POSITIVE EMPLOYEE ATTITUDES AS A DETERMINANT OF PROJECT SUCCESS AND BUSINESS EXCELLENCE: THE CASE OF POLAND

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Abstract

\textbf{Purpose:} The paper reports the importance of positive employee attitudes such as work engagement and job satisfaction for project success and business excellence. It is based on two different research projects. The first one, conducted in 2007, entitled “Self-assessment in quality management systems of companies”, was concerned with the engagement of Polish enterprises in initiatives aiming at business excellence. The second study called “Project management efficiency in the enterprises operating in Poland”, completed in July 2008, dealt with the identification of project success factors.

\textbf{Methodology:} EFQM Excellence Model indicators were used as the evaluation criteria for the first study. A structured questionnaire built upon them was distributed among the most active companies in the Polish economy. The research sample PL2007 numbered 230 companies was collected as a result of the study. The second research resulted in the sample PL2008 mostly formed on the basis of the member list of the Polish Project Management Association. In total, 70 respondents filled out the questionnaire which made it possible to identify the project success factors.

\textbf{Findings:} The results coming from the 2007 study indicate that the key factors influencing examined firms’ performance are related to people and their satisfaction. At the same time they are the most critical factors for business excellence improvement. The results of the research project carried out in 2008 show that among a few dozen of tested factors which are conducive to successful realization of projects, the most significant ones are again those referring to people, especially to their engagement.

\textbf{Originality/Value:} The paper combines the research results generated in two different studies conducted in companies operating in Poland, the first one focused on business excellence indicators and the second one concentrated on project success factors. Presented data make it possible to indicate how strongly performance on both the operational (project) level and the strategic (business) level is influenced by employee attitudes.

\textbf{Keywords:} Poland, self-assessment, EFQM Excellence Model, project management, project success, positive management, positive employee attitudes, employee engagement and satisfaction

\textbf{Paper type:} Research paper
1. Introduction
The theory and practice of the functioning of present-day enterprises show that human resources constitute the most valuable and the most productive resources of any organization. Properly managed employees are perceived as one of the main driving forces of business excellence since one of the core principles of Total Quality Management (TQM) is everybody’s participation in building total quality. Among many definitions of organizational excellence (Hermel and Ramis-Pujol, 2003) there is one, proposed by (Dahlgaard and Dahlgaard-Park, 1999; 2006), which can be treated as a human-oriented definition of organizational excellence, called also “the 4P” definition. According to this definition, organisational excellence is a result of building quality into the following 4Ps: people, partnership, processes of work, and products/service products. However, this definition clearly signals that the first step in building organizational excellence is building quality into people which requires strengthening their intellectual and emotional competencies as well as their core values like trust, respect, benevolence, integrity, loyalty, justice and honesty. According to the authors of the definition such an approach is necessary to satisfy peoples’ spiritual and mental needs in a balanced way, which is a pre-condition for achieving organizational excellence. This cannot be done without management commitment and strong leadership which is another core principle of TQM. Thus, engagement and satisfaction of people become very critical determinants of business excellence.

It turns out that at the level of analysis of the whole organization from the point of view of the EFQM Model as well as from the point of view of a single project, this fact has been confirmed with the results of various empirical studies. According to the findings introduced and discussed in Kristensen et al. (2001a) most of the areas critical to business excellence deal with people and more specifically people satisfaction. As appears from more recent research results, an increase in employee motivation and engagement will lead to an increase in customer satisfaction, which again leads to improved customer loyalty followed by increasing financial results (Kristensen et al., 2007). Thus if an organization wants to achieve business excellence it must create a change-oriented environment where the creativity of the employees is nurtured, developed and sustained through education and training, involvement and teamwork (Eskildsen et al., 1999). All findings quoted above deal with human resources management improvement of which positively influences business performance. The same relationship can be observed in case of people management and project success. According to Jha and Iyer (2007) the three Cs called ‘competence’, commitment’ and ‘coordination’ become the key factors of the success of the project. So if in a project these three factors are managed efficiently better overall performance can be expected.

The purpose of this article is to display the role of people engagement in the efficient project realization and reveal that building people satisfaction is one of
the critical factor of business performance improvement for Polish companies striving for business excellence.

2. Research methodology
The data presented in this article come from two research projects which were based among others on questionnaire surveys. The first one related to the engagement of Polish enterprises in the initiatives aiming at business excellence was carried out in 2007. As a result, the sample (PL 2007) of 270 enterprises was researched. The selection of the sample was carried out with the use of various sources of information about enterprises, including the lists of “the five hundred” and “the thousand” best enterprises in the Polish economy published in economic magazines as well as such databases like: “Polish quality leaders” and “Business gazelles”. That means that the achieved sample was a purposeful one as it was drawn from the databases including the most active companies in the Polish economy.

Representatives of the highest managerial positions were asked to assess the engagement of the companies that they managed in initiatives aiming at business excellence on a scale from 0 to 100, regardless of the fact whether they use any of the holistic management models or not. EFQM Excellence Model indicators were used as the evaluation criteria for the study. Measurement scales included 51 sub-criteria forming 9 more aggregated criteria, identical to those that make up the EFQM Model. Based on these criteria the respondents were able to assess the progress that the organizations they manage have made towards organizational excellence. Next, the performance variable (FTP) was introduced to ensure the calculation of correlations between EFQM Model indicators and performance results. The FTP (firm’s total performance) variable expresses management executives’ opinions of firm’s total performance in financial and market aspects over the past three years concerning in particular changes in sales revenue, profit and market share, in absolute and relative (in comparison to competitors) measures. The results of correlations encouraged the discussion of the conditions of Polish enterprises and made it possible to determine the efforts which should be made for their further development.

The second research project which was concerned with the identification of the project success factors was carried out in 2008. The research resulted in the purposive sample PL2008, mostly formed on the basis of the member list of the Polish Project Management Association. From the full list of 658 entities 363 enterprises were selected. An Internet survey was distributed mainly in the environment of the Polish Project Management Association, however, it was also directed individually to selected enterprises which, as it was arbitrarily decided, showed certain advancement in project management. In total, 70 respondents participated in the study.
The respondents were asked among others to verify a list of project success factors in order to assess their importance in a recently conducted project, using the scale from 0 to 5, where: 0 meant that a given factor was insignificant for the project success, 1 meant that a given factor had very little significance, 2 – little significance, 3 – medium significance, 4 – big significance, and 5 – very big significance in project success. This way it was possible to identify factors increasing project management efficiency in enterprises operating in Poland.

3. The EFQM Excellence Model
The EFQM Excellence Model is the framework behind European Quality Award. The main reason for founding the European Quality Award by the European Foundation for Quality Management was the need for appreciating organizational excellence of European companies. The EFQM Excellence Model provides methodical frames for those who apply for the award and has also become the most commonly used model for the implementation of the Total Quality Management (TQM) model in Europe (Westlund, 2001). The EFQM Model consists of nine elements grouped in two categories of assessment criteria: enablers and results what is shown in Figure 1.

![Figure 1. EFQM Business Excellence Model](image)

The enablers include five criteria, namely: leadership, strategy, people, partnership and resources as well as processes, products and services, whereas the group of results includes four criteria: customer results, people results, society results and key results. The ‘enablers’ criteria cover what an organization does and how it does it. The ‘results’ criteria cover what an organization achieves (EFQM, 2009). The EFQM Model is based on the logical assumption that there is an internal interrelation between the enabler criteria that may be expressed as follows: leadership drives the strategy, personnel management, partnership and resources, and these three elements have an impact on the results of activity by means of
4. The determinants of business excellence of Polish companies

Figure 2 shows the results of CEOs’ self-assessment indicating the efforts the Polish companies make in nine EFQM Model areas. The results indicate that the Polish companies did not obtain the excellent but at the utmost they got the average scores. They range from 56 to 79. The Polish companies are perceived by their managers as quite well led and provided with sufficiently clear and commonly communicated strategies. It is good information since the quality of management is the overall cause of business excellence. However, it appears that managers in the Polish companies put considerable emphasis on partnerships & resources and processes, but they neglect people. Therefore, it is no surprise that enablers do not produce good results in all four results domains. Key performance results and customer results were given the highest scores, society results have got the next position and people results were assessed at the lowest level, which is 56 points. It is evident that people management is a weak point of the Polish companies.

Figure 2.
Self-assessment results for EFQM Excellence Model indicators (PL2007)
In Table 1 the correlations between EFQM Excellence Model indicators and firm’s total performance (FTP) are given. It can be seen from the data that business excellence initiatives in most EFQM Model areas positively stimulate the total performance of the examined companies, which is proved by positive and statistically significant correlations. Market and financial results evaluated with FTP measure were produced mainly by leadership and successful management of people, partnerships and resources, as well as processes. However, there was no significant relationship between strategy indicator and FTP.

<table>
<thead>
<tr>
<th>EFQM Excellence Model indicators</th>
<th>Firm’s total performance (FTP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enablers according to EFQM Model</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>0.162*</td>
</tr>
<tr>
<td>People management</td>
<td>0.180**</td>
</tr>
<tr>
<td>Strategy</td>
<td>0.091</td>
</tr>
<tr>
<td>Partnership and resources</td>
<td>0.176**</td>
</tr>
<tr>
<td>Processes</td>
<td>0.147*</td>
</tr>
<tr>
<td>Results according to EFQM Model</td>
<td></td>
</tr>
<tr>
<td>People results</td>
<td>0.242†</td>
</tr>
<tr>
<td>Customer results</td>
<td>0.217†</td>
</tr>
<tr>
<td>Society results</td>
<td>0.223†</td>
</tr>
<tr>
<td>Key results</td>
<td>0.564†</td>
</tr>
</tbody>
</table>

* \( p \leq 0.05 \); ** \( p \leq 0.01 \); † \( p \leq 0.001 \)

It also appears from the data that the strongest influence on firm’s total performance relates to “people” (among enablers) and “people results” (among the results excluding “key results” which express mainly financial results like the FTP variable), in case of which the correlation coefficients reached the highest values. It means that successful people management initiatives and the results they generate for people, among which the most critical is people satisfaction, should be intensified and improved in those Polish companies which strive for excellence and want to improve key business results.

More detailed findings can be derived from the data presented in Figure 3 which shows the importance-performance matrix (proposed by Martalla and James, 1997) prepared on the basis of the self-assessment results obtained for individual sub-criteria of the EFQM Model. The horizontal axis shows the importance of business excellence initiatives related to individual sub-criteria of the EFQM Model as regards their impact on customer, society and final results.
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The vertical axis shows the present average position of the Polish companies (the level of their achievements), calculated as a mean of the assessments given for every sub-criterion of the EFQM Model according to a 0–100 scale. Thus, the points in the diagram reflect the individual questions representing the drivers of the model that have been put to the companies. In order to facilitate the interpretation of the figure, the questions with the most significant effect on the results have been highlighted. These questions are marked with a large bullet. This way it was possible to indicate the most critical areas for improvement for the Polish companies.

It was assumed that the critical improvement factors for the Polish companies are these sub-criteria of the EFQM Model in case of which the level of achievements, in spite of their high impact on the results, is very low in the examined companies (the mean below 65 points). It appears from the data given in Figure 3 that these factors belong to the five components of the model, namely: leadership, strategy, processes, people and people results. The majority of them relate to the last two fields regarding people management.

The critical improvement factors for the Polish companies on their road towards business excellence are as follows:

• clear communication of the vision and mission of a company to all employees (leadership),
• knowledge of the company’s strategy on each level of organization (strategy),
• documented improvements in critical processes within the space of last three years (processes),

![Figure 3. Results for individual items of the EFQM Model for PL2007 sample – performance-importance matrix](image-url)
• defined employee satisfaction indicators (the conditions which should be fulfilled to satisfy the employees (people results),
• systematic measurement of satisfaction, loyalty, productivity and absenteeism of employees (people results),
• using the results of employee satisfaction survey as the current signpost for improvements (people results),
• growing level of employee satisfaction (people results),
• growing number of improvement proposals submitted by employees (people results),
• individual development plans for every employee (people management),
• feedback on improvement proposals submitted by employees (people management).

The data clearly confirm that people satisfaction is one of the driving forces of business excellence of the Polish companies. However, their problem lies not only within people results, such as employee satisfaction which can be treated as a final measure of people management effectiveness, but also within more fundamental and deeper premises of effective people management. This is the question of good motivation achieved not only through financial incentives, but also non-financial ones like creating an atmosphere for openness, creativity and honesty as well as strong superiors’ interactions with subordinates, including managerial feedback on employee suggestions and communication of the vision, mission and strategy to all employees. It seems that if the managers of Polish firms want to strive for business excellence they have to face a big challenge, which is creating strong and positive relations with employees leading to higher job satisfaction. The managers of Polish companies have to start with the identification of the conditions which should be fulfilled to satisfy the employees which is the precondition of the effective job satisfaction measurement. The employee satisfaction surveys can be commissioned to the external research agencies to ensure higher level of survey anonymity. However, the most important issue is the use of research results to improve job satisfaction. Feedback on employee opinions gathered during the survey is a critical success factor as regards the effective creation of an organizational climate of confidence and openness. In this context, a properly conducted job satisfaction survey can become a starting point for engaging people in improvement initiatives and building a continuous improvement culture.

5. Project management and project success factors
In the last decade project management became an important discipline and gains more and more interest in the global and Polish economy. This concept – which was once an internal matter of an organization – today is a competitive tool increasing the quality and value offered to the clients and constitutes a justified and right approach towards organization management, the environments and conditions
of contemporary business. What in reference books is described as ‘project success’ constitutes one of the fundamental concepts in project management and is identified with successful realization of projects which lead to the achievement of the intended goal. Project management aims at facilitating the entire project realization process in order to accomplish its intended goal in an efficient and effective way. Project management efficiency constitutes a comprehensive set of project success factors in relation to organizational and external circumstances in which an organization operates.

Project management is a very complex discipline that may be examined from various angles and within multiple generalizations. Strategic paradigm assumes that a project may be perceived through its product as the method of realization of an organization’s strategy. Organizations and clients always look at the project through the prism of a generated product. On the other hand, process paradigm wants the project to be seen as a sequence of activities and processes which are to be accomplished. These processes need to be managed in such a way which ensures that the project will be completed. Finally, the project may be seen through the prism of a human paradigm as a certain area of exchange, relations and activities among people. Projects are created by people, and so project management relates first of all to the formation of groups of specialized individuals from various areas of an organization for a specified period of time in order to fulfill a particular task. Once a given project is complete, the group is dissolved and its members are delegated to other tasks, projects, or back to previous operational tasks connected with their positions. Also for this reason a human factor plays an incredibly important role in project management and is called by many authors its key element (Van Der Merwe, 2002).

Project success factors are key variables explaining its success (Diallo and Thuiller, 2005). Paying attention and caring about the factors improves the effectiveness of all project management processes. They can also be referred to as “lever” or “stimuli” which can be used by the project managers or project organization to increase the probability of achieving the desired project result (Westerveld, 2003). The project success factors enjoy a considerable interest as a research area investigated by scientists worldwide (Belassi and Tukel, 1996; Hyvari, 2006). The first attempt to define them was made in a paper written in 1967 by Rubin and Seeling (1967), in which they studied the impact of project manager’s experience on project success. Empirical studies showed that the previous experience of the person heading the project exerted a marginal influence on its success. However, most of the works written later completely opposed the thesis. Some of them were quoted above.

Although individual projects differ from one another, which is a result of their nature, some common factors can be found which considerably increase the chances of success of any project. This is reflected in empirical studies conducted
6. Project success factors in Polish companies

In a study carried out with the sample PL2008, six groups of project success factors were tested including factors connected directly with the project, factors connected with the project manager, factors connected with the project team, factors connected with the project implementing organization, macrosurroundings factors and microsurroundings factors. The initial four groups were included in the so-called internal factors, whereas the other two were classified as external factors. A similar division was created by Pinto and Selvin (1988), who suggested that project success is linked to both exogenic and endogenic factors.

The data presented in Figure 4 provide information about the average assessment of the importance of the individual groups of factors for project success. Two groups of internal factors were assessed highest, namely the factors connected with the project manager and the factors connected with the project team, both with the average assessment of 3.9. Then the respondents indicated the factors connected directly with the project (average assessment of 3.7), followed by the factors connected with the project implementing organization (average assessment of 3.5). The last two positions were held by the external factors such as microsurroundings factors with the average assessment of 3.1 and macrosurroundings factors with the average assessment of 2.6.

Table 2 includes a list of the project success factors ordered according to their importance for project success. Out of 87 analysed factors, 29 were marked 4.0 and higher. A list of factors critical for project success has been created as a result. The list includes only internal factors – 13 factors connected with the project manager.
<table>
<thead>
<tr>
<th>No.</th>
<th>Factor connected with project manager</th>
<th>Factor connected with project team</th>
<th>Factor connected directly with project</th>
<th>Factor connected with project implementing organization</th>
<th>Factor name</th>
<th>Average mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>commitment of project manager</td>
<td>4.6</td>
</tr>
<tr>
<td>2</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>sense of responsibility of project manager</td>
<td>4.5</td>
</tr>
<tr>
<td>3</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td></td>
<td>clearly defined project objectives (clear and understandable project vision)</td>
<td>4.4</td>
</tr>
<tr>
<td>4</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>commitment of project team members</td>
<td>4.4</td>
</tr>
<tr>
<td>5</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>ability of project manager to react to changes</td>
<td>4.4</td>
</tr>
<tr>
<td>6</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>sense of responsibility of project team members for project results</td>
<td>4.4</td>
</tr>
<tr>
<td>7</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>communicative skills of project manager</td>
<td>4.3</td>
</tr>
<tr>
<td>8</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>leadership skills of project manager</td>
<td>4.3</td>
</tr>
<tr>
<td>9</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>professional / specialist competences of project team members</td>
<td>4.3</td>
</tr>
<tr>
<td>10</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>formal and informal authority of project manager</td>
<td>4.3</td>
</tr>
<tr>
<td>11</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>communicative skills of project team members</td>
<td>4.3</td>
</tr>
<tr>
<td>12</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>skills of project manager in coordination of activities and works</td>
<td>4.3</td>
</tr>
<tr>
<td>13</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>atmosphere of cooperation</td>
<td>4.2</td>
</tr>
<tr>
<td>14</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>proper composition of project team</td>
<td>4.2</td>
</tr>
<tr>
<td>15</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>atmosphere stimulating creativity of project team members</td>
<td>4.2</td>
</tr>
<tr>
<td>16</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>acceptance and good relations among team members</td>
<td>4.2</td>
</tr>
<tr>
<td>17</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>speed of decision-making of project manager</td>
<td>4.2</td>
</tr>
<tr>
<td>18</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>previous experience of project manager at a similar post</td>
<td>4.1</td>
</tr>
<tr>
<td>19</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>clarity of division of responsibilities among team members</td>
<td>4.1</td>
</tr>
<tr>
<td>20</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>knowledge and skills of project manager in project management</td>
<td>4.1</td>
</tr>
<tr>
<td>21</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td></td>
<td>motivation of team members</td>
<td>4.1</td>
</tr>
<tr>
<td>22</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td></td>
<td>ability of project manager to delegate powers</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Table 2. Assessment of the importance of project success factors – an overall list
(45%), 9 factors connected with the project team (31%), 6 factors connected directly with the project (21%) and 1 factor connected with the project implementing organization – the atmosphere of cooperation (3%). A vast majority of 76% of the items on the list of factors critical for project success is related to people.

The leading two positions are taken by factors connected with project manager, namely commitment and sense of responsibility of the project manager. The two are followed by a factor connected directly with project – clearly defined project objectives – parallel to commitment of project team members, ability of the project manager to react to changes and sense of responsibility of the project team members for the project results.

As evident from the presented data, the success of projects implemented in Polish enterprises depends to a considerable extent on people. It is the human engagement, both of the project manager and project team members that is considered to be the main reason for improvement of effectiveness of all project management processes.

7. Conclusions
The paper combines the research results generated in two different studies conducted in companies operating in Poland, the first one focused on the business excellence indicators and the second one concentrated on the project
success factors. The research results make it possible to indicate how strongly performance on both the operational (project) level and the strategic (business) level is influenced by employee attitudes. As the data presented in the article show, the key factors influencing examined firms’ performance, from among 51 tested according to the EFQM methodology, deal with people and their satisfaction. At the same time they are the most critical factors for business excellence improvement. Similarly, among a few dozen of tested factors which are conducive to successful realization of projects, the most significant ones are those referring to people, especially to their engagement. However, such project success factors as for example commitment of the project team members and their sense of responsibility for the project results as well as the motivation of the team members and the atmosphere of cooperation cannot be released without the commitment and effective leadership of the project managers.

Oakland and Oakland (1998) emphasize that an effective human resources management more and more often becomes the area of management which is given considerable attention in the organizations which want to be successful. For this reason, the main challenge facing the managers of Polish companies on their way to perfection is an increased effectiveness of management of the most productive resource any organization can have, namely its personnel. It will also undoubtedly contribute to successful implementation of various undertakings such as projects.

Acknowledgement
The authors gratefully acknowledge the financial support of the Polish Ministry of Science and High Education for the project no. 1 H02D 099 30, entitled „Self-assessment in firms’ quality management systems”.

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