

## “Evaluating the Influence of EFQM Model on Organizational Function in Shiraz Agricultural Banks in 2014-2015”

Marjan Hosseini<sup>1</sup>, Shahram Hafezi<sup>2</sup>

<sup>1</sup>M.A of Executive management. Science and Research Kohgiluyeh- Boyer Ahmad branch, Islamic Azad University

<sup>2</sup>Assistant professor, Department of management, college of Humanities, Kazerun Branch, Islamic Azad University

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### ABSTRACT

The purpose of this research is studying and recognizing the influence of EFQM model on the function of Agricultural Banks in Shiraz in 2014-2015. This research is a survey and based on descriptive-correlational methodology. The population includes the employees of Shiraz Agricultural Banks in 2014-2015 (1200 employees) and 291 individuals were selected as the sample using Cochran formula. In this research, the sample was calculated using stratified random sampling method in proportion to population. In order to specify the relationship between variables, Pearson correlation method and SPSS software were used. In this study, organizational excellence EFQM and organizational function questionnaires were used and the reliability of the former was 98% and the latter was 86%, respectively. The results of this study show that there's a meaningful relationship between organizational excellence model and organizational function aspects based on the resulting  $p < .005$  in all hypotheses. Also, they show that despite some limitations, using novel self-evaluating methods and EFQM organizational excellence models, especially in banks and public organizations, they have an undeniable influence on organizations' evolution and their existence from inactivity.

**KEYWORDS:** Organizational function, EFQM, Management method, organizations, organizational excellence

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### 1. INTRODUCTION

Nowadays, different industries in developed and developing countries are facing numerous challenges which impact their markets and would threaten their survival in economy and commerce. Commerce universality, world markets' integration, the complexity and increased development of consuming markets, increased number of competitors and situated products, resources' deficiency and their high costs are some examples of these threats. At this time, all organizations in different countries know that determining and recognizing their current status and also their survival and development in competitive world requires constant use of methods and patterns to assess and improve the current function and activities of organizations and in this regard, using organizational control systems are necessary (Mazloomi and Keshvari, 2011).

Organizational Excellence models (EFQM) or Business excellence models are used as powerful tools to assess the establishment of systems in different organizations. Using these models, an organization can evaluate its success in performing improvement plans in different periods of time and also can compare its performance with other organizations, especially with the best ones (Akbari et al, 2009).

For a decade, there's an increased interest in Iranian companies for internal and external evaluations based on EFQM model. This action has involved many companies in this field and has improved undeveloped industry of management consultation. Organizational excellence model is proposed in a situation in which there exist more than 70 national top model and 90 quality prize in the world which are generally based on EFQM model and are integrated (Najmi, 2004).

Nowadays, the challenges of quality improvement and systems' development in high educational institutions are important and unavoidable issues. The responsiveness to social needs, customer's satisfaction and consequently increased competitions of banks and a need for conformity with information and novel science are some competitive challenges in banks. Banks have to consider quality development in their processes and actions and also their improvement in a competitive world and one of the effective methods in this field is performing EFQM excellence model (Akbari, et al, 2004).

In a study, Adab and GolAvar (2013) evaluated the organizational excellence of Iran National Gas Company based on EFQM model and after distributing and collecting questionnaires, the resulting information was analyzed by statistical analysis and descriptive-inferential methods and after summarizing and classifying the information and

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\* **Corresponding Author:** Marjan Hosseini, M.A of Executive management. Science and Research Kohgiluyeh- Boyer Ahmad branch, Islamic Azad University

using T-Student Test, all 9 standards of organizational excellence of Iran Gas Company had a quantitative development. Also, in evaluating leadership and strategic criteria of Iran National Gas Company, there was a meaningful difference between managers and specialists' opinions.

Debni and Dalines (2008), is a study by “competitiveness and performance improvement: an incorporated management model in an international company in Slovenia”, stated some advantages of models, especially EFQM model, to improve organization’s competitiveness and its development. These two researchers proposed a descriptive model which is a combination of EFQM and BSC models and studied their advantages and disadvantages and also their individual advantages to fix their faults which are influential for organizations function improvement.

In this regard, numerous studies have focused on recognizing and developing the factors of organizations’ success for improving their function and National Quality Prize, Deming Business Mastery Models, Baldrige and Organizational EFQM are the results of these studies. Although Deming, Baldrige and Organizational EFQM models are the most well-known models of business mastery, there are other special models in developed countries which are based on the above-mentioned models (Alvandi, 2004).

## 2. MATERIALS AND METHODS

### 2.1. Methodology

In this study, a descriptive-surveying method has been used. The purpose of descriptive studies are “describing the realities and characteristics of a phenomenon or a definite society in a systematic and accurate way”. Descriptive studies are used for describing situations or phenomena.

### 2.2. Population, Sample and Sampling Method

The population of this study includes all employees of Agricultural Banks in Shiraz in 2014-2015. The number of samples in this study is 1200 employees and 291 individuals were selected as the sample by Cochran formula.

In this study, the employees of different branches of Agricultural Bank were selected by stratified random sampling method after defining the ratio in each region and the rate of employees in each branch and finally, considering these ratios, the intended sample was selected randomly from each branch.

### 2.3. Tools

The research tools include observations, interviews and questionnaires. In this research, questionnaires were used. Questionnaires are one of the most popular tools for data collection and in this study, the questionnaire of EFQM organizational excellence model was used which has been proposed by European Foundation of Quality for organizational self-evaluation (2003) and organizational function questionnaire is a standard method which is used in different internal and foreign studies. The current questionnaire has been designed and confirmed by Heresi and Gold Smith in 1981.

## 3. Findings

**Main Hypothesis:** Is there any meaningful relationship between the influence of organizational excellence model on Agricultural Banks in Shiraz in 2014-2015?

H: There’s no meaningful relationship between organizational excellence model and organizational function.

H1: There’s a meaningful relationship between organizational excellence model and organizational function.

In order to study the relationship between organizational excellence and organizational function, Pearson Correlation Coefficient has been used. The results of this test are presented in table 8-4.

The results of Pearson correlation test show that there’s a meaningful relationship between excellence model and organizational function (meaningful level less than /05) and this relationship is directional. This issue has been confirmed based on distribution diagram and regression line, represented in diagram 6-4. According to the adjustedR<sup>2</sup>, 9 percent of the changes would define the dependent variable. So we can say that the direction of changes of these 2 variables are same and positive and there’s a meaningful relationship between these 2 variables.

**Table 1**-correlation coefficient between excellence model and organizational function

AdjustedR <sup>2</sup>	R <sup>2</sup>	Relationship type	Relationship	Dependent Variable			Variable
				Number	Meaningful Level	Pearson Correlation Coefficient	
0/093	0/023	Directional	yes	291	*<0/000	0/152	Independent Variable

**-First subordinate hypothesis:** Is there any meaningful relationship between the influences of organizational excellence model on organizational management method in Shiraz Agricultural Banks in 2014-2015?

H: There's no meaningful relationship between organizational excellence model and management method in organizations.

H1: There's a meaningful relationship between organizational excellence model and management method in organizations.

The results of Pearson Correlation Test show that there's a meaningful relationship between excellence model and management method (meaningful level less than /05) and this relationship is directional. This issue has been confirmed based on distribution diagram and regression line represented in 7-4 diagram. According to the adjusted  $R_2$ , 9 percent of changes would define the dependent variable. So we can say that the direction of changes of these 2 variables are same and positive.

**Table 2. Correlation Coefficient between excellence model and management method**

AdjustedR <sup>2</sup>	R <sup>2</sup>	Relationship type	Relationship	Dependent Variable		Pearson Correlation Coefficient	Variable
				Number	Meaningful Level		
0/093	0/023	Directional	yes	291	*<0/000	/151	Independent Variable

**-Second subordinate Hypothesis:** Is there any meaningful relationship between data manageability of excellence model in Agricultural Banks of Shiraz in 2014-2015?

H: There's no meaningful relationship between organizational excellence model and data manageability in organizations.

H1: There's a meaningful relationship between organizational excellence model and data manageability in organization.

The results of Pearson Correlation Test show that there's a meaningful relationship between excellence model and data manageability (meaningful level less than /05) and this relationship is directional. This issue has been confirmed based on distribution diagram and regression line represented in 8-4 diagram. According to the adjusted  $R_2$ , 6 percent of changes would define the dependent variable. So we can say that the direction of changes of these 2 variables are same and positive.

**Table 3. Correlation Coefficient between excellence model and guidelines and data manageability**

AdjustedR <sup>2</sup>	R <sup>2</sup>	Relationship type	Relationship	Dependent Variable		Pearson Correlation Coefficient	Variable
				Number	Meaningful Level		
/065	0/077	Directional	yes	291	*<0/000	/278	Independent Variable

In /05 Meaningful Level

**Diagram 2.** Distribution diagram of excellence model guideline and data manageability

**-Third subordinate Hypothesis:** Is there any meaningful relationship between the influence of organizational excellence model on the responsibility structure in Agricultural Banks of Shiraz in 2014-2015?

H: There's no meaningful relationship between organizational excellence model and responsibility structure in organization.

H1: There's a meaningful relationship between organizational excellence model and responsibility structure in organization.

The results of Pearson Correlation Test show that there's a meaningful relationship between excellence model and responsibility structure in organization (meaningful level less than /05) and this relationship is directional. This issue has been confirmed based on distribution diagram and regression line represented in 9-4 diagram. According to the adjusted  $R_2$ , 6 percent of changes would define the dependent variable. So we can say that the direction of changes of these 2 variables are same and positive.

**Table 4.** Correlation Coefficient between excellence model and the structure of organizational responsibility  
In /05 Meaningful Level

AdjustedR <sup>2</sup>	R <sup>2</sup>	Relationship type	Relationship	Dependent Variable		Pearson Correlation Coefficient	Variable
				Number	Meaningful Level		
/038	/051	Directional	yes	291	*<0/000	/226	Independent Variable

**-Fourth subordinate Hypothesis:** Is there any meaningful relationship between the influences of organizational excellence model on the data of organizational performance in Agricultural Banks of Shiraz in 2014-2015?

H: There's no meaningful relationship between organizational excellence model and performance data in organization.

H1: There's a meaningful relationship between organizational excellence model and performance data in organization.

The results of Pearson Correlation Test show that there's a meaningful relationship between excellence model and performance data in organization (meaningful level less than /05) and this relationship is directional. This issue has been confirmed based on distribution diagram and regression line represented in 9-4 diagram. According to the adjusted R<sub>2</sub>, 6 percent of changes would define the dependent variable. So we can say that the direction of changes of these 2 variables are same and positive.

**Table 5.** Correlation Coefficient between excellence model and performance data  
In /05 Meaningful Level

AdjustedR <sup>2</sup>	R <sup>2</sup>	Relationship type	Relationship	Dependent Variable		Pearson Correlation Coefficient	Variable
				Number	Meaningful Level		
/032	/045	Directional	yes	291	*<0/000	/213	Independent Variable

**Diagram 5.** Distribution diagram of excellence model-performance data

## DISCUSSION AND CONCLUSION

The use of novel self-evaluating methods and EFQM organizational excellence models, especially in banks and public organizations have unavoidable influences on organizations' evolution and their existence from organizational deflation. This model, using employees' participation and their involvement in organizational issues, provides an equal opportunity for learning and creativity, such that guarantees organization's success in long-term period. This model helps the organization to be improved and be influential in all fields and in this way, customers' and beneficiaries' satisfaction would be fulfilled. This systematic model is able to recognize the best path for production process along with effective factors to achieve better function and using the guidance and organization of employees' inter-relations, it would provide a kind of unity and integrity and would use all facilities for a comprehensive exploitation and consumption optimization. As this model is focused on customer's satisfaction, it tries to meet customers' requirements and since the employees are regarded, teamwork is encouraged.

### Suggestions:

Based on the information from these evaluations, the following actions are suggested for satisfying the requests of improvement field:

- Designing and establishing an evaluation system with management method
- Reformulation of Agricultural Bank structure with a procedural attitude
- Establishing a poll system form beneficiaries (employees, customers, society and shareholders)
- Establishing a system of evaluation for employees' function and revising encouragement system
- Establishing the general system for employees and managers education
- Developing the approaches of process improvement and problem solving using employees creativity
- Comprehensive assertion of Agricultural Bank's moral values, missions, outlooks, guidelines and strategies for all employees

-Establishing a system based on organization's function for predicting and improving key accomplishments in the fields of processes, resources, technology, information, science and mechanization.

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