The Relationship between
ISO Series of Standards
and
Australian Business Excellence Framework
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and
Australian Business Excellence Framework
Foreword

Victoria has a devolved, innovative and highly-competitive State Training System. Its organisations are meeting the challenges posed in enhancing their productivity and in responding to their stakeholders’ needs.

To meet and exceed those needs, organisations have implemented a range of quality systems, the two most common being the ISO Series of Standards and the Australian Business Excellence Framework which was previously known as the Australian Quality Awards Assessment Criteria. Organisations have also used benchmarking, client satisfaction surveying and other tools to create an environment of continuous improvement. These are the organisations that will lead the State Training System in Victoria into becoming a world class system.

This publication provides an overview of the relationship between two of the commonly used systems: ISO and Business Excellence. It was written by Mr John Wyatt who is well known in Australia and overseas for his work in quality systems.

Mr Wyatt has been the chairman of the group which oversees and decides on the direction of all Quality Systems Standards in Australia. He has led the Australian delegation to International Organisation for Standardisation meetings on many occasions and is currently a task group leader rewriting the ISO 9000 Standards.

Mr Wyatt is also an evaluator of the Australian Quality Awards and has served as the Chairman of the Evaluation Process Committee and the Criteria Committee.

This informative booklet will be of assistance to any organisation seeking to understand the relationship between the ISO Standards and the Australian Business Excellence Framework.

PETER HARMSWORTH
Director
Office of Training and Further Education
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Introduction

There is a diverse range of approaches to quality management adopted by State Training System (STS) organisations and the Office of Training and Further Education (OTFE) encourages each to pursue the approach most suited to their organisation in demonstrating the quality of their organisation’s performance. Many organisations have chosen to put in place an internationally recognised quality assurance system, the ISO 9000 Series of Standards. Others have chosen to use the Australian Business Excellence Framework or a combination of both of these systems.

The purpose of this publication is to examine the relationships between the two most common frameworks for assurance, improvement and quality management used in the STS in Victoria and discuss how they can be used to complement each other for the benefit of all organisations. The frameworks are the Australian Business Excellence Framework and the ISO 9000 Series of Standards.

The Quality Management Framework (QMF) for the STS is based on the Australian Business Excellence Framework which has been endorsed by STS organisations as applicable to their businesses.

Within the Quality Management Framework in Victoria, STS organisations may choose to integrate their existing ISO 9001 or ISO 9002 system with the Australian Business Excellence Framework or enhance their ISO system. As many STS organisations have already significantly enhanced their ISO system towards business excellence, the extent to which a system needs to be enhanced or integrated will depend on the approach adopted by organisations when implementing their ISO system. This publication has been written with the assumption that an organisation has implemented an ISO system which complies with the minimum requirements of the appropriate standard but which has not been significantly enhanced beyond these minimum requirements.

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1 The Australian Quality Awards Assessment Criteria changed its name in 1998 to the Australian Business Excellence Framework. Where there are references made in this publication to the AQA Assessment Criteria, the AQA Criteria or the Australian Quality Awards Framework, these are generally accepted terms for the Australian Business Excellence Framework.
What is ISO 9000?

ISO 9000 is a series of standards developed by the International Organisation for Standardisation (ISO) as a system for managing quality, with a particular focus on quality assurance. ISO is based in Geneva and comprises representatives from over 100 countries who develop new standards and review existing standards which have international recognition.

In the late 1970s, ISO agreed to prepare international standards on quality management and quality assurance systems. This resulted in the development of ISO 9001, ISO 9002, ISO 9003 and ISO 9004 which were first published in 1987. In Australia, these were previously known as AS 3901–AS 3904 until 1994 when it was decided to use the internationally recognised numbering system.

ISO 9001–9003 relate to requirements for the quality assurance of products or services. They can be subject to an external audit if an organisation wishes to be recognised as having in place a quality assurance system which complies with an international standard.

- ISO 9001 covers organisations that design, produce and support their product;
- ISO 9002 covers organisations that produce and support a product designed by somebody else; and,
- ISO 9003 is aimed towards organisations which service or stock goods produced by somebody else.

Organisations that have undergone an external audit of their quality management system and have achieved certification to the standard ISO 9001, ISO 9002 or ISO 9003 are referred to as having gained third party certification.

While many organisations prefer to seek certification, others choose to simply develop a quality management system to better manage internal processes. ISO 9004 contains guidelines to help organisations implement a quality management system and is not designed to be subject to external audit. This standard was written because many organisations worldwide realised that quality management involved more than just assuring the quality of products and services, which is the basis of ISO 9001–9003.

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2 Since the initial publication of ISO 9000 to ISO 9004, there have been other documents prepared to assist organisations in understanding particular aspects of a quality management system. This has resulted in a numbering system which contains “Parts” additional to the original numbers. Thus ISO 9000 is now numbered ISO 9000-Part 1 and ISO 9004 is now numbered ISO 9004-Part 1. For ease of reading in this publication, the original numbers will be used. Similarly, ISO 9001 contains the most comprehensive coverage of requirements for quality assurance, including everything that is in ISO 9002 and ISO 9003, and thus for simplicity ISO 9001 will be used in this publication to cover all three requirements Standards, unless one of the other requirements standards are specifically referenced. The complete ISO Family of Standards is listed in Attachment A.
What are Business Excellence Systems?

Business excellence systems have developed from the ‘Quality Awards’ processes which are conducted annually in various countries to encourage organisations to improve their competitiveness. They are nationally, not internationally, recognised. However, all business excellence systems contain substantial similarities.

The first “Awards for Business Excellence” were developed in Japan shortly after World War II (the Deming Prize). In 1988, the Baldrige Award was introduced in USA, the same year that the Australian Quality Awards commenced. There are also European and other national and regional awards.

These award processes provide a framework for business excellence which organisations can use to obtain an assessment of their activities against the awards criteria. They allow for external evaluation by a team of independent evaluators and if an organisation is considered to have excellent processes, products, services and results it can be recognised with a Business Excellence Award.

The way we work in this organisation

All organisations are different. Any framework that is designed to describe an organisation cannot be exactly like that organisation. It is necessary for staff within an organisation to customise the framework to fit with their operations and culture.

In the quality frameworks under discussion here, ISO 9001 is the most prescriptive and the Australian Business Excellence Framework the least prescriptive, but in both of them, it is up to the organisation to consider how the concepts included fit with, and can benefit, their organisation. It should be emphasised that both of the frameworks are about customer and other stakeholder satisfaction and the long term success of the organisation.

Benefit can be gained by considering how the processes and activities of an organisation fit with these frameworks and then building improvement to address any perceived gaps between the current situation and what the organisation would like to have in place. However, it is also important to build on the experience of others and not reinvent the wheel. This is why the frameworks that are being discussed here can be useful starting points in generating the business model for any organisation.

It is also important to understand when analysing organisations that there is no correct way that an organisation must be structured or should conduct its activities. Every organisation is different and will do things differently. What is important is that an organisation establishes its strategic direction and the measures that will enable it to understand whether progress is being made towards the strategic direction.
How the ISO 9000 Series of Standards and Business Excellence Systems are used

The ISO 9000 standards have been accepted by over 100 countries which have agreed to use them as the International Standard or adopt them as their National Standard. There are already over 200,000 organisations worldwide with third party certification. This widespread usage has been driven by large purchasing organisations, including governments, demanding that their suppliers show evidence of quality assurance as a prerequisite for doing business. Initially, this caused many organisations to undergo certification to meet the needs of the purchasing organisations rather than as a result of having identified the benefits to be gained from having a formal quality assurance system in place.

Ideally, the ISO 9000 standards, particularly ISO 9004, could be used to provide a framework for process management and improvement, as well as to meet the demands of external suppliers. However, to date there has been little interest in the quality management system guidelines standard ISO 9004. It has not had the ‘licence to do business’ drive of the other ISO 9000 series of standards because it does not involve external recognition.

Although there are no internationally recognised business excellence frameworks, they are all similar in content and customised for national differences.

However, there has been a strong interest in using the awards criteria as a framework for business improvement and for self-assessment against the Australian Business Excellence Framework as an input to planning. As a result, approximately 15,000 copies of the Australian Business Excellence Framework are distributed each year although typically fewer than 100 organisations apply for an Australian Quality Award.

Significant similarities and differences

The ISO 9000 and Australian Business Excellence Framework are similar in many aspects. They are both designed to help organisations to compare themselves against accepted criteria, to look for gaps and thus opportunities for improvement.

ISO is focused on achievement of quality products or services to satisfy specified customer needs. Using the ISO system for quality assurance (ISO 9001), organisations compare themselves with the accepted criteria to assure the quality of products or services. If a nonconformance is found, either by internal or external audit, this presents an opportunity to address the ‘gap’.

Where an organisation undertakes self-assessment using the standard for quality management (ISO 9004), it will identify the places where the organisation needs to improve. This becomes an opportunity to put new practices in place or put more emphasis on a particular process. This is closely aligned to business excellence frameworks.
Business excellence frameworks focus on meeting the needs of all stakeholders (community, owners, suppliers, employees and customers) with the inclusion of items relating to people and organisational results.

Although the intents of the ISO and the Australian Business Excellence Framework criteria are essentially the same, they have different emphases.

The table below depicts the emphasis given (major, part or minor) for various aspects of ISO and the Australian Business Excellence Framework, not for the level of importance attached to the aspect. For example, Customer Focus is shown as a ‘major’ focus for ISO 9001–9003 and ‘part’ for the Business Excellence Framework. This is because customers are also represented in Stakeholder Focus under the Business Excellence Framework, which is nominated as a ‘major’ focus for that item.

Table 1: Comparison of difference in emphasis of the ISO and the Business Excellence Framework

<table>
<thead>
<tr>
<th>Selected Aspect</th>
<th>ISO 9001-9003</th>
<th>ISO 9004</th>
<th>Business Excellence Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality Assurance of product or service</td>
<td>Major</td>
<td>Part</td>
<td>Part</td>
</tr>
<tr>
<td>Management of Quality</td>
<td>Major</td>
<td>Major</td>
<td>Part</td>
</tr>
<tr>
<td>Quality of Management</td>
<td>Minor</td>
<td>Part</td>
<td>Major</td>
</tr>
<tr>
<td>Self Assessment</td>
<td>Part</td>
<td>Part</td>
<td>Major</td>
</tr>
<tr>
<td>External auditing or evaluation</td>
<td>Major</td>
<td>No</td>
<td>Part</td>
</tr>
<tr>
<td>International recognition</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>National recognition</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Prescriptive</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Customer Focus</td>
<td>Major</td>
<td>Part</td>
<td>Part</td>
</tr>
<tr>
<td>Stakeholder Focus</td>
<td>Not all included, eg., society, owners, employees.</td>
<td>Part</td>
<td>Major</td>
</tr>
<tr>
<td>People Focus</td>
<td>Minor</td>
<td>Part</td>
<td>Major</td>
</tr>
<tr>
<td>Results Focus</td>
<td>Minor</td>
<td>Part</td>
<td>Major</td>
</tr>
<tr>
<td>Continuous Improvement Focus</td>
<td>Minor</td>
<td>Part</td>
<td>Major</td>
</tr>
</tbody>
</table>

Major = Important aspect of the system.
Part = Included in the system. Importance similar to many other aspects.
Minor = Present but not emphasised in the system.
As illustrated above, there are some significant differences between the approach taken by ISO and the Australian Business Excellence Framework. These differences revolve around the issue of Management of Quality versus Quality of Management. The ISO Standards have a specific instruction from the ISO Central Secretariat to address Management of Quality whereas the Business Excellence Framework addresses the Quality of Management.

This means that the Australian Business Excellence Framework tends to take a broader approach to management. It includes aspects such as the environment and occupational health and safety which are specifically excluded from the ISO 9000 Standards. ISO has other standards for managing environmental systems (ISO 14000 series) and has decided not to address occupational health and safety at this time. It has deferred the decision on whether to produce an International Standard covering Quality of Management.

The result of these decisions at the international level is that there are aspects of management that are covered more comprehensively in the Australian Business Excellence Framework than in the ISO 9000 Standards. These differences are discussed in more detail in a later section.

Figure 1: The Relationship between the Systems

![Diagram showing the relationship between business excellence, best practice criteria, quality management system, and quality assurance system.](image)
Moving from Quality Assurance to Business Excellence

Organisations that have commenced with an ISO system will have a good basis for building towards business excellence. An ISO system that has been based on the quality assurance elements of ISO 9001 or 9002 will be strong in certain aspects and will need development in other aspects. If reference has been made to the contents of ISO 9004 during the implementation of the quality assurance system, then it is most likely that an emphasis on improvement has been put in place. The other major areas contained in the Business Excellence Framework that are not given the same emphasis by ISO 9001 and ISO 9002 relate to people and results/improvement issues.

Figure 1 depicts the relationship between the systems. It shows how an organisation can build on its framework from quality assurance to business excellence.

An effective, certified ISO 9001 quality assurance system would meet about half of the requirements expected for an organisation to be considered for an Award in Business Excellence. An approximate comparison under all the items of the Australian Awards Criteria and an ISO 9001 system is shown in Figure 2.

In looking at the gap between ISO 9001 and best practice, it is important to keep in mind the main reasons for the gap. These are:

(i) The concept of continuous improvement is a most important aspect of the Australian Business Excellence Framework. Continuous improvement is included in ISO 9004. ISO 9001 includes 'corrective and preventive action' and it is possible to translate 'preventive action' to 'forward looking improvement' but frequently the concept of continuous improvement is missing from ISO quality assurance systems.

This is a major reason that there is the gap between Business Excellence Framework items and ISO as shown in Figure 2. Organisations which implement continuous improvement into their system can theoretically move above the effective ISO level shown.

(ii) The second major reason for the gap is the need for results in every item of the Business Excellence Framework Criteria. This aspect has less emphasis in ISO 9001.

For organisations that are certified to ISO 9001, Figure 2 could assist them to evaluate their current state and progress towards best practice. It is, however, important to keep in mind when assessing an organisation, that it be assessed against the four dimensions of Approach, Deployment, Results and Improvement (ADRI) to gain a realistic comparison with best practice on each item.

Successful organisations have started with either approach and have included, and customised, the appropriate parts for their organisation. Many organisations which have achieved an Award for Business Excellence, have successfully incorporated both Business Excellence and ISO frameworks.
How an effective ISO 9001 system covers the items of the AQA Criteria

Senior executive leadership
Leadership throughout the organisation
Leadership in the community
Development of strategy
The planning process
Scope and collection of data
Analysis and use of data and information
Human resource management planning
Employee involvement
Performance management
Education and training
Communication
Well-being and satisfaction
Knowledge of customer needs
Customer relationship management
Customer satisfaction
Design and innovation
Supplier relationships
Management and improvement of processes
Quality of products and services
Measures of success

Figure 2: Potential coverage of criteria by an effective ISO 9001 system.
Considering each of the categories of the Business Excellence Framework, the following areas may need development to move from a certified ISO 9001 system to business excellence.

Table 2: Enhancements required for an ISO 9001 based system to achieve organisational excellence.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Requirements for enhancement of an ISO 9001 system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Motivation, role modelling, communication, empathy, attitudes, behaviours, relationships with the community.</td>
</tr>
<tr>
<td>Strategy and Planning</td>
<td>Articulation of values. Reflection of values in mission, vision, policies and the objectives for planning. Linking of plans through the organisation.</td>
</tr>
<tr>
<td>Information and Analysis</td>
<td>Approach to selection and collection of data, types of data collected, reliability and consistency of data. Approach to analysis and use of data to get useful information, the understanding of variation.</td>
</tr>
<tr>
<td>People</td>
<td>Planning for the skills needed in the future, performance measurement of individuals and teams, employee involvement, reward and recognition systems, communication, support for a continuous learning atmosphere, employee well-being.</td>
</tr>
<tr>
<td>Customer Focus</td>
<td>Customer expectations, customer relationships management.</td>
</tr>
<tr>
<td>Processes, Products and Services</td>
<td>Research and development, relationships with suppliers in improvement activities, measures of quality of product and service.</td>
</tr>
<tr>
<td>Organisational Performance</td>
<td>Measures to enable the organisation to know it will prosper in the future.</td>
</tr>
</tbody>
</table>

All organisations are different and there is a need to consider ISO and business excellence in the context of the organisation’s culture and objectives. To be successful, an organisation should customise the generic systems of both ISO and the Australian Business Excellence Framework for their own needs. The systems are complementary and can form a logical path to continued success as shown in Figure 1.
Leadership

The Australian Business Excellence Framework puts emphasis on leadership throughout the organisation. It is essential that all levels of people within an organisation who manage any other person support the policies and actions espoused by the senior leaders. If this does not take place then it is likely that there will be disruption within various levels or functions of the organisation and not everybody will be moving towards achieving the organisational objectives in a concerted manner. This aspect is not given the same emphasis in the ISO system except for the allocation of responsibilities.

ISO includes aspects such as management responsibilities and organisational issues to ensure that product meets customer needs, however, it does not cover the underlying characteristics of leadership such as motivation, role modelling, communication, empathy, attitudes and behaviours. These aspects of leadership are very difficult to audit but can be evaluated subjectively or compared to leadership in other organisations.

It is the difference between managing and leading which distinguishes between average and excellent organisations.

Another aspect of leadership which is included in best practice systems is the relationship that the organisation has with the broader community. The Business Excellence Framework focuses on meeting stakeholder requirements which includes owners, employees, society and suppliers in addition to customers. ISO 9001 focuses on meeting customer requirements.

Strategy and Planning

Policy and planning are covered by both the ISO Standards and Business Excellence Framework. There is an emphasis on having policies to enable people within the organisation to know what they should do, and on plans to enable the policies to be acted upon and strategic objectives achieved.

In addition, the Business Excellence Framework includes the idea of generating statements of mission (what business are we in?), vision (where do we want to be in the future?) and values (how are we going to conduct our activities?) to assist in formulating these policies and plans and to focus attention on achieving organisational strategic objectives.

Measurement

The Business Excellence Framework takes a strong view of the need for measurement. It includes specific subjects on the management of data, and also on how an organisation gets meaningful information from its data.

ISO 9001 includes an element on Statistical Procedures, which essentially says that if you establish a need to use such procedures, they should be understood and controlled. ISO 9004 gives some guidance on activities which might be appropriate for measuring.

An organisation must pay specific attention to implementing a good measurement system, in addition to the requirements of the quality assurance standard, if it is to meet the needs of the Business Excellence Framework.
People
People subjects are a major focus of the Business Excellence Framework and are not given the same emphasis in the ISO standards. This is a major difference in the approach in the two frameworks.

This situation has arisen in part because the ISO standards were developed during the 1980s and significant changes in people issues have taken place since that time. It also reflects the previously mentioned difference in focus on customer satisfaction in the ISO standards and a wider focus on stakeholder satisfaction in the Business Excellence Framework.

Both systems include training and the need for competent people, however, the Business Excellence Framework has additional items:

- planning for the skills needed in the future;
- performance measurement of individuals and teams;
- employee involvement;
- reward and recognition systems;
- communication;
- support for a continuous learning atmosphere; and,
- employee well-being.

These are items which need to be developed in making the transition between an effective ISO system and business excellence.

Customers
Both the ISO Standards and Business Excellence Framework place emphasis on satisfying customer needs. The Business Excellence Framework covers broad aspects including customer expectations which may not always be included in the defined standards of supply covered by the ISO standards. It also places emphasis on the measurement of customer satisfaction as would be expected in an effective quality assurance system. Thus, there is little significant difference between the ISO standards and Business Excellence Framework in this area.

Processes
The control of processes is a cornerstone of both frameworks.

The Business Excellence Framework requires organisations to be forward looking through research and development whereas the ISO system concentrates on current issues. This becomes an element in the future viability of an organisation.

Relationships with suppliers are covered in both cases, with perhaps more emphasis on getting suppliers involved in improvement activities in the Business Excellence Framework.
Another significant difference is that in the Business Excellence Framework there must be measures in place so that an organisation knows the quality of its products and services. This is not specifically covered in the ISO standards which concentrate on the system rather than the output of the system. It is considered within the ISO standards by inference that an effective quality system, with good customer needs information gathering and specification setting, will result in a good product or service. The Business Excellence Framework requires an organisation to measure the quality of its output and know whether it satisfies its customers' needs and expectations.

**Results**

An important category in the Business Excellence Framework is Organisational Performance. This category is designed to show how an organisation knows whether it is healthy and is confident that it will survive and prosper. The Business Excellence Framework places emphasis on measurement and stakeholder satisfaction and the ISO standards place emphasis on customer satisfaction.

Using the above, it is possible for an organisation to chart the areas in which it may need to develop. Table 3 presents a comparison of the two systems in terms of the effort which might be required to move towards business excellence.

**Table 3: Subjects for improvement to take a certified ISO quality system to Business Excellence.**

<table>
<thead>
<tr>
<th>Most Effort Needed</th>
<th>Significant Effort Needed</th>
<th>Least Effort Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership in the community</td>
<td>Senior executive leadership</td>
<td>Development of strategy</td>
</tr>
<tr>
<td>Human resource management</td>
<td>Leadership throughout the organisation</td>
<td>The planning process</td>
</tr>
<tr>
<td>Employee involvement</td>
<td>Scope and collection of data</td>
<td>Education and training</td>
</tr>
<tr>
<td>People performance management</td>
<td>Analysis and use of data and information</td>
<td>Knowledge of customers needs and expectations</td>
</tr>
<tr>
<td>Communication</td>
<td>Customer relationship management</td>
<td>Customer satisfaction</td>
</tr>
<tr>
<td>Well-being and satisfaction</td>
<td>Design and innovation</td>
<td>Supplier relationships</td>
</tr>
<tr>
<td>Measures of success</td>
<td>Quality of products and services</td>
<td>Management and improvement of processes</td>
</tr>
</tbody>
</table>
Current developments with the ISO 9000 Series

It is normal practice for ISO to regularly review its standards and to reissue them every 5 years, as appropriate. The ISO 9000 series of standards is currently being reviewed with an expected publication date for the revised standards of 2000. There will be significant changes included in both the quality assurance and quality management standards. It is expected that ISO 9001, 9002 and 9003 will become a single standard.

Many countries use an international non-aligned body, such as ISO, to help them understand the broad issues of quality management. This need has stimulated the further development of ISO 9004. The new version of ISO 9004 is intended to describe those essential aspects of a quality management framework that any organisation in any part of the world should consider for improvement of its activities. It will not be prescriptive and will not be designed for external audit. However, it will encourage self-assessment to look for opportunities for improvement and will be totally compatible with, and have clear linkages to, the new version of ISO 9001.

The new versions of ISO 9001 and ISO 9004 will attempt to satisfy the need to establish clear links between quality assurance, quality management and business excellence. In particular the model for the standards will be very similar to the well established business excellence models and it will look something like Figure 3.

Figure 3: System for the next versions of the ISO Standards prepared by the ISO Working Group that is developing the Standards.
The similarity to a typical business excellence framework is intentional, as such frameworks have been a major consideration for the intended changes to the ISO standards.

Emphasis will be put on the use of words that can be easily related to any type of organisation or function within an organisation. The importance of people to a successful organisation will be emphasised, and increased reference to measurement and the importance of having facts from results is intended to be included.

The use of the improvement cycle, ADRI, which has been such an important part of the Australian Business Excellence Framework will be included throughout the new standards as they will be written in a Plan/Do/Check/Act (PDCA) format which is almost identical to the ADRI format.

There will be a clear linkage between the various frameworks for quality assurance, quality management and business excellence to show that they are a coherent system all working together.

Current Developments with Business Excellence Systems

Business excellence frameworks are reviewed on an annual basis as part of the essential focus on continual improvement and ‘best practice’. The review takes into account input from evaluators, experts in specific management disciplines and other international awards.

It has been normal practice in Australia to have a major review of the award criteria every two years, with minor adjustments in alternate years. The next major review of the criteria will be in 1999 when significant change is expected. This will include more focus on success being sustainable in the future.

This approach will be reflected in emphasis on:

- strategic direction by the leaders;
- how organisational culture is created to support the achievement of organisational objectives;
- understanding of the business environment in which the organisation works;
- resource and asset utilisation;
- management of knowledge as well as data and information;
- people effectiveness and development;
- customer perception of the value provided by the organisation; and,
- indicators of sustainability.
Conclusion: Quality Management Framework for the State Training System

There are many aspects of the ISO Standards and the Business Excellence Framework that are similar and complementary. However, there are additional items that are given emphasis in the Business Excellence Framework. The additional items generally relate to matters of interest to stakeholders other than customers and there is a greater emphasis on continuous improvement of the total organisation in the Business Excellence Framework.

The ISO standards are currently under review and will be written in a form that makes a clear link between the standards and the Business Excellence Framework. The standards will be published internationally in the year 2000.

While the Quality Management Framework for the Victorian State Training System is based on the Australian Quality Council's Australian Business Excellence Framework, it will be inclusive of all other recognised quality management systems and frameworks. Under the Quality Management Framework, all State Training System organisations will be free to choose the quality management framework of their choice and to customise it to suit the needs of their organisation.
The ISO 9000 Family of Standards

Titles.

ISO 8402: Quality management and quality assurance — Vocabulary.


ISO 9000 Part 3: Guidelines for the application of ISO 9001 to the development, supply and maintenance of software.

ISO 9000 Part 4: Guide to dependability program management.

ISO 9001: Quality systems — System for quality assurance in design, development, production, installation and servicing.

ISO 9002: Quality systems — System for quality assurance in production, installation and servicing.


ISO 10013: Guidelines for developing quality manuals.
Australian Quality Award Criteria

Categories and Items

Category 1 Leadership
Item 1.1 Senior executive leadership
Item 1.2 Leadership throughout the organisation
Item 1.3 Leadership in the community

Category 2 Strategy and planning
Item 2.1 Development of strategy
Item 2.2 The planning process

Category 3 Information and analysis
Item 3.1 Scope and collection of data
Item 3.2 Analysis and use of data and information

Category 4 People
Item 4.1 Human resource management planning
Item 4.2 Employee involvement
Item 4.3 Performance management
Item 4.4 Education and training
Item 4.5 Communication
Item 4.6 Well-being and satisfaction

Category 5 Customer focus
Item 5.1 Knowledge of customer needs and expectations
Item 5.2 Customer relationship management
Item 5.3 Customer satisfaction

Category 6 Processes, products and services
Item 6.1 Design and innovation
Item 6.2 Supplier relationships
Item 6.3 Management and improvement of processes
Item 6.4 Quality of products and services

Category 7 Organisational performance
Item 7.1 Measures of success
GLOSSARY

Audit: A verification activity aimed at evaluating the continued performance of an assessed system, design, product, program, process or service, as appropriate.

Australian Quality Awards (AQA): A program designed to support business excellence in Australian organisations to increase international competitiveness using self-assessment as a tool.

Business Excellence: The outcome of using management practices which enable an organisation to achieve its stated goals.

Deming: The American statistician who brought many of the concepts of continual improvement to Japan after the Second World War.

International Organisation for Standardisation (ISO): An organisation based in Geneva whose charter is to develop independent standards to facilitate international trade. All nations have the right to be a member of ISO.

ISO 9000 Family of Standards: The series of standards developed by the International Organisation for Standardisation (ISO) for quality management and quality assurance systems.

ISO 14000 Family of Standards: The series of standards developed by the International Organisation for Standardisation (ISO) for environmental management systems.

Quality (ISO Definition): Totality of an entity that bears on its ability to satisfy stated and implied needs. An entity may be, for example: an activity or a process, a product, an organisation, a system or a person, or any combination thereof.

Quality Assurance (ISO Definition): All the planned and systematic activities implemented within the quality system and demonstrated as needed, to provide adequate confidence that an entity will fulfil the requirements for quality.

Quality Control (ISO definition): Operational techniques and activities that are used to fulfil requirements for quality.

Quality Certification: A quality assurance process by which an organisation is recognised as having satisfied the elements specified in one or more of the ISO 9000 standards by a process of third party review (ie independent audit).

Quality Management System: The system designed to manage the assurance and improvement of the quality of the programs, products and services provided by the organisation.

Quality System (ISO definition): Organisational structure, procedures, processes and resources needed to implement quality management.

Self-Assessment: An internal review by which an organisation assesses its own processes and performance against given criteria such as those described in best practice documents, for example, the Australian Business Excellence Framework.