

MALAYSIA BUSINESS EXCELLENCE FRAMEWORK

2020 – 2025
Version 3.0

Foreword

Malaysia Business Excellence Framework (MBEF) is a tool with holistic approach for organisations intending to move their performance to the next level, strengthening engagement and creating greater value to stakeholders as well as thriving in the competitive marketplace.

The framework was developed in line with other international frameworks in Global Excellence Council (GEC), which Malaysia is one of the members.

In keeping pace with the changes in marketplace, digitalisation, technologies etc., there is a need to review the MBEF for greater effectiveness and relevancy.

In collaboration with partners both from public and private sectors, the revised MBEF is presented to all organisations wanting to pursue excellence and bring all members of their organisations together for common goals and shared values.

Together We Achieve Excellence!

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Contents

Foreword	2
Contents	3
Introduction to Business Excellence	4
Malaysia Business Excellence Framework (MBEF)	5
MBEF Guiding Principles	6
Organisational Overview	11
Business Excellence Criteria.....	12
Criteria 1: LEADERSHIP (150 points).....	12
Criteria 2: STRATEGY (90 points)	13
Criteria 3: INFORMATION (90 points)	14
Criteria 4: CUSTOMERS (110 points).....	15
Criteria 5: WORKFORCE (120 points).....	16
Criteria 6: PROCESS (90 points).....	17
Criteria 7: RESULTS (350 points).....	18
Scoring System	19
Glossary	23
List of Contributors	29

Introduction to Business Excellence

Business Excellence is described as outstanding practices in managing the organisation and achieving results, all based on a set of fundamental concepts or values. These practices have evolved into models or frameworks for how a world class organisation should operate.

Business Excellence Framework (BEF)

Business Excellence framework is a set of management practices applied in an organisation harnessing the full potential of its resources to create greater value to stakeholders and ensure organisational sustainability.

Why adopt BEF? Organisation adopting the BEF will be able to:

- Create visionary and inspirational leadership
- Achieve stronger financial performance
- Drive innovation in products and services
- Focus on customer service and satisfaction
- Create effective business planning processes, and
- Raise productivity and reduce operational costs

Initially, BEF was developed by respective national bodies as a basis for national quality or business award programmes. In Malaysia, the Ministry of International Trade and Industry (MITI) organised the national level Prime Minister's Industry Excellence Award since 1990. Henceforth, the Malaysia Business Excellence Framework (MBEF) has been used as the only evaluation or assessment tool for the award starting 2014.

MPC, as the guardian of the framework is committed in helping organisations to improve productivity through the adoption of MBEF. In collaboration with Business Excellence Community, we provide:

- BE Assessment services by our Consultants which provide a feedback report that highlight strengths and improvements that could be considered to continuously improve the management practices in your organisation, and
- Recognition through participating in the following prestigious awards:
 - Global Performance Excellence Award (GPEA) organised by Asia Pacific Quality Organisation (APQO)
 - Industry Excellence Award (AKI) organised by MITI
 - High Productivity Enterprise (HPE) using local talents organised by MITI, an initiative under the Malaysia Productivity Blueprint

Malaysia Business Excellence Framework (MBEF)

Malaysia Business Excellence Framework (MBEF) is a non-prescriptive assessment framework based on internationally comparable and holistic frameworks for managing organisation successfully.



MBEF provides a comprehensive approach of assessment across seven criteria or focus. All criteria are interlinked and affected each other. **Leadership** drives the organisation to achieve **Results** through effectiveness process of **Strategy, Information, Customers, Workforce** and **Process**. The organisation **Learn, Innovate** and **Transform** from the Results to improve all other areas of focus, in turn will improved the Results. The Criteria is guided by the **Guiding Principles** of a world-class performance attributes. **Organisational Overview** is the background of an organisations which consist of organisation's direction, internal and external factors affected the organisation.

MBEF Guiding Principles

The guiding principles are important values to move organisation towards world class performance. It provides organisation with overall understanding on the importance of these principles to drive excellence and superior performance.

The MBEF Criteria are built on these eleven principles: Visionary Leadership, Leading Transformation, Strategic Direction, Management by Fact, Engaged Workforce, Excellence in Execution, Innovation Led Process, Deliver Value to Stakeholder, Organisational Agility, Customer Centric and Corporate Citizenship.



Visionary Leadership

- Senior leaders set an organisation's vision, mission and goals that focus on stakeholder interests, while organisation's values guide organisational thinking and actions. The values on which leaders built must be appropriate for the time, place, and environment in which the organisation operates. Leaders are accountable for their actions and ensure organisation are aware of and take steps to comply with relevant laws and regulations, act ethically and with integrity.
- Senior leaders create a supportive environment in facing new economic challenges and business trends, by fostering a culture of excellence and supported by clear process for making strategic risk-taking decision.
- Leaders as a role model, are able to create excitement, positive momentum and longevity in an organisation. Visionary leaders have the ability for inspiring others, encourage, empower and equip their team members.

Leading Transformation

- Senior leaders should anticipate risk associated with their businesses and established a system that enable them to identify risks, analyse, and come up with a plan for business growth and leading transformation.
- Leading transformation includes developing future leaders and promote a diverse workforce. Diversity should encompass a wide range of initiatives that meet the changing needs of customers and employees. Leaders and employees should take active roles in implementing these diversity processes aligned with organisational goals and objectives. Aligning diversity with the mission and business of the organisation increases employee satisfaction and retention, improves competitiveness and productivity, increases responsiveness, and adds value to the customer.

Strategic Direction

- With the strategic direction the organisation knows which its objectives are, how will they be accomplished, what resources are required and creates competitive strategy of how the organisation must work. The choice of objectives is the heart of the strategy, but a complete approach also describes concretely how the organisation plans to meet these objectives. As a result, the strategy explains in practical terms how the firm differentiates itself from competitors, how it earns revenues, and where it earns margins. Strategies reflect the organisation's strengths, vulnerabilities, resources, and opportunities. And, they also reflect the organisation's competitors and its market.
- The strategy builds directly on the organisation's offerings and its value proposition. How does the company win against competitors, create customer demand, and earn, sustain, and grow profits?
- Some strategies began to fail in the aftermath of changes such as economic conditions, competitors entering the market with new products, technologies change, customer demand changes, security and cybersecurity requirements, government new regulations, community and social needs. For organisations that know where to look, strategies do give early warning when failure is underway. The challenge is knowing what to change and how to change it.

Deliver Value to Stakeholders

- By delivering value to stakeholders, the organisation creates a value-adding strategy, for example about how best to provide value to customers. An organisation's value proposition tells a stakeholder the reason why a product or service is best suited for that targeted stakeholder.

- To deliver value to stakeholders, organisations require to meet, and manage the needs and expectation of their stakeholders. For example, shareholders expect superior and sustainable returns commensurate with their risk appetite, with profits earned in a responsible manner. Customers value the ability of organisations to anticipate needs as well as offering better products, a superior experience and greater convenience. Employees value an employer of choice. Society value beyond corporate citizenship and philanthropy.

Management by Fact

- Management by Fact uses data and information in decision-making. Data and information are gathered from various sources internally and externally including company's performance or KPIs, competitors and industry performances. The company's performance derives from company's business plan, and thus provide the right information in making decisions.
- The performance information should include performance of strategic plan, customer, product and services performance, process performance, suppliers, talents, financial and market performance.
- Understanding and selecting the key performance indicators (KPIs) is very important to ensure effective performance measures and improvement. The KPIs should best-suited the factors that lead to improved results and ties to organisational goals. The knowledge generated from analysis of data and information supports various purposes such as planning, decision making, continuous improvement and innovation.

Engaged Workforce

- Engaged employees lead to an organisation with a workforce of people who are highly productive, skilled and committed to doing their very best on strategy execution plan.
- Engagement influences include satisfaction (feeling valued and engaged), being well remunerated for their efforts (recognition and rewards), good management and peer relationships (conducive working environment and well-being), reasonable performance appraisal system, and opportunities for career progression.
- Studies showed consistently that, the opportunity to continue to grow and develop their professional and personal skills is a major motivator for employees to stay at a job. To accomplish overall goals, organisation practices might involve job rotation, across work units and locations to improve processes and knowledge sharing. If the organisation relies on suppliers, vendors, agents, sub-contractors, their learning and development is also important to consider.

Excellence in Execution

- Organisation's strategy, talent, and work processes need to be effectively linked to achieve true business execution excellence. Preparing an organisation for business execution excellence requires a detailed understanding of the talent and strategies within the organisation. Executives need to create and communicate the business goals and have a process in place where employees' individual goals are cascaded and aligned to support the big picture. Employees need to know where they fit in—what they need to do and how they support the organisation.
- Making execution work requires feedback about organisational performance and then using that information to fine-tune strategy, objectives, and the execution process itself. Employees who clearly understand their individual goals—and how they relate to the larger goals of the company—naturally become more engaged with their work. Organisations realize that their achievements of execution are linked to their ability to manage, track and communicate goals to their workforce and linking reward systems with individual and team performance to keep them engaged in their work. Without clear responsibility and accountability, execution of plan will go nowhere.

Innovation Led Process

- Organisation should have innovation as part of their business strategy. Organisation may identify opportunities for innovation by adapting product or service to the way their marketplace is changing, identifying a completely new product, innovate by introducing new technology, techniques or working practices. This could be improving or replacing business processes to increase efficiency, productivity and the perceived value to the customers and markets.
- The ideas for innovation may come from employees, managers or in-house research and development, customers, media reports, market research published by another organisation, or universities and other sources of new technologies. Pooling resources with suppliers or partners also will help to produce and develop creative ideas for continuous improvement. Good ideas and knowledge should be shared with others. Teamwork, newsletters and intranets can all help in sharing information and encourage innovative ideas among employees.

Organisational Agility

- Organisation should be capable to evolve and adapt due to changes in their business environment that demands constant change such as the development of new industry-changing technologies, sudden shifts in overall market conditions, shorter product development cycle, new government regulation etc.

- Organisation should be capable to mitigate and manage risk in making transformational changes in the organisation. Work processes must be simple enough to allow ease of improvement. Often transformation requires changing of key and support processes, supplier networks, skill and knowledge of employees etc.

Customer Centric

- Customer centric is an approach that focuses on providing a positive customer experience to gain competitive advantage and more profitable in the long-term. That is because customer centricity is not only about delivering high-quality products, but it is also about creating real relationships with customers before and after the sale to drive repeat business, loyalty and profits.
- Customer centricity has to be integrated into every channel and area of the business. The culture of the organisation, the employees have to think about exceptional customer experience, and backing it up with policies, processes and systems for employees and customers. Big data is used to analyse customers profile, their related needs and expectation, and be able to draw the right sales and marketing efforts or even to develop products. Organisation that is customer centric will ensure that their customer support knows what's going on in the organisation, that they are well trained, and they are empowered to make their own decisions.

Corporate Citizenship

- Corporate citizenship is growing increasingly important as stakeholders begin to seek out companies that have socially responsible orientations. Senior leaders involve in CSR, based on their capacity and credibility when supporting community activities. Usually, SMEs citizenship activities are basic and undefined because there is limited corporate awareness and minimal involvement of senior management. They can comply with the standard health, safety, and environmental laws, but they do not have the time nor the resources to fully develop greater community involvement. Though, many companies develop policies that promote the involvement of employees in corporate social activities.
- For role model organisation, their corporate citizenship policies become more comprehensive, with increased meetings and consultations with stakeholders and through participation in forums and other outlets that promote innovative corporate citizenship policies. Senior leaders also assume the responsibilities for measuring their community activities for continuous improvement.

Organisational Overview

WHAT IS ORGANISATIONAL OVERVIEW

- Organisational Overview details basic information about what is relevant and important to your business.
- A snapshot of your organisation, key influences on how it operates, and key challenges encountered.
- Information in the Organisational Overview will be deployed as a basis for performance improvement efforts.

WHY ORGANISATIONAL OVERVIEW IMPORTANT

- To relook into organisation basic information prior to undertaking the BE Journey.
- To dive deep into gaps and areas taken for granted after being in business for so long.
- To seamlessly coordinate with other initiatives undertaken in understanding reasons for existence.

Organisational Overview should describe the following:

1. Company history (*when it started and important achievements and milestones*)
2. Vision, mission, values and strengths
3. Products and services provided to meet the customer needs
4. Governance structure and governance system
5. Legal and regulatory requirements
6. Workforce profile
7. Machines, equipment and technologies used
8. Customers, stakeholders and target market
9. Market analysis and position
10. Competition and trends
11. Suppliers and partners
12. Competitive advantage (*what sets organisation apart in the marketplace to succeed*)
13. Challenges encountered
14. System to improve performance including system to improve work processes

Business Excellence Criteria

Criteria 1: LEADERSHIP (150 points)

The Leadership criteria addresses how leaders develop and facilitate the achievement of an organisation's vision and mission. It also relates to the leader effort to develop values required for long-term success. Effective leadership is crucial to the overall organisational growth by developing policies and strategies that drives people to achieve organisational objectives. Emphasis is placed on how the senior leaders communicate with the employees, enhance their skills, and how they are involved in organisational learning and in developing future leaders. The criteria include organisation governance system, societal responsibilities, and support for its key communities.

1.1 Visionary & Promote Innovation (90 points)

Describe how senior leaders are responsible to:

- 1.1.1 Develop the organisation's vision, mission and values that focus on all stakeholders, learning and innovation.
- 1.1.2 Communicate the organisation's vision, mission and values to all stakeholders.
- 1.1.3 Create an environment for business success currently and in the future.
- 1.1.4 Involve in succession planning process and development of future leaders.
- 1.1.5 Review and improve the effectiveness of personal leadership and involvement in meeting organisational vision, mission, values and ethics.
- 1.1.6 Lead the organisational transformation in meeting the new economic challenges and business trends.

1.2 Governance and Community Support (60 points)

Describe how senior leaders are responsible to:

- 1.2.1 Ensure effective governance system, legal and regulatory compliance are established and reviewed.
- 1.2.2 Ensure accountability for organisation's actions and independence in audits.
- 1.2.3 Develop and implement Corporate Social Responsibility (CSR) policies and practices for community and environment in which it operates.
- 1.2.4 Review and improve CSR policies and practices for the benefit of community and environment.

Criteria 2: STRATEGY (90 points)

The Strategy criteria addresses on development of organisation's strategic objectives and action plans, deployment of the plans and change of plans if circumstances require a change, and how progress is measured and sustained.

2.1 Strategy Development (45 points)

Describe how the organisation:

- 2.1.1 Identifies strategic challenges using a robust strategic planning process taking into consideration reliable data and knowledge (employees, customers, partners, suppliers, stakeholders and competitors).
- 2.2.2 Establishes risks management system and identifies strategies to mitigate the identified risk.
- 2.2.3 Develops strategic plan and sets strategic objectives taking into consideration business challenges, the need to transform organisation while leveraging on core competencies and competitive advantages.
- 2.2.4 Establishes short, medium and long-term plans and goals.

2.2 Strategy Deployment, Implementation and Review (45 points)

Describe how the organisation:

- 2.2.1 Deploys and disseminates plans aligned to strategies and goals.
- 2.2.2 Allocates resources (financial, talents and other resources) to support the accomplishment of the plans.
- 2.2.3 Sets, monitors and reviews key performance indicators (KPIs) for employees that are linked to strategies and goals.
- 2.2.4 Measures, reviews and enhances organisation's performance against plans.
- 2.2.5 Reviews the relevance of the plans with respect to external changes.

Criteria 3: INFORMATION (90 points)

Objective decision making in an organisation requires relevant and accurate data. Senior leaders should ensure that all the necessary data are collected pertaining to the core activities of the organisation, in particular its performance measurement data. The Information criteria examines how the organisation manages information that interlinks all the functional areas of an organisation. Data should be collected on customer satisfaction, supplier partnership results, employee performance, and market performance. Another aspect is how the organisation creates knowledge, and how knowledge is disseminated and used to improve the organisation's effectiveness, efficiency, and performance.

3.1 Information Management (45 points)

Describe how the organisation:

- 3.1.1 Selects and gathers information to support decision making and improve organisational performance.
- 3.1.2 Ensures data accuracy, validity, reliability and currency.
- 3.1.3 Uses information to generate knowledge for planning, decision making, continuous improvement and innovation.

3.2 Knowledge Management (45 points)

Describe how the organisation:

- 3.2.1 Identifies, implements and shares best practices both internally and externally to improve performance.
- 3.2.2 Ensures information technology systems are reliable, secured and user-friendly to relevant employees, suppliers, partners and customers.
- 3.2.3 Evaluates and improves the management of knowledge transfer in the organisation.

Criteria 4: CUSTOMERS (110 points)

Organisations that place customers at the centre of their business model are the ones that garner substantial customer support and their on-going patronage. These organisations use various avenues to collect customer needs and expectations, feedback on product/service performance, their complaints and suggestions. The Customer criteria addresses customer engagement as an important outcome of an overall learning and performance excellence strategy. It also determines customer and market requirements, builds relationships with customers and determines their satisfaction.

4.1 Customer Needs and Expectation (50 points)

Describe how the organisation:

- 4.1.1 Identifies customer/market needs and expectations for product/service offerings.
- 4.1.2 Seeks immediate and actionable customer feedback on the quality of product/service offerings, customer experiences and customer support.
- 4.1.3 Establishes appropriate methods to capture actionable information on product/service offerings from potential customers.
- 4.1.4 Incorporates customer/market needs, expectations and feedback into customisation of product/service offerings and strategies to enter new market, to attract new customer or to expand relationships with current customers.

4.3 Customer Engagement (60 points)

Describe how the organisation:

- 4.3.1 Determines customer satisfaction, dissatisfaction and engagement.
- 4.3.2 Ensures the measurements of customer satisfaction, dissatisfaction and engagement capture valuable information for improvement, innovation and immediate recovery.
- 4.3.3 Manages relationship with customers to retain customers and enhance brand images.
- 4.3.4 Manages and enhances customer support and communication.
- 4.3.5 Ensures customer complaint management system is effective.
- 4.3.6 Uses knowledge of customers, customer groups, market segments, former customers, and potential customers to develop a more customer centric culture and support decision making.

Criteria 5: WORKFORCE (120 points)

The Workforce criteria addresses how an organisation manages, develops, and releases the knowledge and full potential of its workforce at an individual, team-based and organisation-wide level. It looks at how the organisation continuously improve their workforce capabilities and capacities to support its policies and strategies and ensure effectiveness of its processes.

5.1 Workforce Management (55 points)

Describe how the organisation:

- 5.1.1 Identifies workforce capabilities and capacities needs that meet organisational vision, mission, strategies, action plan and goals.
- 5.1.2 Assesses diversity of workforce and develop actions to address their requirements.
- 5.1.3 Reviews workforce requirements to address organisational challenges and business trends.
- 5.1.4 Manages and implements effective career progression for its workforce.
- 5.1.5 Evaluates, reviews and improvises the effectiveness and efficiency of learning and development system related to workforce engagement.

5.2 Workforce Engagement (65 Points)

Describe how the organisation:

- 5.2.1 Develops initiatives to promote well-being, satisfaction and engagement.
- 5.2.2 Assesses and improves workforce well-being, satisfaction and engagement.
- 5.2.3 Establishes organisational culture that encourage workforce engagement through involvement in improvement initiatives or teamwork activities.
- 5.2.4 Implements a performance appraisal system that is aligned to action plans and goals.
- 5.2.5 Establishes recognition and reward system based on productivity performance.
- 5.2.6 Evaluates and improves performance appraisal system, recognition and reward system to support organisational performance.

Criteria 6: PROCESS (90 points)

All product/service are produced/delivered through some processes. Naturally, process design affects quality of product/service. Therefore, the Process criteria asks organisations to look into its processes in order to support its policies and strategies and fully satisfy and generate increasing value for its customers and other stakeholders.

6.1 Process Management (70 points)

Describe how the organisation:

- 6.1.1 Determines key product and work process requirements.
- 6.1.2 Incorporates requirements of customers or stakeholders, new technology and knowledge or risks to consider during the product design or enhancement of work processes.
- 6.1.3 Ensures the operation of work processes meet its requirements and performance indicators or measures.
- 6.1.4 Determines key support processes and ensures that these processes meet business requirements.
- 6.1.5 Improves work processes and support processes to reduce cost, enhance efficiency and effectiveness.
- 6.1.6 Ensure security and cybersecurity of assets, data and information in all business operations.
- 6.1.7 Provides a safe operating environment and safety system that address accident prevention, disaster and emergency preparedness, inspection and recovery.

6.2 Supply Network Management (20 Points)

Describe how the organisation:

- 6.2.1 Identifies and selects network of qualified suppliers/ partners that fulfil organisation's objectives and strategies.
- 6.2.2 Ensures supply-network agility in responding to changes in business requirements.
- 6.2.3 Provides organisation's expectations, evaluate and provide performance feedback to suppliers/ partners to help them improve their performance.

Criteria 7: RESULTS (350 points)

Results Criteria is about what an organisation has achieved in all areas addressing in Criteria 1 to 6.

7.1 Leadership Result (70 points)

The following questions should be answered:

- 7.1.1 Key indicators for leadership performance determined.
- 7.1.2 Establish trends, target performance and benchmark monitored & analysed.

7.2 Customer Result (70 points)

The following questions should be answered:

- 7.2.1 Indication of customers' satisfaction and engagement determined.
- 7.2.2 Establish trends, target performance and benchmark monitored & analysed.

7.3 Process Result (70 points)

The following statistics are required:

- 7.3.1 Key indicators for process performance determined.
- 7.3.2 Establish trends, target performance and benchmark monitored & analysed.

7.4 Workforce Result (70 points)

The following statistics should be furnished:

- 7.4.1 Key indicators for talent performance determined.
- 7.4.2 Establish trends, target performance and benchmark monitored & analysed.

7.5 Financial and Market (70 points)

The following results should be presented:

- 7.5.1 Key indicators for financial, market and productivity performance determined.
- 7.5.2 Establish trends, target performance and benchmark monitored & analysed.

Scoring System

Assessment Method

The assessment process by assessor team is based on the **Approach Deployment Learning Integration (ADLI)** and **Level Trend Comparison Integration (LeTCI)** as shown below.

The four factors used to evaluate organisation's practices as addressing in Criteria 1 to 6 are ADLI.

Approach (A) refers to

- Methods used to accomplish the process
- Appropriateness of the methods to the criteria requirements and the organisation's operating environment
- Effectiveness of use of the methods
- The degree to which the approach is repeatable and based on reliable data and information i.e. systematic

Deployment (D) refers to the extent to which

- The approach is applied in addressing criteria requirements relevant and important to the organisation
- The approach is applied consistently
- The approach is used / executed by all appropriate work units

Learning (L) refers to the extent to which

- Approaches are refined through cycles of evaluation and improvement
- Breakthrough change, and innovation are encouraged
- Refinements and innovations are shared with other relevant work units and processes in the organisation

Integration (I) refers to the extent to which

- Approach is aligned with identified organisational needs in the Business Overview and other criteria
- Measures, information and improvement systems are complementary across processes and work units
- Plans, processes, results, analyses, learning and actions are harmonised across processes and work units to support organisation-wide goals

Results refer to organisation's outputs and outcomes as addressing in Criteria 7. The four factors used to evaluate Results are LeTCI.

Levels (L) refers to current level of performance. It also refers to numerical information that positions an organisation's results and performance on a meaningful scale. Levels permit evaluation relative to past performance, projections, goals and appropriate comparisons.

Trends (T) refers to the rate of performance improvements or sustainability of good performance and the extent of deployment of performance results. A minimum of three data points is needed to ascertain trend.

Comparison (C) refers to performance relative to appropriate comparisons, such as comparison with competitors or similar organisations. It also ascertains whether the results surpassed benchmarks, best-in-class organisations or industry leaders. It also answers the question on how the organisation's performance compares against that of other organisations.

Integration (I) refers to the extent to which results measures address important customer, product, market, process and action plan performance requirements identified in the organisational overview and other criteria. The results also include valid indicators of future performance. The results are harmonised across all processes and functional units to support organisation wide goals.

Scoring Scale

For Criteria 1-6:

Below is the explanation on the scoring used in the assessment for Criteria 1-6.

Scale 0: Company does not have such initiatives

- No evidence of any systematic approach deployed in the company
- No evidence of any review done
- No evidence of organisational alignment

Scale 1: Company has started BE initiatives

- The degree of implementation is not systematic, integrated and consistent
- Evidence of early stages of review being done
- Evidence of early stages of alignment

Scale 2: Company has adopted BEF with sporadic achievement

- Implemented initiatives to all functional areas
- Evidence of structured review process
- Evidence of structured alignment

Scale 3: Company has aligned and adopted BEF to major business

- Well implemented initiatives to all functional areas
- Evidence of systematic review and improvement process are all in place
- Evidence of systematic and overall alignment of organisational needs are identified

Scale 4: Company has integrated the adoption of BEF with significant improvement to all major functional/ operational areas

- Well deployed initiatives to the overall organisational needs
- Evidence of refinement of evaluation, improvement and organisational learning including innovation
- Integrated organisational alignment with current and future organisational needs

Scale 5: Company has refined the adoption of BEF and demonstrated significant impact in their business

- Fully deployed initiatives to the organisational needs
- Refinement and innovation backed by analysis and sharing throughout organisation
- Well integrated organisational alignment with current and future organisational needs

For Criteria 7:

[Below is the explanation on the scoring used in the assessment for Criteria 7.](#)

Scale 0: Company does not provide results or poor results

- No evidence of results or poor results
- Trend is not provided, or show unfavourable trends
- No comparative information
- Results does not show evidence of successful deployment of strategy

Scale 1: Company provide a few results

- A few evidences of good results
- Evidence of some trend data, with some unfavourable trends
- No comparative information
- A few evidences of execution of action plan

Scale 2: Company provide good results

- Evidence of good results
- Evidence of some trend data, and most trends are favourable trends
- Early stage of comparative information
- Results are reported for most measured indicators

Scale 3: Company provide good results in line with strategy

- Evidence of good results
- Favourable trends of results
- Some comparative information
- Results are reported for most measured indicators

Scale 4: Company provide good to excellent results

- Evidence of good to excellent results
- Favourable trends or sustained results for over at least 3 years
- Many trends and levels are benchmarked against relevant comparative information for target setting
- Results are reported for all measured indicators in line with strategy

Scale 5: Company provide excellent results

- Evidence of excellent results
- Favourable trends or sustained results for over at least 3 years
- Benchmark by others in many areas
- Results and projections are reported for all key indicators and evidence of successful deployment of strategy

Calculation of the score

Organisation is scored using Likert scale 1 to 6 and weights based on points allocated to each of sub-criterion.

For example, sub-criteria 2.1 Strategy Development is allocated total of 45 points, and there are 3 items under this sub-criterion. If the organisation scored 2 in item 2.1.1, the calculation for this item is:

$$\frac{2}{(3 \times 6)} \times 45 \text{ points} = 4.9 \text{ points for item 2.1.1}$$

*3 is total number of items in sub-criterion 2.1
6 is the maximum scale allocated*

Each sub-criterion points for all 7 criteria will be total up to get the overall points or score from 0 to 1000 points. Based on the total points, the organisation will be categorised using the following [Malaysia Business Excellence Barometer](#).

Band Color	Score		Category	Interpretation
	Min	Max		
	800	1000	Excellent	Refined adoption of BEF and demonstrated significant impact on performance and exceeding many international standards and benchmarks
	700	799	Best in Class	Integrated adoption of BEF with significant impact on business performance
	600	699	Good Practice Achiever	Aligned adopted BEF and able to link to major business performance
	400	599	Practitioner	Adopted BEF with sporadic achievements
	200	399	System Implementer	Early adopter of BEF with necessary systems/standards implemented
	0	199	Initial Adopter	Getting started with relevant health check assessment.

Glossary

A

Alignment: Consistency of organisation's objectives, action plans, policies, processes and all kinds of initiatives to support organisation's goals. See also *Integration*.

Approach: Tools, methods and techniques that are applied to carry out activities.

Action Plan: A document that lists what steps must be taken in order to achieve a specific goal. The purpose of an action plan is to formulate a timeline for when specific tasks need to be completed and determine what resources are required.

B

Balanced Scorecard: A performance management tool that translates mission statement into a comprehensive set of objectives and performance measures that can be quantified and appraised. It provides a performance measurement framework centred on four perspectives - Financial, Customer, Internal Process, and Learning & Growth.

Benchmark/ Benchmarking: The practice of comparing business processes and performance metrics to industry bests and best practices from other companies.

Business Excellence: The successful adoption of 'best-practice' management principles, which contribute to higher profit, increased revenue, reduced operating costs and turnover, increased productivity and improved customer satisfaction.

Business Excellence Self-Assessment: A systematic and regular review of an organisation activities and results reference against Business Excellence Models/Frameworks.

Business Model/ Framework: The elements of the business that create and deliver value. These elements normally include the value proposition, the profit formula, key resources and key processes of the organisation.

Best Practice: The practices that can produce high value-added results and usually attached to benchmarking partners.

Business Trends: A general change in the way business is developing. For instance, demand for e-wallets to go stronger, instant online delivery, more vertically integrated business, leveraging on social media influencer etc.

C

Continual Improvement: The ongoing improvement of processes that lead to achievement of higher levels of performance through incremental change.

Creativity: The generation of ideas for new or improved products, services, processes, systems or social interactions.

Core Competencies: A unique ability that a company acquires from its founders or develops and that cannot be easily imitated. Core competencies are what give a company one or more competitive advantages, in creating and delivering value to its customers in its chosen field.

Core Processes: The processes that are of the utmost importance for the organisation since they deliver and support the strategy and drive the value chain.

Corporate Social Responsibility (CSR): An organisation's sense of responsibility towards the community and environment in which it operates. Organisations express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programmes, and (3) by earning adequate returns on the employed resources. See also *corporate citizenship*.

Corporate Citizenship: An organisation's responsibilities toward society. The goal is to produce higher standards of living and quality of life for the communities that surround them and still maintain profitability for stakeholders. The demand for socially responsible corporations continues to grow, encouraging investors, consumers, and employees to use their individual

power to negatively affect organisations that do not share their values.

Culture: The specific collection of values and norms that are shared by people and groups in an organisation that control the way they interact with each other and with stakeholders outside the organisation.

Customer Engagement: Customers' commitment to organisation's brand and product offerings.

Customer Centric: An approach that focuses on providing a positive customer experience to gain competitive advantage.

Cybersecurity: The protection of internet-connected systems, including hardware, software and data, from cyberattacks. In a computing context, security comprises cybersecurity and physical security – both are used by enterprises to protect against unauthorized access to data centers and other computerized systems. Information security, which is designed to maintain the confidentiality, integrity and availability of data, is a subset of cybersecurity.

D

Deployment: The process of executing on organisation's strategy. Strategy is the high-level vision and orchestration necessary to fulfil organisation's mission and goals, and deployment is taking the actions required to implement that strategy successfully and repeatedly.

Diversity: Similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, ethnicity, socio-economic status, political beliefs and ideologies.

E

Economic Challenges: Economic issues facing the world economy, as well as regions and countries, include prospects for growth, inflation, energy and the environment, inequality, labour issues, emerging markets, and the impact of new technologies. New issues emerging in post-2020 Malaysia, such as the ageing population, environmental crisis and the impact of the technological revolution, the slowing down of economic activities, the

skyrocketing national debt and the rising cost of living.

Effective: How well a process or a measure addresses its intended purpose.

Empowerment: The process by which individuals or teams are able to take decision making responsibilities and operate with a degree of autonomy in their actions.

Employee Performance Management: A process that align the organisational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high-performance workforce.

Ethical Behaviour: The actions organisation takes to ensure that all its decisions, actions, and stakeholder interactions conform to its moral and professional principles of conduct. These principles should support all applicable laws and regulations and are the foundation for organisation's culture and values.

Excellence: Is a talent or quality which is unusually good and so surpasses ordinary standards. It is also used as a standard of performance as measured e.g. through economic indicators.

Execution: The carrying out of a plan, order, or course of action. See *also Implementation*.

F

Finances: The short-term funds required for the day-to-day operation of the business and the capital funding from various sources required for the longer-term financing of the organisation.

Framework: A model of interlinked set of components or factors, when applied effectively, can achieve a high-level objective.

G

Goals: Numerical targets that an organisation intends to achieve in the short

as well as long term. When objectives are quantified, they become goals.

Good/ Best Practice: Superior approaches, policies, processes or methods that lead to exceptional achievement. Since it is difficult to find out what is best, the term “good practice” is preferred by most organisations. Ways to find good practice outside the organisation can include benchmarking and external learning.

Governance: It is the way how an organisation is run. It can also be a management system that is used to propel an organisation. Accountability, transparency and fair treatment to all are hallmarks of good governance.

Guiding Principles: Any principles or precepts that guide an organisation throughout its life in all circumstances, irrespective of changes in its goals, strategies, type of work, or the top management.

H

High Performance: Ever-higher levels of overall organisational and individual performance, including quality, productivity, innovation rate, and cycle time.

I

Implementation: The process of putting a decision or plan into effect; execution.

Innovate/ Innovation: Practical translation of ideas into new products, services, processes, systems or social interactions.

Integration: Harmonisation among products, processes, technologies, results and the guiding principles of an organisation. It also refers to the extent to which the various work units are interconnected and work symbiotically.

Information: Data that is (1) accurate and timely, (2) specific and organised for a purpose, (3) presented within a context that gives it meaning and relevance, and (4) can lead to an increase in understanding and decrease in uncertainty. Information can affect behaviour, a decision, or an outcome.

K

Key Performance Indicator (KPI): A set of measures that help a company determine if it is reaching its performance and operational goals. Indicators can be both financial and non-financial, depend on the business goals and values that they maintain. Usually, the KPIs is used to periodically assess the performance of organisations, teams and individuals.

Knowledge: Intellectual resources of an organisation. Knowledge can be new ideas or new ways of doing things, organisation learning, cognitive and technical skills and capabilities.

Knowledge Management: The process of creating, sharing, using and managing the knowledge and information of an organisation. It refers to a multidisciplinary approach to achieving organisational objectives by making the best use of knowledge.

Knowledge Transfer: The process through which experienced employees share or distribute their knowledge, skills, and behaviors to the employees who replace them.

L

Learn/ Learning: The extent to which approach are refined through cycles of evaluation and improvement.

Levels: Numerical information that places or positions your organisation’s results and performance on a meaningful measurement scale.

Long-Term Plan: A plan with a planning horizon of five years or more.

M

Management System: The framework of processes, related performance/ result indicators and process management and improvement systems used to ensure that the organisation can fulfil its mission and vision.

Market Research: The process of gathering, analysing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or

service. Research into the characteristics, spending habits, location and needs of business's target market, the industry as a whole, and the particular competitors.

Mission: Addresses who the organisation is, what it does and what it tries to accomplish. It is a statement that captures the purpose of existence of the organisation.

Measures and Indicators: Numerical information that quantifies the input, output, and performance dimensions of processes, products, programmes, projects, services, and the overall organisation (outcomes).

Medium-Term Plan: A plan with a planning horizon of 3-5 years.

O

Objective: A clear, concise statement about what an activity is meant to accomplish. Objectives are written to be SMART: specific, measurable, achievable, realistic, and time bound.

Organisational Agility: The ability to respond and adapt, in a timely way, to an emerging threat or opportunity.

P

Partner: Key organisations or individuals who are working in concert with your organisation to achieve a common goal or improve performance.

Partnership: A durable working relationship with the organisation and partners, creating and sharing added value for both parties. Partnership can be formed with suppliers, distributors, vendors, educational bodies or customers.

Performance: Outputs and their outcomes obtained from processes, products, and customers that permit the management to evaluate and compare organisation's results to performance projections, standards, past results, goals and other results.

Performance Measurement: The process of collecting, analysing and/or reporting information regarding the performance of an individual, group, organisation, system or component.

Personal Leadership: The ability and desire to crystallize thinking and to establish a specific direction and destination. It includes the courage, choice, and commitment to move in that direction by taking committed and determined action to acquire and accomplish goals. Personal leadership doesn't just make for better business, it makes for better leadership. It makes for a better leader.

Planning: The development of a course of action to pursue goals or objectives.

Process: It is interactions among inputs, such as people, materials, machines, tools, technologies and ultimately produces a product/ service which is expected to meet customer expectations.

Process Management: The act of planning, coordinating, and overseeing processes with a view to improving outputs, reducing inputs and energy costs, and maintaining and improving efficiency and efficacy.

Product: The item offered for sale. A product can be a service or an item. It can be physical or in virtual or cyber form. Every product is made at a cost and each is sold at a price.

Productivity: Output over inputs. Output could be number of units produced or their monetary value and inputs are usually labour hours, raw materials and overhead costs. It is used to measure efficiency of resource usage.

Q

Quality: Quality usually denotes the degree of customer satisfaction. For services, quality refers to availability, responsiveness, consistency, employee courtesy etc.

Quality Management System: A collection of business processes focused on consistently meeting customer requirements and enhancing their satisfaction. It is aligned with an organisation's purpose and strategic direction.

R

Results: Outputs and outcomes achieved by an organisation.

Risk Management: The professional assessment of all loss potentials in an organisation's structure and operations, leading to the establishment and the administration of a comprehensive loss-control programme.

S

Senior Leaders: The top management of an organisation. This comprises a small group of people headed by the Chairman or MD or CEO.

Short-Term Plan: A plan with a planning horizon of 1-2 years.

Society: The social infrastructure outside the organisation that can be affected by the organisation.

Stakeholder: The group of people who have stake in an organisation, or they are affected by the organisation's activities. This could be customers, employees, government, suppliers, partners, surrounding community, policy makers, or shareholders.

Strategic/ Competitive Advantages: Marketplace benefits that exert a decisive influence on an organization's likelihood of future success. These advantages are frequently sources of current and future competitive success relative to other providers of similar products.

Strategic/ Business Challenges: These are externally driven pressures that affect business operations. These can also be threats to the business.

Strategic Planning: Process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy. It may also extend to control mechanisms for guiding the implementation of the strategy.

Strategy: A tactic or approach that leads to a solution of a problem or achievement of an objective. Strategy development is an important responsibility of the senior leaders.

Succession Planning: A process for identifying and developing new leaders who can replace old leaders when they leave, retire or die. Succession planning increases

the availability of experienced and capable employees that are prepared to assume these roles as they become available.

Support Process: Activity or function that supports the day-to-day operations of an organisation, such as accounting, communications, maintenance, and sales.

Systematic: Well-ordered, repeatable, and exhibiting the use of data and information so that learning is possible.

T

Talent: All individuals employed by the organisation (full time, part-time, contract workers), including leaders at all levels.

Talent Capability: Organisation's ability to accomplish its work processes through its people's knowledge, skills, abilities, and competencies.

Talent Engagement: The extent of intellectual and emotional attachment of employees in course of achieving organisational goals. Employees' sense of belongingness in the organisation might enhance their engagement with the organisation.

Talent Management: Refers to the anticipation of required human capital for an organisation and the planning to meet those needs.

Training and development: Involve improving the effectiveness of organisations and the individuals and teams within them.

Transform/ Transformation: A change management strategy which can be defined as any shift, realignment or fundamental change in business operations. The aim is to make changes to processes, people or system (technology) to better align the company with its strategy and vision. There are many reasons a business might consider a transformation, for instance, new technologies, shifts within the market, low profit and turnover, or a merger and acquisition.

Trend: Is used to indicate the direction to which an organisation is heading. To identify trend, usually performance data are plotted in a chart. Trend could be positive or negative. Positive trend means the

organisation is performing better over the time.

V

Values: The guiding principles and behaviours that embody how organisation and its people are expected to operate.

Value Proposition: The differentiating value the organisation's products and services offer to customers.

Vision: Description of what the organisation is attempting to achieve in the long-term future. It is intended to serve as a clear guide for choosing current and future courses of action and, along with the mission, it is the basis for strategies and policies.

W

Work Processes: Organisation's most important internal value-creation processes.

World Class Organisation: The recognition of an organisation as a benchmark by its industry sector and, for some aspects, by other industry sectors as well.

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