeks of

Lockdown, and in case of 8 Weeks lockdown, 43% of MSMEs would be shut (Arjun Kadam et al., 2020).

There are opportunities as global economies are looking for an alternative to China. India is positioned to establish as a Manufacturing and Global Supply Chain Hub for the World Market. However, this will require immediate scaling of Infrastructure, Capital Investment, Government Policies and support to make “Atmanirbhar Bharat” a reality.

Way Forward for Indian MSMEs

The Indian MSMEs are witnessing the COVID-19 challenge after 1991 financial crisis, and the fluidity of the global economics presents enough opportunities to achieve growth. The Fiscal and Policy measures since March 2020 have been encouraging and global markets are favourable to investment in India. The mean of working population age is 26.8 years (2015) as per the census which can enable growth.

The MSMEs have to be innovative, inventive, international in business outlook, create strong technological base, and be willing to restructure themselves to continue to contribute to 29% of India’s GDP (Kumar Singh & Sharma, 2018).

The Business Excellence Frameworks and Quality management Systems are to be seriously implemented to improve product and service performance with a goal of long-term sustainability.

BUSINESS EXCELLENCE FRAMEWORKS IN INDIA

Rajiv Gandhi National Quality Award (RGNQA): The award was instituted in 1991 by Bureau of Indian Standards to recognise Indian Manufacturing and Service Organisations and bring Quality consciousness in Indian Organisations. This award which began in 1991 has not been carried forward since 2014 (BIS, n.d.).

The assessment of Large Scale and MSMEs were based on different parameters. The Large Organisations were assessed on Leadership, Policies, Objectives and strategies, Human resource management, Resources, Processes, Customer focused results, Employees’ satisfaction, Impact on environment and society, and Business results.

The MSMEs were assessed on Leadership, Human resource management, Processes, Customer focused results, Impact on environment and society, and Business results.

CII-EXIM Bank Award for Business Excellence (EFQM Model) -

The award is based on EFQM Criteria. This was established in 1994 by CII & EXIM Bank. There are 2 categories – Large Business and SMB Organisations. The CII-EXIM Bank Award for Business Excellence was launched to award Organisations to strengthen management, enhance and sustain global competitiveness and to become World-Class Organisations for others to emulate (CII, 2022).

IMC Ramakrishna Bajaj National Quality Award (MBNQA Model)

- The award is based on MBNQA and was started in 1995. The IMC Ramakrishna Bajaj National Quality Award Trust is a joint initiative of the IMC Chamber of Commerce & Industry and the House of Bajaj as a nation-building exercise (IMC-Ramarkrishna, 2022).

Golden Peacock Business Excellence Award (GPBEA) -

The awards were initiated by the Institute of Directors (IOD), India in 1991. The award questions are partly based on MBNQA. There are various other categories of Awards in the areas of CSR, HR Excellence, Risk Management, Innovation Management, Business Excellence, Quality, Environment Management, Occupational Health and Safety, Eco-Innovation, Energy Efficiency, Corporate Governance, Sustainability, Innovative Product/Service, and Training (Golden-Peacock-Award, 2022).

ZED (Zero-Effect, Zero-Defect) Program for MSMEs in India.

MSME Sustainable Zero Effect-Zero Defect Certification is program to create awareness amongst MSMEs about best Quality, Environmental, Energy, Safety and Health practices in MSMEs. The program is to motivate and incentivise and to encourage the growth of MSMEs in India.

The ZED program covers Leadership, Swacch Workplace, Occupational Safety, Measurement of Timely Delivery, Quality Management, Human Resources Management, Daily Works Management, Planned Maintenance and Calibration, Process Control, Product Quality and Safety, Materials Management, Energy Management, Environment Management, Measurement and Analysis, Supply Chain Management, Risk Management, Waste Management, Technology Selection and Upgradation, Natural Resource Conservation, Measurement and Analysis.

There are 3 Levels of Certifications which include Bronze, Silver and Gold levels for ZED Certification. (Ministry of MSME, 2022).

GLOBAL BUSINESS EXCELLENCE MODELS/ FRAMEWORKS

Malcolm Baldrige National Quality Award (MBNQA) Framework - The Baldrige framework was started by US Congress to help organizations to reach its goals, improve results, and become more competitive. The framework consists of the Criteria, the core values and concepts, and the scoring guidelines. The Criteria Questions are used for Self-Assessment or External Assessment for improving organisation competitiveness.

Criteria for Business Excellence includes Organisation Profile and 7 Interconnected Categories – The process categories are Leadership, Strategy, Customers, Measurement-Analysis-and-Knowledge Management, Workforce and Operations. The Results – the last category includes – Product & Process efficiency and effectiveness, Customer focused measures, Workforce measures, Leadership & Governance measures, and financial results, Market performance and effectiveness of Strategy.

The Baldrige Criteria are interconnected core values and concepts and beliefs & behaviours which are seen in high-performing organizations. The core values, concepts, beliefs and behaviours are the basis to improve performance (MBNQA-USA, 2021).

European Foundation for Quality Management (EFQM) 2020 Model - The EFQM Model 2020 structure is based on Why, What and How – the 3 KEY Questions. (EFQM, 2022).

- *Direction* – Reason for Existence, Purpose and WHY Organisation has adopted the specific strategy.
- *Execution* – Planning and Delivering the Strategic Objectives and Purpose, the HOW Part.
- *Results* – Measuring performance today and projecting for tomorrow, the WHAT Part.

The principles of EFQM Model (2020) are relevant and robust over many iterations over the years and they are:

- The primacy of the customer
- The need to take long-term stakeholder centric view
- Understanding the cause-and-effect linkages between why the organisation does something, how it does it, and what it achieves as a consequence of its action.

The EFQM Model begins with Positioning Statement where the Organisation defines inspiring Purpose, creates aspirational Vision, develops a Strategy that is based on creating sustainable value, builds a

winning culture. This direction prepares the organisation to be seen as a Leader in its Eco-system and well positioned to execute its plan for the future.

The Direction Phase begins with:

Purpose, Vision and Strategy – Define Purpose and Vision, Identify and Understand Stakeholders needs, Understand the Ecosystem, own capabilities and major challenges, Develop Strategy, Design and Implement a Governance and Performance Management System

Organisation Culture and Leadership – Steer the Organisation's Culture and Nurture Values, Create the conditions for realising change, Enable Creativity and Innovation, Unite behind and engage in Purpose, Vision and Strategy.

The Direction Phase is analysed for Approaches, Deployment, Assessment and Refinement.

The Execution Phase sets the Direction phase into action in the next steps:

- *Engaging Stakeholders* – Building Sustainable Relationships with Customers, Attract-Engage-Develop-and-Retain People, secure and sustain ongoing support with Business and Governing Stakeholders, Contribute to Development, wellbeing and prosperity of the Society, Build relationships & ensure support for creating sustainable value with Suppliers and Partners.
- *Creating Sustainable Value* – Design the Value and How it is created, Communicate and Sell the Value, Deliver the Value, Define and Improve Overall Experience.
- *Driving Performance and Transformation* – Drive Performance and Manage Risk, Transform the Organisation for the Future, Drive Innovation and Utilise Technology, Leverage Data, Information and Knowledge, Manage Assets and Resources.

Results phase finds out what the organisation has achieved:

- *Stakeholder Perceptions* – Customer Perception Results, People Perception Results, Business and Governing Stakeholders Perception Results, Society Perception Results, Partners and Supplier Perception Results.
- *Strategic and Operational Performance* – Achievements in delivering purpose and creating sustainable value, Financial Performance, Fulfilment of Key Stakeholder expectations, Achievement of Strategic Objectives, Achievements in driving performance, Achievement in driving Transformation, Predictive Measures for the Future.

Deming Prize (Japan) - “Everybody must be on a team to work for improvement of quality.” -Dr. W. Edwards Deming

Edward Deming is a pioneer in Statistical Quality Control and Quality Knowledge and Practices in Japan. The Deming Prize was instituted in his honour in 1951 and is based on Total Quality Management. (DemingPrize, 2022)

The 5 Effects of Deming Prize are

- TQM starts from Market – New Product Development and Launch will be promoted.
- New Technology can be obtained.
- Sales Target will be achieved continuously.
- Become capable of following a policy and fulfilling an objective.
- Organisation’s Functionality will be enhance.

Organisations are required to demonstrate the following to quality for the Deming Prize

- Deepen understanding of TQM and boost the morale of employees across the organization for TQM implementation and promotion.
- Create a structure to advance TQM and set up a TQM promotion plan.
- Provide education on Quality management.
- Identify issues and make improvements.
- Start from an in-house QC diagnosis and move on to achieve higher goals.
- Apply for Deming Prize.

INTEGRATED BUSINESS EXCELLENCE APPROACH FOR LONG-TERM SUSTAINABILITY FROM VEDIC PERSPECTIVE

This is author’s contribution to the Business Excellence approach from Vedic perspective. The Vedic Age and the study is vast and author would accept the limitation of not considering, or limited view in this model.

The Integrated Business Excellence Approach (IBEA) should consider Effectiveness of MBNQA/EFQM Models, Long Term Sustainability aspects, Role of Leaders in MSMEs and Leadership aspects, Strategic Management of Enterprises for Micro-Small-and-Medium Enterprises, Design and Development of Products/Services in MSMEs, MSME Employees needs and expectations, Suppliers and Partners and their role

in MSMEs, Financial Aspects of running successful MSMEs, ISO 9001 and other Frameworks and Impact and other considerations.

IBEA for Indian MSMEs – Background

Indian Values and Heritage - There are differences in culture, languages, customs, and beliefs which are widely different. Vedic Management has been a concept studied and however did not find empirical evidence of great success. Vedic Management concepts like Karma (Work), Guna (Quality), Nyaya (Logic and Reasoning), Rama-Rajya (Leadership), Inclusive Progress (Vasudaiva Kutumbakam), Universal Well-being (Sarva Loka Hitam), Values (Manu Smriti), Skill in Action (Karma Yoga), Business Sutra (Yagna Concept), Material Wealth and futility (Rebirth), Self-Realisation as ultimate goal (Moksha) etc., have been in current thought of discussions in the Society. However, harnessing the ancient knowledge or development of Vedic thought is limited due to changes in human way of life in 2000-3000 years.

Leadership and Workforce - Self-Realisation is the ultimate goal in Vedas and the goal of Business is Long-Term Sustainability and success of the enterprise. We can apply the Vedic Knowledge in the areas of Personal and Organisation Values - Ethics, Transparency, Integrity, Perfection & Excellence in work, Personal Skills, Stress and Anxiety, Anger, Delusion, Mutual Respect, Work-Life Balance, etc., (Talwar., 2007). The Business Model on Vedic Management rests on the Personal Values are being a “Karma Yoga”, Organisation Mission being “Seva” towards Society. Ex. Art of Living (1981), Ramakrishna Mission (1897), Isha Foundation (1992) and Divine Life Society (1936) are established globally which indicates long-term sustainability. However, the leaders must share the profits with the employees for inclusive growth and success of the enterprise. This is evident as 10% of Population holds 90% of the wealth, which is counter-productive to mutual success, prosperity and growth.

The EFQM 2019 Model emphasizes the need for “has a duty of care to the ecosystem in which it operates”, “economic, environmental and social conditions within the ecosystem in which it operates must also be taken into account and taken seriously”, “Leadership style, less hierarchical, less command and control, more collaborative”, are indicators that by iterative changes in Western BEMs are moving towards Vedic Principles and Values which are long-term and timeless.

Strategy for an Organisation is not clearly mentioned in Business Context in Vedic Texts. We will have to rely on “Jnana” (Wisdom)

and “Nyaya” (Logic and Reasoning) to arrive at a Strategy, Strategic Objectives, Action Plans, Strategy Implementation and so forth. Customer is beneficiary of the Action (Yoga). The products and services (Seva) offered to Customers (Buyer, Intermediaries, End-Customers). They are a result of “Customer Focused” Product and Services with excellence or near-perfection to meet the Customer Requirements. Laxity in either side of the transaction will result in poor quality. Operations (a set of Systems and Processes – “Seva”) to deliver the Products and Services based on the Organisational Knowledge (Skills of Leaders and Employees).

Organisation Results are Customers, Suppliers, Employees, Leaders, Markets, and Financial Performance of any organisation. The setting up of objectives, measuring performance, identifying actions to improve and action plan implementation are linked to Strategy and Organisation Mission.

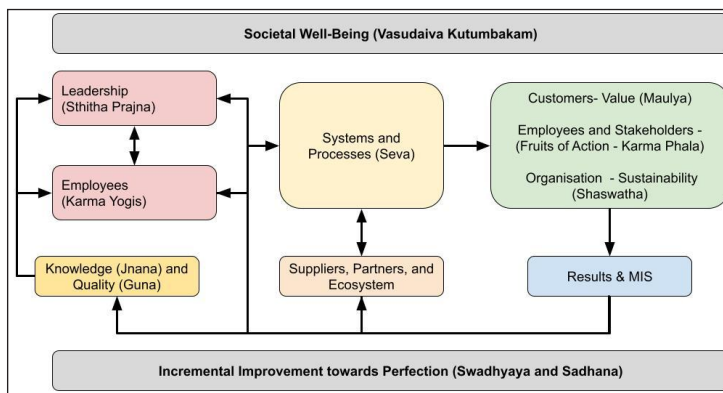


Fig. 2: Vedic SRK Model – Framework

Vedic SRK Framework Components are Leadership, Employees, Knowledge and Quality, Systems and Processes, Suppliers-Partners-Ecosystem, Customers and Results. The overall framework objective is Societal Well-Being and Incremental Improvement towards Perfection of Individuals and Organisation.

The fundamental difference is Leadership (1) and Employees (2) are KEY drivers for meeting the goal of Long-Term Sustainability. Systems and Processes, Products and Services and Marketplace are at the behest/choice of Leaders and Employees. They are in quest for Knowledge (Jnana) and high Quality (Guna)-(3) work. As Swami Vivekananda states “Focus on the means, and the end will come by itself”. They are two sides of the same coin who are inter-dependent, and success and failures are shared by

both. They share values and believe in Societal Well-Being (Vasudhaiva Kutumbakam) (8) and both work towards incremental improvements towards perfection (Swadhyaya and Sadhana) (9).

Suppliers, Partners and Ecosystem (4) includes all external to the Organisation but KEY to the Systems and Processes in realising the Products and Services. Customers are the beneficiaries of Products and Services who pay for Value (Maulya) (5) for the Organisation Sustenance.

The Systems and Processes (6) have been generalised and many tools are available to choose. The difference is that Leaders and Employees design and improve Systems and Processes to suit the organisation. For ex. Customer Satisfaction and even Delight may be irrelevant to Child Adoption NGO. Finally, Results and MIS (7), tell us how the organisation has progressed and provides insights to improve further.

Category - 1: Leadership

It is essential for the Leaders to develop qualities of “Sthitha Prajna” (man of steady wisdom) to inspire the employees and gain Trust of the Customers. “Sthitha Prajna” as per Bhagavad Gita, is one has attained equilibrium, evenness of mind, desire-less, stable mind, emotional harmony, complete self-control, tranquil mind, attainment of fullness, oneness with Brahman.

Western Leadership as per Peter Northhouse, suggests the there are no born leaders and leadership skills can be acquired by practice. Enormous research in the area of Leadership has 16 Leadership Schools of thought and there may be many more in the future. Whereas “Sthitha Prajna” is eternal truth, and the qualities suggest steady practice to attain that state. The Leader grows in knowledge and is the foundation of support to the Organisation. Leader provides DIRECTION to the organisation.

Category - 2: Employees (Workforce)

The employees are the reason for the Leadership. They are “Karma Yogis” who perform “Work for Work’s sake” and their work is the manifestation of perfection orientation within. They do not seek the fruits of action (nishkama karma) and are steady in the approach and aspire for inner transformation. They receive nourishment (Salary/Wages – Karma Phala) for the Work Accomplished

Category - 3: Knowledge (Jnana) and Quality (Guna)

Leaders and Employees have to attain Knowledge about the Products and Services, Various Methods, Techniques, Processes, Technology, Systems, Best Practices etc., and critically evaluate and in some cases innovate to

apply the gained knowledge in the Organisation.

Quality (Guna) is a subset of Knowledge (Jnana) where the actions and activities of Leaders and employees are directed towards “High Quality Work”.

Category - 4: Suppliers, Partners and Ecosystem

Suppliers, Partners, Service Providers, and Ecosystem are the parts of Society benefitting from your organisation for mutual sustenance and growth. Fairness, Trust, Relationship Orientation, and Friendship (Sakha-bhava) are essential to the success of the Organisation. Ex. Toyota is world leader in Supplier-Relationship, and they support each other in the ecosystem and grow together.

Category - 5: Customers

Organisation exists to provide “Seva” (Service) to Customers. The Customer provides and decides Maulya (Value) of the effort of Leaders, Employees, Suppliers, Partners and the Ecosystem which help the Organisation provide Products and Services. Organisation strives to meet or exceed the Customer Expectation and the Customer is satisfied with the effort. This results in re-energising the Value Creation Cycle, where Employees and Leadership obtain Fruits of Action (Karma Phala) which is Maulya (Value) and Organisation is strengthened to achieve Long-term sustainability (Shaswatha)

Category - 6: Systems and Processes

Leaders and Employees establish Systems and Processes to address the linkages in the Organisations to carry out tasks and activities to deliver Products and Services. By Knowledge (Jnana), Guna (Quality) and Results & MIS (Feedback) (7) provides inputs to Leaders and Employees to setup/alter Organisational Systems and Processes. They are incrementally made better or adapt changes to the same to meet the Organisation objectives.

Category - 7: Results and MIS

Results and MIS provide information and insights to Leaders and Employees on Customer, Suppliers, Employees, and the Marketplace performance to improve performance. This is studied in the light of Knowledge (Jnana) which is constantly acquired and improved.

Category - 8: Societal Well-Being (Vasudhaiva Kutumbakam)

Organisation must strive to protect “Mother Nature” (Prakruti) and fellow beings and animals. The Western Concepts of Environment, CSR, Safety, Health etc., are addressed in this category

Category - 9: Incremental improvements towards perfection (Swadhyaya and Sadhana)

There is no final knowledge than “Self-Actualisation” and to achieve the same “Swadhyaya” and “Sadhana” are necessary. We cannot escape from Karma (duty/action-both), we need to constantly engage in Karma (Work) as this is our nature. While doing the Karma, we may make progress or incremental improvements to perfection, thereby, enhancing our knowledge and skills, perform activities with perfection which will benefit the Society and ourselves.

LIMITATIONS

The study is (i) theoretical in approach (ii) there are many sources of Vedic Knowledge which are expanse to cover in short duration, (iii) Vedic SRK Model in based largely on Hinduism which could limiting factor in the implementation (iv) the dependency on Leaders and Employees to acquire and apply knowledge is large, (v) more extensive detailing and clarity is required on each category and how this can be generalised, (vi) approaches to become “Sthitha Prajna” and “Karma Yogi” is difficult path to follow and requires high level of personal commitment and acceptance (vii) the success of ISO 9001 and how the synergy with the Vedic SRK Model can benefit has to be studied.

CONCLUSION

There is evidence that India follows ISO Management Systems and Western Business Excellence Framework but there has been tremendous amount of knowledge about Leadership and Work-ethic in our Vedic Philosophy. The diversity of businesses, nature of products and services, requires acquiring and application of knowledge to improve Quality and achieve Customer Trust. MBNQA, ISO 9001 and EFQM undergo changes every year to meet changing economic landscape and at best inform us on the new thought processes in Western World. The Indian approach to Business Excellence based on Vedic Knowledge has significant potential in Leadership, Employee Engagement and Growth, Continuous/Incremental Improvement, Quality and Knowledge Management etc., and most of them are eternal in nature. Further study in this area is required to understand how Business Excellence which basis of livelihood and material success, can integrate with Vedic Knowledge, to provide self-reliant MSMEs

and hence India. Further, to this study, detailed “Vedic SRK Model” can be developed with Core Values and Concepts, Excellence Framework, Criteria detailing for 9 Components of the Framework, Key Terms & Glossary, Self-Evaluation, Maturity Model and Scoring Guidelines for Categories, to benefit Implementation.

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