A Study into Effects of EFQM Evaluation Model on Personnel Empowerment (Case Study: Rasht Ghavamin Bank Personnel)

Mehrdad Goodarzvand Chegini, Minoo Yousefi and Shahla Soodi

INTRODUCTION

The emergence of new technologies has resulted in rapidly increasing global competition and consequently highlighted the role of performance evaluation as a competitive and strategic requirement in many organizations throughout the world (Ghalayni and Nobel, 1999).

Performance evaluation is the process of measuring, evaluating, and judging human performance in a given period.

One of the popular models of performance evaluation is the Organizational Excellence Model of the European Foundation for Quality Management (EFQM), the advent of which led to the subsequent development of Iran's own domestic model called National Quality Award. The EFQM model demonstrates the sustainable advantages an elite organization needs to achieve (Maklod, Baxter, 2001).

As the primary framework for assessing and improving organizations, the EFQM Excellence Model represents sustainable advantages that an elite organization needs to achieve. Performance evaluation is a systematic and comprehensive process in which the activities, processes, and outcomes are compared with the goals and criteria set by the organization. Based on the findings, measures can be taken to improve the organization’s status in compliance with the EFQM excellence model.

The assessment process allows the organization to transparently identify its strengths and the areas that require improvement as well as to develop plans for bringing about improvement in various organizational aspects by obtaining appropriate feedback from the internal and surrounding environments, analyzing the strengths, weaknesses, opportunities, and threats of the organization, accountability and customer satisfaction, and creating and implementing a performance appraisal system with an appropriate pattern. Such a system contributes substantially to the flexibility of the plans, goals, and missions of organizations in today's dynamic environment. Performance evaluation, measurement, and development would require promoting organizational culture.

Undoubtedly, the greatest asset of any organization is its human resource. More specifically, an organizational entity would have no meaning without human resources. Human resources is so significant a
factor that in economics, management (i.e. human resources) is placed next to basic tools such as capital and land. In light of all this, optimizing and empowering management techniques and human resources find double significance in achieving organizational goals. Human resources is considered to be the main factor in organizational development. Hence, improvement and development of human resources are the goals followed by managers in order to increase organizational productivity.

Since excellence models are considered as comprehensive and appropriate instruments for measuring performance and facilitating performance control and improvement, they are categorized as diagnostic control systems according to Simmon’s classification of levers of control (LOC) (Simon, 1988) and can be used to empower human resources through adopting self-assessment approaches. The significance of human resources in an organization can be further reiterated through utilizing means to encourage creativity and innovation in the organizational staff. To this end, human resource empowerment methods can be implemented. Today, empowerment is considered as a most useful tool for qualitative improvement of employees and increasing organizational effectiveness. To succeed in today's changing business environment, organizations need knowledge, ideas, energy, and creativity of all employees ranging from operational staff to top managers (Sharma and Gadan, 2009).

Accordingly, the most important question in today's competitive world is how to use the abilities of human resources in line with corporate objectives and make maximum use of their potential talents. Using excellence models is one of the main strategies in this regard. Knowing the importance of human resources and the need to provide solutions for maximum use of this potential power, we aimed to study the effect of using the EFQM Organizational Excellence Model on empowerment of the staff in Rashî Gharvamin bank.

In this study, the excellence model was considered as the independent variable and staff empowerment as the dependent variable.

Empowerment of human resources plays an essential role in achieving fundamental objectives of the organization and can definitely be used to create the necessary competitive advantages for advancing organizational goals. Accordingly, this issue is of particular importance. Establishment of excellence system in line with human resource empowerment will save the organization from decline. It is believed in the Organizational Excellence Model that elite organizations design, manage and improve the necessary processes to satisfy their stakeholders and create added value for them (Najmi and Hosseini, 2009). Despite the advantages it can bring, this approach entails certain problems. We can definitely say that the main problem in this regard is creating the special environment required for implementing such an approach. Given the important fact that education could be the most fundamental principle in establishing such an approach, moving towards a knowledge-based organization can assist corporations towards the optimal implementation of such an approach.

With due regard to the above, we conclude that implementing an Excellence Model is essential to the empowerment of human resources. Therefore, providing the necessary measures to create a knowledge-based atmosphere in the organization is essential. As the most vital and dynamic mechanism in any organization, human resources stands out among organizational categories and factors. Thus the necessity of addressing and managing organizational needs are considered to be the basic axioms in any organization.

Given the significance of human resource management in an organization and the impact of the same on the quantity and quality of an organization's approach towards achieving its main predefined objectives, addressing this critical issue by organizations and companies is of vital importance. Therefore, we should follow an approach or implement a mechanism to maximize the power that can be derived from this important organizational factor. As no previous research has been conducted in this regard, the present study can be considered as the first of its kind.

The following is a brief review of the national and international literature conducted on the subject of our study.

Ainola Carmen (2012) conducted a research on the performance evaluation of SMEs in Romania. The results showed that the Romanian companies regularly use the EFQM model to develop and evaluate their performance.

Another research titled "Analysis of structural modeling between enablers and the results in EFQM model (Case Study: Sudan's Railroad Company)" is conducted by Bashr Al-Sarayeh and Hassan Khadayir (2012). The results indicated that all empowerment aspects improved the results and allowed the organization to achieve its excellent goals in EFQM implementation.

Seyed Mohammad Yunesi Far, Ali. Sanaye’ei (2012) conducted a research for evaluating the performance of Shahid Sadoughi hospital based on the EFQM organizational excellence model. Their results showed that the model acted could be used as a comprehensive model for performance evaluation in hospitals.

Arash. Shaheen and Maedeh Rabbani Mehr (2011) prioritized EFQM enabler in small and medium organizations (SMEs). The results showed that EFQM execution leads to the following: narrower gap between management and employees, creating a suitable environment for development of effective and harmonious relationships between managers and employees, and prioritizing the functional features of organization management.
Vajhollah GhorbaniZadeh, Babak Aghaverdi (2013) investigated the effect of psychological empowerment of employees on organizational excellence. The results showed that psychological empowerment has a significant impact on organizational excellence. Among the psychological aspects of empowerment, components of self-determination and job meaningfulness were effective on organizational excellence. In another research, Rasoul Faraji, Kazem Danesh Sani, and Hossein Pour Soltani (2014) studied the performance evaluation based on organizational excellence model in Physical Training Organization according to EFQM model. According to the study, there is a strong relationship between the enablers and results and it seems that improving measures in all the criteria is essential for this organization; and the Physical Training department provides the best ground to use the Organizational Excellence Model for achieving better results and performance excellence.

Bum Chail and Kim Jiu Min (2012) examined in their study the effects of empowerment on organizational commitment of the staff. The results showed that the empowerment of employees can support the concept of trust in management as an essential element of organizational commitment.

The conceptual model is presented below.

This research is adapted from the European Quality model (2013).

Research hypotheses and questions:
1. There is a significant positive relationship between staff empowerment and the EFQM model for organizational excellence.

Secondary hypotheses:
1. There is a significant positive relationship between leadership purposes of Rasht Ghavamin bank and empowerment of employees.
2. There is a significant positive relationship between excellence of policies and strategies in Rasht Ghavamin bank and empowerment of employees.
3. There is a significant positive relationship between excellence of staff in the Rasht Ghavamin bank and empowerment of employees.
4. There is a significant positive relationship between excellence of process management in the Rasht Ghavamin bank and empowerment of employees.
5. There is a significant positive relationship between excellence of organizational stakeholders and partners in the Rasht Ghavamin bank and empowerment of employees.

Also, the research seeks to find answers to the following questions:
- Does using the Business Excellence Model lead to the empowerment of staff?
- Does using the Business Excellence Model lead to providing services of high desirability for the organization customers?

Research methodology:
The main aim of this study was to evaluate the impact of applying organizational excellence model performance (EFQM) on empowerment of the Rasht Ghavamin bank.
This is an applied research regarding nature and purpose, and is a descriptive survey regarding data collection method.

To gather information to complete the theoretical foundations, internet and library resources including books, articles, theses and case studies are used. Questionnaire was used to gather data. A spectrum of 9 options is used for designing the questionnaire. In this spectrum, number 1 had the lowest and number 9 had the highest score.

After designing questions, the questionnaire statistics and content was analyzed. Trustworthiness or reliability of the questionnaire was evaluated through Cronbach's alpha. In humanities studies, Cronbach's alpha coefficient of higher than 0.7 is a reliability indicator. In this study, Cronbach's alpha coefficient was equal to 0.89 which indicates proper reliability of the questionnaire. Also, the content validity of the questionnaire was approved by specialists in the subject.

The population of the study was limited and included 4000 of the employees of the Rasht Ghavamin bank including senior and middle managers, and professional experts of the complex. Simple random sampling method was used to select a proper sample. After determining the sample size using table of random numbers, we selected the intended individuals for distributing the questionnaire and collecting statistical data of the research. Probability of each employee selection was 1.0004 and the sample size was estimated as 144 according to the formula.

Research findings:
For statistical analysis, 5 hypothesis are studied on the effect of applying performance appraisal using EFQM on staff empowerment in the Rasht Ghavamin bank. Based on these hypotheses, a questionnaire was designed and after checking the validity and reliability of the measurement tool, it was distributed among the administrative and industrial staff of the Rasht Ghavamin bank.

Due to normal distribution of the research data, parametric tests were used. Hence, the Pearson correlation and linear regression were utilized. The results are summarized in the table below.

Table 1: Pearson correlation test among personnel empowerment & EFQM Evaluation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Correlation intensity</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership excellence and staff empowerment</td>
<td>0.496</td>
<td>0.000</td>
<td>Effective in positive direction</td>
</tr>
<tr>
<td>Policy and strategy excellence and staff empowerment</td>
<td>0.433</td>
<td>0.000</td>
<td>Effective in positive direction</td>
</tr>
<tr>
<td>Staff excellence and staff empowerment</td>
<td>0.446</td>
<td>0.000</td>
<td>Effective in positive direction</td>
</tr>
<tr>
<td>Partners and resources excellence and staff empowerment</td>
<td>0.454</td>
<td>0.000</td>
<td>Effective in positive direction</td>
</tr>
<tr>
<td>Process management excellence and staff empowerment</td>
<td>0.396</td>
<td>0.000</td>
<td>Effective in positive direction</td>
</tr>
</tbody>
</table>

According to the above table, applying Business Excellence Evaluation Model in the Rasht Ghavamin bank resulted in staff empowerment.

Discussion and results:
The purpose of this study was to evaluate the effect of applying Organizational Excellence Evaluation Model on staff empowerment of the Rasht Ghavamin bank. Empowerment process considers the role of information and knowledge essential to empower employees for organizational performance. Employees should obtain the necessary information to make decisions. Change plans are successful when the management creates effective communication channels. Performance feedback is the basis for strengthening the sense of competence and qualification. Assessing and providing valuable feedback to the organization is an important factor in empowerment process.

Regarding the significance level and linear regression test, the first research findings indicated the relationship between leadership excellence and staff empowerment among the Rasht Ghavamin bank employees. There is a significant positive relationship between leadership excellence and staff empowerment of the Rasht Ghavamin bank. The results of this study showed that 24.6 percent of the changes in staff empowerment can be explained through leadership excellence which corresponds to the research results of Arash Shahin and Maedeh Rabbani Mehr (2011). Therefore, it is recommended to the leaders of the Rasht Ghavamin bank and similar companies to promote excellence in leadership perspectives and breadth of vision and empower the role and responsibility of leadership in accordance with the patterns of organizational excellence and establish a proper interaction with their staff to empower them. They should also be aware of the business and personal needs of employees and adopt some measures to enrich business skills and enhance the life quality of employees in accordance with the personnel under their supervision. They should also use various methods of personnel participation in the development and planning of short-term plans such as quality control.
circles, goal-oriented management, etc.; so that all these aspects can be organized in accordance with leadership excellence patterns. It is also recommended to use performance evaluation methods to evaluate the annual performance of the Complex, and this performance evaluation procedure should be one of the company's ongoing programs.

The second finding implied the presence of relationship between excellence of the policies and strategies and empowerment of the Rasht Ghavamin bank. According to the linear regression test and significant level of the test, it can be argued that there is a positive significant relationship between the excellence of policies and strategies and empowerment of the Rasht Ghavamin bank.

The results of this study showed that 18.7 percent of staff empowerment can be explained through excellence of policies and strategies. This is in good agreement with the results obtained by Arash Shaheen and Maedeh. Rabbani Mehr (2011), Younosi Far (2012) and Eghbal (1999), Bashir Al-Sarayeh (2012), Bum Chail and Kim Jiu (2012). Therefore, the management and planning authorities are advised to provide a proper working environment for the staff to motivate the employees towards achieving organizational goals; boost the morale of employees through various supports and incentive programs; and strengthen staff self-control through collaborative working practices such as delegation and less conspicuous control of the working environment, as well as diligent efforts to institutionalize assessment patterns aimed at organizational excellence among their employees and adapt their beliefs in line with these processes.

The fourth research finding implied the relationship among transcending organizational and partnership interests, and empowerment of the Rasht Ghavamin bank. According to the linear regression test and the significant level of the test, it can be argued that there is a significant positive relationship between excellence of organization and partners' interests and empowerment of the Rasht Ghavamin bank. The results of this study showed that 20.7 percent of change in employees' empowerment can be explained through employee excellence which is in line with the results obtained by Arash Shahin and Maedeh Rabbani Mehr (2011).

It is therefore recommended to the management of the Rasht Ghavamin bank to establish positive interactions with stakeholders and partners and pay attention to this important issue considering the appropriate allocation of organizational resources between the Complex partners and stakeholders and use of constructive strategic processes. They should also develop the complex service processes in accordance with the business excellence models and to improve the multiple abilities of their employees. Therefore, it is recommended the management and planning officials of the Rasht Ghavamin bank to continuously use optimum and updated processes and methods in the Rasht Ghavamin bank. Therefore, they can prevent dullness of the employees' working conditions, and the employees will be more eager to learn new techniques. Also, to reduce the conflict between the units and increase the spirit of cooperation between the units, appropriate processes should be considered to create a constructive competitive environment within the organization.

The fifth research finding implied the relationship between excellence of processes and procedures and staff empowerment of Rasht Ghavamin bank. According to the linear regression test and significant level of the test, it can be argued that there is a significant positive relationship between excellence of processes and procedures and empowerment of Rasht Ghavamin bank.

The results of this study showed that 15.7 percent of the changes of employees' empowerment can be explained through processes and methods. This is in line with the results obtained by Arash Shahin and Maedeh. Rabbani Mehr (2011) as well as Yunosi Far (2011), Eghbal (1999) and Ninakul (1995). Hence, it is recommended to the management and those responsible for planning to create a working environment in which the staff are motivated to achieve organizational goals. They should also strengthen the morale of employees through various providing support as well as incentives and boosting their self-control through various collaborative working practices such as delegation, reduced control of the working environment, etc.

REFERENCES


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