

Investigating how to localize and apply the EFQM model using the method of hierarchical analysis process (Case study of MA insurance company)

Zahra Sadabadi¹ .Siamak Mousavi ²

Phd.Student of Business Administration, Islamic Azad University, Ajab Shir Branch¹
Faculty member of Islamic Azad University, Ajab Shir Branch²

Abstract

In Iran, the EFQM model was used as a model to create the National Award for Quality and the National Productivity Award, and this award is given to organizations that can score according to the points provided. The interior is of quality. Iran's organizational excellence model is derived from its European model, while Iranian organizations do not meet the requirements of European organizations, so the results cannot be considered as successful as the results obtained from European organizations and companies. It has been done using the Delphi method or consulting experts. First, the acceptance of the elements of some models of organizational excellence to evaluate the performance of MA insurance company from the point of view of experts and in the next step, specific tips for performance evaluation in the branches have been developed and after approval by experts, the local model of excellence of MA insurance company Come. The results include the core values of the EFQM model more comprehensive than the core values of the current activity of MA insurance company. According to the managers of MA insurance company, honoring employees is the most important value and partnership development is the least important organizational value and And leadership criteria are the most important criteria for organizational repair of MA insurance joint stock company.

Keywords: EFQM , Hierarchical analysis process , Localize , MA Insurance

Introduction

It is a global concept, so organizations are able to share information in an effective way, regardless of the different sectors, cultures and stages of life in which they are located. Performance appraisal is a comprehensive and systematic process in which activities, processes and results are compared with the goals and criteria set by the organization. And based on the findings, it is possible to improve the situation of the organization based on a model of quality excellence. The evaluation process allows the organization to clearly identify strengths and areas for improvement and to develop plans for improvement in various dimensions. This improvement can be achieved by obtaining the necessary feedback from the internal and external environment, analyzing the strengths and weaknesses and opportunities and threats of the organization, responsibility and customer satisfaction, by creating and using a performance appraisal system with an appropriate model. A well-designed performance appraisal system contributes significantly to the flexibility of organizations' programs, goals, and missions in today's dynamic environment. Evaluating and measuring performance and its development requires culture building and promotion of organizational culture. A 1994 study of the EFQM model found that 60 percent of companies used the model for self-assessment. Another study shows that this model has a positive effect on the performance of organizations (et al., Eskildsen 2002). The relationship between the criteria and sub-criteria of the model is based on their weight structure. Very little research has been done on whether these weights are suitable for all organizations. This article presents a report on the localization and application of the EFQM model in MA insurance company.

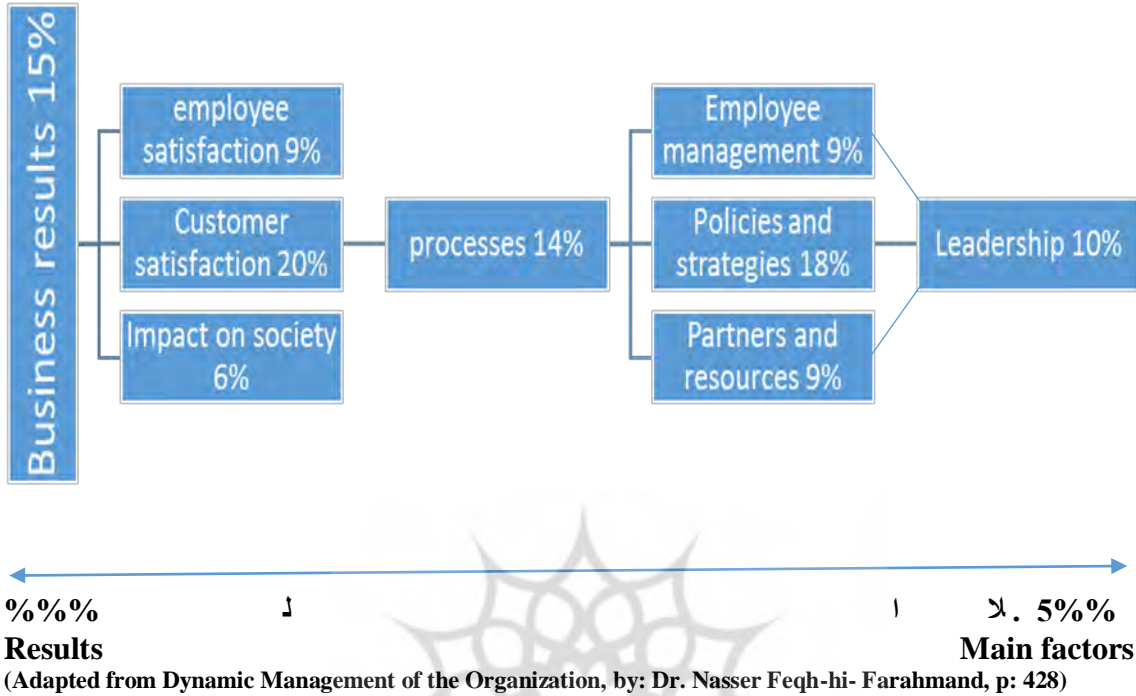
Research Hypotheses

1. The EFQM organizational excellence model provides a good framework for evaluating all parts of MA insurance company.
2. Applying the EFQM organizational excellence model, in order to evaluate the performance of MA insurance joint stock company, needs to localize the model guidelines.

Structural characteristics of the EFQM model

Every organization, regardless of the type of activity, the size of the structure or its success rate, to achieve its organizational goals, needs a model based on which to evaluate its success rate in achieving the ideals and goals. Organizational excellence models help organizations to identify differences by comparing their current and desired situation, and then determine and implement current situation optimization solutions by identifying complications and examining their causes. One of the most famous quality awards in the world is the EFQM Model excellence award for Quality, which is based on 9 areas. 5 areas of this model are related to enablers and express the components of an organization and how they interact with each other, and the next 4 areas form the results of the organization's performance and show the desired results of the enablers. In the field of empowerment, approaches play a role and shape results. The EFQM model represents that organizational excellence is a function of its approaches and excellence in each of the areas of performance, customer, staff and community through the proper interaction of the areas of empowerment, namely leadership, policy and strategies, employees, partnerships, resources and Processes and the provision and fulfillment of related criteria are achievable. part of the model developed in 1992 and an important part of the excellence models (Eskildsen et al., 2002). The benchmark weights of the EFQM model have always

been an important part of the model developed in 1992 and an important part of the excellence models (Eskildsen et al., 2002).



A - The main factors (50%) include:

- Leadership 10%
- Employee management 9%
- Policies and strategies 8%
- Partners and resources 9%
- Processes 14%

B- Results (50%) include:

- Employee satisfaction 9%
- Customer satisfaction 20%
- Impact on society 6%
- Business / Business Results 15%

It should be noted that the driving force behind the evolution of the productivity cycle of employees and personnel of the organization and if the desired productivity is achieved, they should feel success

and satisfaction , and this feeling has a positive and desirable impact on their quality of life and their needs. Provide and motivate them to continue to improve organizational productivity.

research method

In this research, the Delphi method or consulting experts has been used. The Delphi study involves collecting the opinions of experts several times by repeating several rounds of questionnaires. In the present study, due to the lack of guidelines and codified and standardized indicators to evaluate the activities of MA insurance company in various fields, by choosing the Delphi method to conduct research by academic and organizational experts to formulate and finalize values. Criteria and indicators for evaluating organizational performance and excellence have been used. The goal of many applications of the Delphi method is the reliability and creative discovery of ideas or the production of appropriate information for decision making. The basis of the Delphi method is a process for gathering and summarizing the knowledge gained from a group of experts. This knowledge is obtained through the batch distribution of questions with controlled theoretical feedback. The main tool used in this study was a questionnaire. From the introductory study stage to the main stage of the research, three separate questionnaires were designed and provided to the respondents. The second questionnaire was designed and distributed in a closed manner using the Likert scale, the purpose of which was to test the first hypothesis of the research. The third questionnaire was designed and implemented to answer the second hypothesis using the AHP method. The results of the second questionnaire used the Likert spectrum for the answer options. In this way, for each question, five options were placed with the following points:

Strongly agree = +2, agree = +1, have no opinion = 0, disagree = - 1, strongly disagree = - 2 After collecting the completed questionnaires, the negative and positive scores of each question were calculated.

Research data analysis method

The analysis of the scores was based on this: after discarding the distorted questionnaires, the number of questionnaires that could be cited reached 142. Therefore, if all respondents fully agreed with an item, the maximum score was 284 points, and accordingly, each item that scored 50% of this score (142 positive points) was accepted.

Hierarchical analysis process

One of the decision-making methods for managers is the hierarchical analysis process method, which is one of the most powerful systems available. The process of hierarchical analysis is one of the most popular multi-criteria decision making techniques (qualitative) based on pairwise comparisons, because it allows the formulation of the problem in a hierarchical manner. The decision intervened and made it possible to analyze the sensitivity of the criteria and sub-criteria, and because the method of this method is pairwise comparison, therefore, it facilitates judgments and calculations and shows the degree of consistency and incompatibility of the decision. The decision maker begins his work by providing a decision hierarchy tree. The decision hierarchy tree shows the factors being compared and the alternatives being evaluated.

Then, by performing pairwise comparisons, it determines the weight of each factor in the direction of the options, and finally, the AHP logic combines the relative weights obtained for the factors and the

options to make the optimal decision. Thomas L. Saati, a professor at the University of Teesburg, introduced the method in the 1980s. This method is based on a series of obvious principles. The hierarchical analysis process helps us to design the system by considering the components that interact with each other and then measuring, classifying and combining them by considering their impact on each other (Dagdeviren et al., 2009). This method allows us to make a decision based on a correct logic, instead of trial and error or based on speculation. In fact, the hierarchical analysis process is a decision-making technique for evaluating alternatives, and this technique allows the decision maker to evaluate different alternatives to achieve the goal. In the field of weighting according to the criteria of EFQM model, statistical models, questionnaires as well as DEA method have been used in various researches.

Weaknesses of the EFQM model

- This model is proposed as a domain and the relationship between domains, criteria and sub-criteria is not specified.
- The precedence and latency of each of the areas, criteria and sub-criteria are not specified.
- The scores of each criterion, which in fact indicates the priority and importance of that criterion, have not been done in reality, and based on this, the criteria and sub-criteria cannot be prioritized (Amiran, 2004). Therefore, to solve this problem, in this research, we use the hierarchical analysis process model to weigh the criteria and sub-criteria. Also, organizations may not have sufficient and necessary capabilities such as facilities, budget, human resources, etc. to implement all programs and projects defined by this model and in fact do not know that to achieve organizational excellence must Which of the following criteria should be considered (Li, Yang, 2003). Therefore, by weighting these areas, criteria and sub-criteria by the hierarchical analysis process model and with the help of organizational decision makers, the available facilities can be aligned in line with the set priorities and the desired results can be achieved (Skildsen et al., 2000) state that the weight of the criteria is entirely optional, and that weighting helps us to more easily and better allocate our resources to priority improvement projects (Eskildsen et al., 2002). In the main EFQM model, customer results are very important and have a score of 200. This model is actually based on the economies of Western countries. Where private companies are owned, non-monopolized producers and competing with each other. But in Iran, most companies and organizations are state-owned and their products are monopolized and the customer has to get services from these companies, As a result, more points are allocated to this criterion, and the company's score goes up, and in fact, it can cover the lack of points in other criteria and show virtually that the company is moving towards excellence. Now, if there are other companies and organizations alongside these state-owned companies that can provide these services to customers, this result may change. This is the case in many industries in the country, meaning that in the country, customers have to receive these services only from state-owned companies. Because of this, the customer increase score is shown in the customer results and shows that the company is superior. Now, if there are several suppliers of products that belong to the private sector in the country's industries, and these companies match the financial conditions of the Iranian people in all conditions with the same privileges, then we could trust the results obtained from the model. (Skildsen et al) Conducted research on the weights of the EFQM model in Denmark. By distributing questionnaires to 756 Danish corporate executives, they achieved a weight to implement the organizational excellence model in Denmark. This questionnaire was distributed among organizations of different sizes, factories, commercial industries, transportation, communications,

service organizations, government organizations, etc. In this study, the scores of the enablers and the results were the same as the main EFQM model, But the scores of the main criteria of the model were: leadership: 144, employees: 135, policy and strategy: 144, partnerships and resources: 136, processes: 164, employee results: 87, customer results: 90, community results: 54 and results Key Performance: 56. In another study published in 2002, they distributed a questionnaire to managers of companies that implemented the model from 1998 to 2001, and concluded that: Empowerment, Leadership: 140, Employees: 140, Policy, and Strategy: 140, Partnerships and Resources: 140 and Processes: 140 points in results, staff results: 70, customer results: 100, community results: 70 and key performance results: 60.

Model implementation

In the method proposed in this paper, we first compare the enablers and the results based on the EFQM model. Because in each organization, the importance or priority of each of these two areas may be different, or that management, instead of the implementation and implementation process of programs to give more importance and priority to the results and decision makers, the results are more important than Be empowering or vice versa. As mentioned, enablers are the basis of the results of the EFQM model, and without good enablers, appropriate results as well as organizational excellence cannot be achieved. In fact, by weighing the results or the enablers, we seek to know whether the foundations of organizational excellence that have been properly implemented in MA insurance company; In order to be able to focus on the results, we have to focus on the enablers in the beginning. In fact, by preparing a questionnaire that considered all areas, criteria and sub-criteria, we identified the priority and importance of each of them. These priorities start at 1 as "uniform preference" and end at 9 as "extremely preferred". After collecting the questionnaires, they were prioritized by Expert Choice or Super Discussion software. After this, we paired the subsets of each domain, that is, in empowerment, leadership, policy and strategy, we paired employees, companies, and resources and processes, and also in the domain. We paired the community results and key performance results to obtain the weight of each of these criteria in each section. After gaining the weight of the domains, we seek to determine which of these criteria is more important in each of these criteria. At the third level, we rank the sub-criteria of each criterion, ie in the leadership criterion, a1 to e5, in the policy and strategy criterion from a2 to d2, in the staff criterion from a3 to e3, in the companies and resources criterion a4 to e4 and in the process criteria, we compare the criteria a5 to e5, and in the results section, the results of the customer criteria, ie, a6 and b6, employee results from a7 to b7, community results from a8 and b8, as well as key results We pair performance from a9 to b9 to prioritize each, and we design and execute our improvement projects based on the priorities we obtain from the domains, criteria, and sub-criteria. In MA insurance company, the results were more important and priority than the enablers, and in the field of results, customer results were the first priority, key performance results were the second priority, employees' results were the third priority, and community results were the fourth priority. If in each of the criteria, we weigh and prioritize its sub-criteria. In the customer results criterion, which is the first priority, criterion b6 means performance indicators, first priority and a6, the second priority. Therefore, the core values of the EFQM model are the core values of the current activity of the parent insurance company; According to the managers of our insurance company, honoring the employees is the most important value and developing partnerships is the least organizational value, and leadership criteria are the most important criteria for the organizational excellence of our insurance company.

Conclusion

In this paper, by combining the two methods of EFQM and the Hierarchical Analysis Process Model, we present a model for weighting the domains, criteria and sub-criteria of the EFQM Excellence Model. After weighting the model based on the hierarchical analysis process, organizations realize in which areas, criteria and sub-criteria they should focus and allocate their resources to them. In this way, we avoid wasting resources and managers make sure that the organization is on the path to excellence. In MA insurance company, the results were more important and priority than the enablers, and in the field of results, customer results were the first priority, key performance results were the second priority, employees' results were the third priority, and community results were the fourth priority. If in each of the criteria, we weigh and prioritize its sub-criteria. In the customer results criterion, which is the first priority, criterion b6 means performance indicators, first priority and a6, the second priority. As a result, the managers MA insurance company should first focus on customer results and then on key performance results, and in the next priorities on employee results criteria (satisfaction to management), community impact criteria, processes criteria, partners and resources criteria, policies and strategies, to consider in order. . According to the managers of MA insurance company, honoring employees is the most important value and partnership development is the least important organizational value and And leadership criteria are the most important criteria for organizational repair of MA insurance joint stock company.

Suggestions

MA insurance company can take an effective step by increasing the value and discovering opportunities for customer satisfaction by considering customer relationship management and paying attention to customer feedback and creating satisfaction according to the appropriate supply of needs and wants of target customers.

MA insurance company will take a step towards improving the quality and increasing job satisfaction by creating motivation for cooperation among employees and paying attention to the needs and welfare and creating satisfaction in employees.

MA insurance company should pay attention to the continuous improvement of relations between management, employees and customers in order to form a collective effort towards continuous improvement.

Managers in their decisions to generalize the quality in MA Insurance Company should try to improve its level of information flow from vertical to horizontal-vertical and change from imposing management to leading management.

References

1. Abdi, Farshid, Karbasi Yazdi, Amir, (2009) Indigenous EFQM Model for Organizations, Tadbir Magazine ,No. 214, March -2010- pp. 69-66
2. Amiran, Haidar, (2004) Step-by-step guide to organizational excellence based on INQA / EFQM models of Quality Consulting Company.
3. Ansoff, H. I. et al. (2019). *Implanting Strategic Management*. Third Edition.

4. Armstrong, M. & Brown, D. (2019). Strategic Human Resource Management: Bank to the future?: A literature review. Brighton :Institute for Employment Studies.
5. Fegh-hi Farahmand, (phd) Nasser, (2014) Dynamic Management of the Organization, Foroozeh Publications, Tabriz, Third Edition, pp. 437-427
6. Bou-Liusar, J. Carlos, escrig-Tene, B, Roca-Puig, Vicente, Beltran-Martin, (2005) To what extent do enablers explain results in the EFQM excellence model?, International journal of quality & reliability Management Vol, 22 N0.4.
7. Conti, A. (2007) A history and review of the European Quality Award Model, The TQM Magazine, Vol. 19. No. 2.
8. Dagdeviren, Metin, Yavuz, Serkan, Kilinc, Nevzat (2009) Weapen selection using AHP and top sis methods under fuzzy environment Journal of expert system with Applications, 36.
9. Li, M, Yang J. B. (2003) A decision model for self-assessment of business process based on the EFQM excellence model, International journal of quality & reliability Management Vol. 20 No. 2.
10. Kristensen, K., Juhl, H. J. and Eskildsen, J. K. (2000) The Criterion weight of the EFQM excellence model, International journal of quality & reliability Management Vol. 18 No. 8.
11. Kristensen, K., Juhl, H. J. and Eskildsen, J. K. (2002) The Trends in EFQM criterion Weights the case of Denmark 1998-2001, measuring business excellence.
12. Stearns and Hinshaw, The ABC-CLIO World History companion to the Industrial Revolution, p. 54.
13. Kunc, M. (2019). Strategic Analytics Integrating Management Science and Strategy: John Wiley & Sons Ltd.

