

A NEW MODEL FOR ASSESSING HUMAN RESOURCES WITH USING THE BUSINESS EXCELLENCE MODEL

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Abstract

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The main objective of this research is to present a model to assess the situation of human resource management. To do this, the Organizational Excellence Model of performance appraisal has been selected among the other models. Thus, based on the criteria of the model, we will present a model to assess the performance of the human resource. Moreover, equipped with the mentioned model, the research will evaluate the existing gap in the human resource management of the studied organization and will offer some suggestions to improve the situations. In current era, the organizations will survive who can be responsible for the needs and wants of their customers and beneficiaries. Using such models the organizations can evaluate the rate of their success in administering the improvement programs at different periods of times at one hand, and compare their performance with other (and best) organizations at the other hand. This research is an applied research in its objective, and it is a descriptive-analytic one in its data gathering. Since the subject of the research has been available for the researchers and the study has been done at the place of the research, so it is a field study. According to the findings of the research, the deepest gap is observable in the results of the customers and “human resource management customer results” and the “people results”.

Keywords: human resource management, organizational excellence model, offered model

INTRODUCTION

The role and importance of human resource in advancing the macro-goals of the organizations is a completely apparent issue. Thus we have adopted the human resource management in this research to help the organization reaching the micro goals by removing the weaknesses. Offering a new model in the research, we are going to compare the model with the excellence model and analyze it in that regard. We believe that the organization will go in the improvement by removing the weaknesses of this management. Human resource management emerged at 1980s and it was developed by its advocates as a new horizon in human forces management (Mirsepasi, 2002). Now the researchers believe that the people management cannot be replaced with the human resource management

but it just look at the processes of the personnel management from different points of view. Human resource management is comprehensive approach to strategic management of key resources of the organization, i.e. the human resource management (Seyyed Javadein, 2004). To reach the organization goals and to decrease its challenges, human resource management needs a model based on which it can assess its success in achieving the missions and business strategies. Organizational excellence model is a tool that helps the organization to evaluate their path through the excellence and parallel growth. The model helps the organizations to compare their current situations with the desired situation, to identify the differences, and then to provide and administer some optimal solution on the basis of the identified differences and investigated the reasons

of their happenings (Eghbal, 2008). Moreover, as mentioned before, the main objective of this research is to offer a model to assess the situations of the human resource management and to present some applicable strategies to improve the situation.

Literature review

Available method and patterns for performance appraisal

The SAIPA is the famous automobile company in Iran. It is located in Tehran, , the company was founded in 1965 and 51 % of car production in Iran is related to the products.

Lots of management systems and tools that have been introduced last decade to promote the management level are methods for identification and assessment as well. Some have focused on a particular product or part, and some have paid attention to a particular process. Some systems claim that they consider all the dimensions and angles of the organization and so they can comprehensively evaluate the organization and provide a comprehensive understanding of the organization. Nowadays, the tendency towards the usage of a comprehensive system for evaluating the organization and building the improvement program on the basis of such an understanding is increasing. The most important available methods and patterns of performance appraisal are as follow:

- a) Pattern of Balanced Score Card (BSC)
Balanced score card is a pattern or a conceptual framework for codifying a set of indices of performance on the basis of strategic goals. It is to be mentioned that BSC pattern is one of the most successful applied patterns in performance appraisal (Gaithersburg, 1999).
- b) Pattern of Analytic Hierarchy Process (AHP)
This method is being used when the act of decision encounters some rival options and decision criteria. These criteria can be qualitative or quantitative. This decision-making method is based on paired comparisons (Zeng, S.X.; Lou, G.X.; & Tam, W.Y.V., 2006).
- c) Pattern of Internal and External Validation
Validation pattern is a process by which the organization is being validated by an external authority for its composing qualifications. The objective of this process is to verify the quality of the organization performance and to help them improving their affairs (Wilkinson, G.; & Dale, B.G., 2002).
- d) Pattern of Organizational Performance Triangle
Researchers believe that it is necessary to develop a framework to assess, evaluate, program, and improve the performance of contemporary evolutionary learner organizations. Such frameworks have to reflect the capacity of organizational changes and learning. Thus in this model, the evolutionary aspect of the organizational performance is being provided

and the dimensions of the organizational performance triangle (i.e. efficiency, effectiveness, and evolutionary changes) are being focused on (Forrester, J., 1987).

- e) Benchmarking Pattern
Benchmarking is the strategic process and analysis of continuous measurement of the products, services, and procedures of the organization in comparison with the successful organization. Benchmarking is the qualitative tool of studied cases in order to identify, build, and gain the excellent standards (Yassin, A.S.; & Martonik, J.F., 2004).
- f) Pattern of Goal Programming Model (GP)
Goal programming is going to minimize undesired deviations of each goal from the specified level of the related goals. Deviating variables imply the values that state which of the several goals has been fulfilled less or more to its specified levels (Tam, C.M., Zeng, S.X., Deng, Z.M., 2004).
- g) EFQM Organizational Excellence Model
It is a model for performance appraisal that has been founded in European countries. The rules and concepts of this model are similar to TQM. The model is a non-prescriptive framework which confirms the existence of many ways of accessing the permanent excellence (J. Gené-Badia, G. Jodar-Solà; E. Peguero-Rodríguez *et al.*, 2001).

EFQM Organizational Excellence Model

EFQM was introduced in 1991 as model for business excellence. The model shows the permanent advantages that every excellent organization has to reach. The most important revisions were applied in 1999. The newer version was published in 2010 that had considerable changes to the 2003 version in its sub-criteria and guidelines. The main members of EFQM central committee are among the European managing directors who are elected for 4 years and are being appointed as the reserved members. The election is being done each year. The Board consists of the CEOs or most senior executives of several EFQM member organizations. These members not only are plenipotentiary in the field of quality, but they deliver the needed reports to the central committee. Indeed the members of EFQM central committee play the role of conductor and supporter of the strategies of business operational operations, supervisor of the development of the plans, and finally, writing the overall path of fulfilling the goals of the member organizations. The model has 9 criteria; 5 criteria of enablers including leadership; strategy; people; partnership and resources; and 4 criteria of results including customer results; people results; society results; and key results. The 'Enabler' criteria cover what an organization does and how it does it. The 'Results' criteria cover what an organization achieves

due to the suitable application of enablers (The EFQM Excellence Model, 1999).

The total score in excellence model is 1000, which the enabler criteria obtain 50 of the total value equal to 500 score.

Self- assessment in EFQM model

Self-assessment is a self-evaluation, a regular, systematic and comprehensive review of the organization's activities and its results are based on the performance superiority like EFQM. Self-assessment process allows the organization to clearly identify and understand its strengths and its improvement-needed areas. There are different ways to self-assessment in the organizational excellence model including:

- Questionnaire: its administration is fast and economic. The questions are about the components of the 9 criteria and can be in simple Yes/No format.
- Workshop: the members of self-assessment team collect the data and present them in a work shop to each other, and then they revise and evaluate and score the progress of the administrative programs to come to a consensus.
- Performa: this way is more acute since a larger body of people is involved in the process of data gathering.
- Award-winning simulation: this way is being conducted on the basis of what is suggested for winning the European Quality Award. The scoring process in this method is highly precise (Self-Assessment Guidelines for Companies 1998).

Suggested model for evaluating the human resource management

After studying different models of evaluating the performance of the systems, we selected EFQM Excellence Model. The human resource assessment model is based on EFQM Excellence Model. Suggested model is composed of 9 criteria. These criteria are the core of the model and they are the basis of assessing the performance of human resource in any organization. Benefiting from the model, the organizations can assess the situation of their human resource and the existing gap between the current and desired conditions. The criteria of the model are divided into two groups:

- Enablers
- Results

The structure of the results criteria is a little different from the enablers. The criteria of the

suggested model to assess the human resource management are as follow:

1. Human resource leadership
2. Human resource policy and strategy
3. Human resource management people
4. Human resource programming
5. Human resource processes
6. Human resource customers results
7. Human resource management people results
8. Human resource management society results
9. Human resource management key performance results

HR Leadership: in this part, it gets clear how human resource managers make the grounds for development and access to the mission and vision of strategic programming of human resource processes.

HR Policy and Strategy: how the human resource processes fulfill its mission and vision through an explicit strategy regarding the benefits of the beneficiaries of human resource processes and how these strategies are supported by policies, programs, goals, destinations, and processes.

HR Management People: human resource management manages, develops and exploits the knowledge and abilities of its human resources at individual, team, and management levels and programs them in a way that the policy and strategy of the human resources and the effective implementation of human resources are being supported.

HR Programming: in this part, it gets obvious how the human resource processes manages the external forces, contractors, experts, consultants, general services, and its own internal resources so that the policy and strategy of the human resources and the effective implementation of human resources are being supported in a way that not only the human resource personnel, but all the human resource customers and all the working fields and other beneficiaries are being satisfied and their values are being increasingly added.

HR Customer Results: in this part, it gets clear what results the HR process obtains in relation to its procedural customers of working areas of the organization.

HR Management People Results: in this part, it gets clear what results the human resource process obtains in relation to its human resources.

HR Management Society Results: in this part, it gets clear what results the human resource process

I: Offered model for assessing the human resource excellence

HR Leadership	HR Policy & Strategy	HR Processes	HR Customers Results	HR Management Key Performance Results
	HR Management People		HR Management People Results	
	HR Programming		HR Management Society Results	

obtains in relation to the human resources of the society.

HR Management Key Performance Results: in this part, it gets clear what results the human resource management obtains in relation to its programming performance

Methodology

This research is an applied research in its objective, and it is a descriptive- analytic one in its data gathering. Since the research engages in describing the current situation of human resource management of the studied organization and comparing it with the requirements of EFQM Excellence Model, it is descriptive; and since it attempts to provide some solutions to improve the human resource performance on the basis of its findings, it is an applied research. Since the subject of the research has been available for the researchers and the study has been done at the place of the research, so it is a field study. Besides, the library and archival method have been used in studying the literature. The statistical sample of the research included 240 individuals among the experts and officials of SAIPA Automotive Industrial Group. Saipa has 10000 staff. 1200 people in this company are professional and responsible work. The expert and responsible for this research has been chosen, because this level is associated with high levels and low levels of the organization. Among the 1200 sample, 240 were randomly selected. Questionnaires were used to gather the data. According to the standard model of organizational excellence, in this approach there are 50 questions on the 9 criteria. The questions were revised and re-planned regarding the situations of the human resources. This research was conducted in 2011 and took for 8 months.

Data analysis

Table II summarized the descriptive statistics for the 9 criteria. According to the results of the table, the highest mean was obtained for "human resource management society results" and it was equal to 54.39. The mean for the other criteria was less than 50 and the least mean belonged to the "human resource customer results". We classify the variables for the sake of easy use in inferential statistics. This classification is being done as follows: less or equal to 20 scores include "Very Low" class; 20 to 40 scores include "Low" class; 40 to 60 scores include "Average" class 60 to 80 scores include "High" class; and scores more than 80 include "Very High" class.

In this assessment, human resource management obtained 455 scores, 224 scores for enabler area and 231 scores for results area. Moreover, HR management society results obtained the highest percent among the other criteria (table III).

Table IV shows the results of Kolmogorov-Smirnov (K-S) test for testing the normal distribution of the 9 research criteria. Regarding the obtained significance level for the all criteria, the test got significant ($p < 0.05$). Being significance implies deviation from the normal distribution. In other words, the distribution of none of the variables is normal. Thus the condition of normal distribution to be used in parametric tests (T test) does not hold and hence, we have to use the non-parametric chi 2 to test the hypotheses. Since chi 2 shows the significance of observed frequencies of a variable, we first classify the variables and then we will test the significance of frequencies variances of different classes for each hypothesis. This classification is being done as follows: scores less or equal to 20 include "Very Low" class; scores 20 to 40 include "Low" class; scores 40 to 60 include "Average" class; scores 60 to 80 include "High" class; and scores more than 80 include "Very High" class.

II: Summary of descriptive statistic for studied criteria

Index	No	Mean	SD	Skew	Kurtosis	Min.	Max.
Criteria							
Leadership	240	41.37	16.67	0.231	-0.087	0.00	80.20
Strategy	240	45.62	16.86	0.565	-0.176	16.50	91.75
Management People	240	43.44	17.25	0.341	0.000	6.60	100.00
Programming	240	44.67	14.63	0.520	0.721	13.20	100.00
Processes	240	46.47	15.14	-0.134	-0.590	14.14	80.57
Customer Results	240	40.62	19.98	0.278	-0.201	0.00	100.00
People Results	240	42.45	20.84	0.208	-0.345	0.00	86.80
Management Results	240	54.39	20.65	-0.466	0.138	0.00	100.00
Performance Results	240	47.56	18.84	-0.053	-0.248	4.71	100.00

III: Percent and score of each criteria in assessing the performance of human resource management

	Informational Criteria	Score	%	Ceiling Score in Excellence Model, Version 2010
1	HR Leadership	42	42	100
2	HR Policy & Strategy	46	46	100
3	HR Management People	44	44	100
4	HR Programming	45	45	100
5	HR Processes	47	47	100
6	Customer Results	61	41	150
7	People Results	42	43	100
8	HR Management Society Results	55	55	100
9	Key Performance Results	72	48	150
	Total	455		1000

IV: Summary of descriptive statistics for spiritualism variable per the gender

Index	Z (K-S)	Z significance Level
Criteria		
Leadership	2.217	0.000
Strategy	2.567	0.000
Management People	1.870	0.002
Programming	1.554	0.016
Processes	2.094	0.000
Customer Results	1.529	0.019
People Results	1.822	0.003
Management Results	3.121	0.000
Performance Results	1.502	0.022

V: Results from testing the research hypotheses

Model's Criteria	Hypothesis	Results from the Hypothesis
HR Leadership	Desirable score at average level in accordance with EFQM requirements	Rejected
Policy & Strategy	Desirable score at average level in accordance with EFQM requirements	Confirmed
Management People	Desirable score at average level in accordance with EFQM requirements	Rejected
HR Programming	Desirable score at average level in accordance with EFQM requirements	Rejected
HR Processes	Desirable score at average level in accordance with EFQM requirements	Confirmed
Customer Results	Desirable score at average level in accordance with EFQM requirements	Confirmed
People Results	Desirable score at average level in accordance with EFQM requirements	
Management Society Results	Desirable score at average level in accordance with EFQM requirements	Confirmed
Key Performance Results	Desirable score at average level in accordance with EFQM requirements	Confirmed

CONCLUSIONS

Excellent organizations manage, develop and exploit all the potentials of their staff at individual, team, and organizational levels. Such organizations promote fairness and equity, make the staff participate in all affairs, and empower them. Indeed, such organizations pay attention to their personnel, communicate them, and encourage and award them so that they have the needed commitment and motivation to use their knowledge and skills for the organizational interests. In this research, we consider the human resource management as an organization that has leadership, policy, process, and customer. We used the suggested model to analyze the existing gap between the current situation and desired situation of human resource. Among the 9 hypotheses of the research, 5 hypotheses were confirmed and 4 ones were rejected. In 5 criteria, the obtained scores were compatible with EFQM requirements at an average level and in 4 criteria, the obtained scores were less than average level. Moreover, according to the research findings, 3 criteria obtained the minimum score and this minimum score shows that the gap between these areas and the desired situation is deep. These criteria are customer results, human resource management, and people results. Based on the information obtained from this assessment, the following actions are suggested to decrease the existing gap between current and desired situation:

- Developing the job promotion
- Making the equal opportunities for all personnel
- Measuring the satisfaction rate of services provided in human resource area
- Job security of the personnel
- Considering the complaints of the staff
- Managing the customer relations through the indices like accuracy and due responses, and considering re-requests, customer achievements, complaints, and approvals
- Evaluating the indices of satisfaction of human resource performance
- Comparing the results with the equal organizations
- Providing the improvement solutions to satisfy the human resource customers
- Motivating the personnel, partners, and human resources to fulfill their talents in order to making the gradual changes and sudden changes
- Relying on regular polls and feedbacks and other systematic ways of data gathering
- Empowering the human resource personnel and giving them the power of decision-making
- Starting a process to make all the management staff participate in improvement
- Conforming the employed personnel with the management needs, and directing the goals and individual trainings toward the needs of human resource management
- Paying enough attention to the factors like motivations, welfare facilities, and job security
- Identifying and determining the factors of personnel dissatisfaction

Regarding the newness of the research and regarding the fact that most organizations, the excellent model is being considered for the whole organization, it is suggested that the organizations evaluate the human resource management as the most important management in the organization and attempt to remove the weaknesses of this management for the sake of evaluating the whole organization.

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