

# **An Implementation on the Effect of Organizational Performance on EFQM Excellence Model at Eskisehir Maternity and Paediatric Hospital**

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**Abstract:** One of the quality works used to achieve success in organizational performance is EFQM Excellence Model. The model targets sustainable excellence in all dimensions of performance and organizes effective and productive usage of all resources, high-performance, processes that provide constant improvement and the relationship between these. The excellence model formed for this purpose is an instrument which shows companies where they stand on the way to excellence by determining the obstacles and offering the usage of the suitable approach to reach the appropriate solutions. In this paper, it is tried to determine the effect of EFQM Excellence Model applied at Eskişehir Maternity and Paediatric Hospital.

**Key Words:** EFQM, Excellent Model, Performance, Organizational Performance

## **Introduction**

The biggest challenge for companies today when global competition has increased enormously leading to crucial obstacles but also radical opportunities is to survive and have a long life. Constant performance development is seen as a requirement for companies to sustain the constant development trend. Therefore, they should take the necessary precautions by constantly evaluating their performance through quality studies so that they can manage their performance.

In order to raise the enterprise performance, institutional scales should be determined. By evaluating performance, executives will have internal and external evaluation opportunities so that they can take the necessary steps to exist in global competition. Feedback of organizational output contributes to sustaining the success of companies both on the individual base and on organizational base and to the management of future activities of the company.

Just through a short training period and a case study, the executive committee of a company can easily evaluate their company on the basis of model criteria by using EFQM Excellence Model, which is a sort of self-evaluation instrument for organizations. Thus, by determining the strengths and weaknesses of the organization, executives can prioritize the rehabilitation areas and can come up with the needed action plans for these rehabilitations.

## **EFQM Excellence Model & Basic Concepts of Excellence**

EFQM Excellence Awards history started with the establishment of EFQM. The mission of EFQM is to be the driving force of sustainable excellence in Europe, and its vision is a world in which European organizations have achieved excellence (KalDer, 2000). Upon the idea that evaluation enables achievement of works, but appreciation makes them done better, in October 1991, this award started (Cansever, 1993). The first award was given in November 1992. This award is given by EFQM in the annual EFQM forum (Yalavaç, 1997). EFQM Excellence Model is an instrument that shows organizations where on the path to excellence they are, enables them to detect the bottlenecks and suggests a certain approach as an appropriate solution (Rees, 1997). EFQM Excellence Model is based on TQM principles and includes these basic concepts: result-focused, customer-focused, processes and management through data, improvement and participation of employees, continuous learning, rehabilitation, innovation and rehabilitation, development of leagues, institutional social responsibility.

## **The Concept of Performance & Organizational Performance**

As a concept, performance (Akal, 2003) is what determines the result of an activity qualitatively/quantitatively. Also defined as accomplishing the predetermined criteria to achieve a task, the

concept of performance (Performance Management System) stands out in business literature as a more important concept when combined with the concept of evaluation.

The concept of performance evaluation has many definitions besides denoting a process in which the performance of an individual, a unit or organizations in terms of predetermined standards or on the basis of other similar performances. In evaluation of personnel on individual base, an executive evaluates the performance of his/her personnel through comparison with predetermined standards (Palmer, 1993). Performance evaluation enables him/her to know his/her employees better (Şenol, 2003) and therefore, is a planned instrument that, on an individual basis, details an individual's success in a task, his/her willingness, attitudes, behaviours, moral nature and characteristics and evaluates his/her contribution to the overall success of the organization (Sabuncuoğlu, 2000). On the organizational basis, performance evaluation is nothing more than an evaluation of organizational success through predetermined standards or comparison. Evaluation of organizational performance forms an important frame in sustaining success in today's business life in which global competition is rapidly increasing and radical opportunities exist together with crucial obstacles in terms of information technologies.

In this study, we found that all the criteria are grouped under seven criteria. Though the names might be different, these criteria all reveal the organizational performance. These criteria are as follows: quality, efficiency, innovation, productivity, financial performance (profitability and suitability for the budget), quality of work life, customer satisfaction.

### ***The Relation Between EFQM Excellence Model & Organizational Performance***

One of the quality studies used in achieving success in organizational performance is EFQM excellence model. EFQM Excellence Model defines how to achieve success in employee and customer satisfaction, how to leave a positive effect on the society and how to achieve success in basic business activities by managing the company's policy and strategy, its employees, leagues and processes with appropriate leadership.

### ***The Relation Between EFQM Excellence Model & Productivity***

The concept of productivity may be used in different meanings depending on the private interests and situations of organizations; however, while it used to be perceived as producing more with the same resource in the beginning of the 20<sup>th</sup> century, quality was added to this meaning through the end of WW II. Thus, the dimensions of productivity have since been extended. Recently, with an increase in environmental sensitivity, a new humane dimension has been added to productivity: producing more and higher quality without damaging the environment (Törün, 1991). In this perspective, EFQM Excellence Model includes productivity in labour, product and service and environmental service. Through these,

For the purpose of the participation and improvement of employees, employees criterion was included in input criteria and productivity studies on employees were evaluated in results criterion about employees. For this purpose, in customer criterion, planning of human resources aims to make maximum use of employees' potentials. It aims to sustain productivity by keeping motivation high because it allows participation of employees, delegation and appreciation. In the criterion of results about employees, it is aimed to determine the motivation, satisfaction and success levels of employees so that their performance and productivity level can be evaluated. In order to use the resources effectively, the model includes processes criterion so that the product and services can be introduced effectively. Certain processes are designed and feedback is supplied through social general image surveys so that the services won't harm the sensitive structure of nature.

### ***The Relation Between EFQM Excellence Model & Product/Service Quality***

The concept of quality is no more an accessory attached to the product after production processes but rather a performance dimension that starts with design, provides productivity of resources, gives products and services suitability for use, reinforces such an production and service understanding that is suitable for customer requirements and thus enables companies fulfil their public responsibilities positively.

EFQM excellence model determined certain sub-criteria in the criterion of processes so as to enable the organization to satisfy the customer needs and expectations and to increase the company's competition level: the following requirements should be fulfilled in order to design and develop products and services on the basis of customer's needs and expectations. Market researches, customer satisfaction surveys and other feedback instruments should be used so as to learn the customers' current and future needs and expectations from the product or service and their perceptions about the available product or service. Such rehabilitation works to enrich the products and services should be envisaged and determined that are based on future needs and expectations of customers. Such new products and services should be designed and developed that can fulfil the needs and expectations of customers. Innovation and creativity should be incorporated into the development of

competitive products and services. New products should be developed through cooperation with related organizations.

#### ***The Relation Between EFQM Excellence Model & Innovation***

Innovation is by no means just about invention. It is also about additional applications under current conditions, for instance, that will yield a solution or rehabilitate a shortcoming so as to boost performance or meet new needs with the current available technology.

Aiming excellence, EFQM follows an innovation philosophy in management, product and service, technology, marketing, and procurement and selling on the basis of the needs and expectations of customers. The innovation philosophy dispersed into the criteria as follows. In leadership criterion, leading employees in and promotion of creativity and innovation have been shown as targets for leaders. In employees criterion, creation of opportunities that will support creative and innovative enterprises has been aimed. In leagues and resources criterion, by making use of leagues, it is aimed to form and support an innovative and creative way of thinking and to come up with technological developments. In processes criterion, it is aimed to make use of innovators so as to develop competitive products and services.

#### ***The Relation Between EFQM Excellence Model & Quality of Work Life/Labour Dimension***

In order to guide the employees with different expectations to common organizational targets and to raise their performance, and hence the organizational performance, their professional conditions should be improved.

In order to raise the quality of work life, work conditions should be enhanced by taking not only the physical but also mental, psychological and social expectations of employees in to account (Schulze, 1998). In this perspective, in order to raise the quality of work life, EFQM has determined these factors in employees criterion, and also in the criterion of results about employees in order to determine the level of quality of work life within the company, performance and perception surveys are conducted on the employees so that the current relation between the organization and the employees and expectations of the employees are revealed. As a result, executives will be acting by taking the opinions of employees in to account.

#### ***The Relation Between EFQM Excellence Model & Financial Performance***

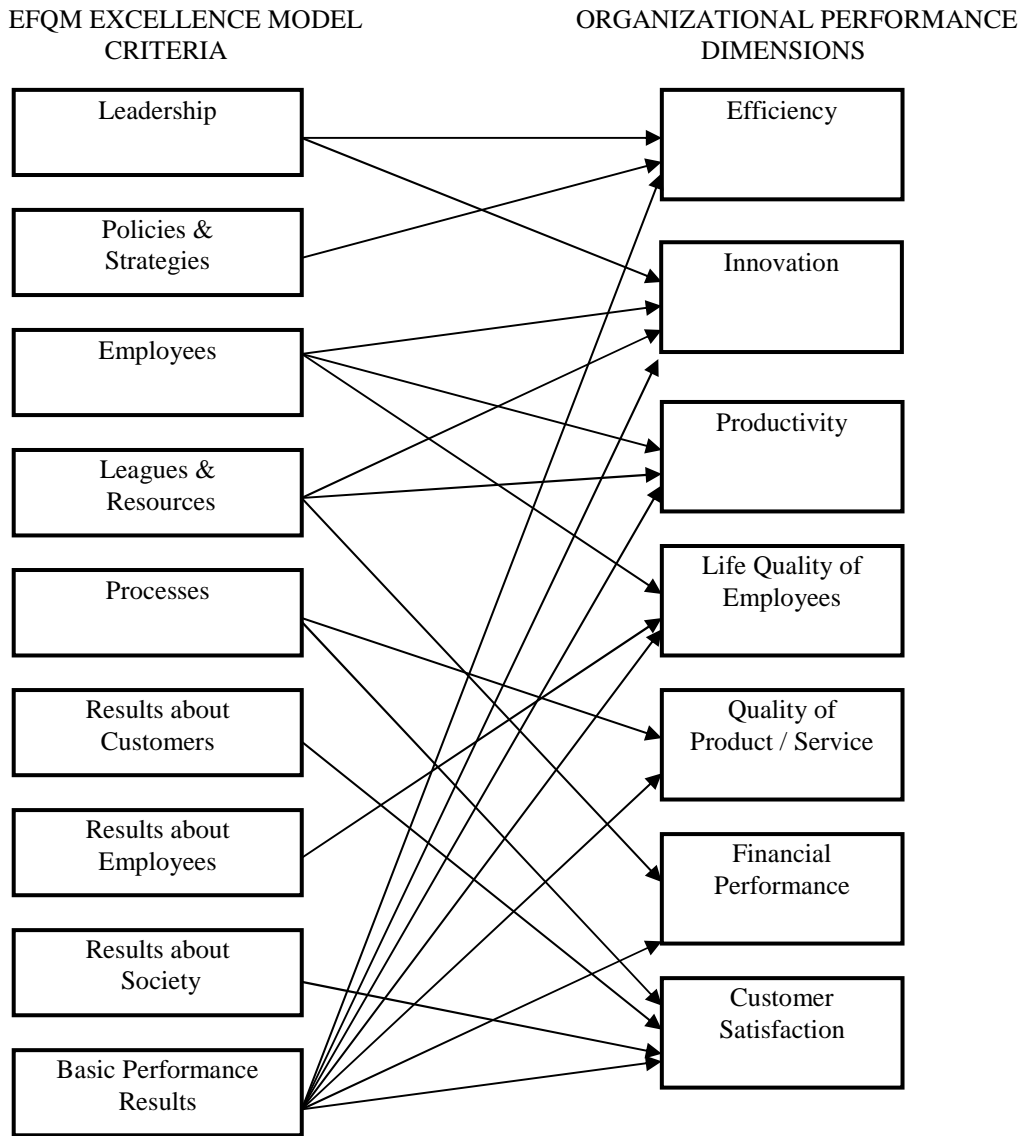
Financial performance gives us information about activities and changes in the monetary situation due to the activities of the company. The financial situation measured according to such data as financial reports and accounting records. In this context, EFQM Excellence Model aims to provide added value to all shareholders. In order to manage leagues and resources effectively, leagues and resources criterion has been formed. In this criterion, it is aimed to use the financial resources in such a way to support policies and strategy, to form and apply financial strategy and processes, to evaluate the investments through tangible and intangible assets, to make use of financial mechanisms and parameters so as to form an efficient and productive financial resource structure, and to manage the risks in financial resources. In the processes criterion, it is stressed that strategic processes should be formed in accord with the financial structure of the company, e.g. the processes of income management and purchasing. In these processes, the company makes decisions about its financial conditions. Long-term strategies can be developed by reviewing the weekly, monthly and annual conditions. In the basic performance results criterion, the financial performance outputs are analysed and thus the financial condition of the company is evaluated.

#### ***The Relation Between EFQM Excellence Model & Efficiency***

Efficiency denotes a company's shaping its organizational structure after evaluating its own resources and synergic powers to achieve its aims and by taking its relations with the environment into account (Göksel, 2003). Organizational efficiency is the organizational success level gained by gaining the already inadequate and precious resources to achieve the organizational goals, by using these resources efficiently, by adapting to the environment and making the best use of environmental conditions, by encouraging the employees through soft policies and methods and thus enabling them to get job satisfaction (Gümüştekin, 1999). EFQM Excellence Model aims to take the opinions of shareholders and to manage the activities systematically so that organizational efficiency will increase and so will the performance. Thus, the desired results will be focused on, the employees and the resources will be used effectively, the consistency of the results and the variables will be kept under control, such a management will be conducted that is based on data of realistic targets and strategic orientation.

**The Relation Between EFQM Excellence Model & Customer Satisfaction**

Based on a customer-focused approach, EFQM thinks that the customer is the last person to evaluate the quality of product and service. Maintaining customer loyalty and sustaining the market share depend on focusing on available and potential customer’s needs. In order to enable this focus, the following factors are included in EFQM Excellence Model. In the processes criterion, the product and services are designed and developed on the basis of customer’s needs and expectations.



**Figure 1.** The Effect of EFQM Excellence Model Criteria on Organizational Performance Dimensions

The relation between EFQM Excellence Model criteria and organizational performance dimensions is summarized in Figure 1.

In order to learn the customers’ current and future perceptions about, needs and expectations from the product and the service market researches, customer satisfaction surveys and other feedback instruments should be used. Rehabilitation studies should be foreseen and determined to enrich the product and the service in line with customer’s future needs and expectations. New products and services should be designed and developed in such a way that will meet customer’s future needs and expectations. In the criterion of results about customers, what kind of results has been obtained about customers is analysed. The level of satisfying the customer’s needs and expectations is presented through numeric tendencies, targets, and comparisons with competitors and the best of the sector. The scales should involve the level of importance in terms of customers.

## **Methodology & Findings**

### ***The Place of the Research***

The reason why Eskişehir Maternity and Paediatric Hospital was chosen as sampling is as follows: as a special branch hospital, with 350 active beds and 400 employees, Eskişehir Maternity and Paediatric Hospital aims to give the best maternity and paediatric service to the patients in the city of Eskişehir and vicinity. This institution has had the certificate of 'Baby-friendly Hospital' twice.

Quality studies in Eskişehir Maternity and Paediatric Hospital started in 1999. The first application of customer and employee survey. The institution got ISO 9001 Certificate in 2000. In 2001 they started EFQM Excellence Model studies. They were nominated to National Public Quality Award in 2002. In 2003 they received ISO 9001-2000 certificate again. In 2004 they applied to National Quality Award. In 2005 they applied to National Quality Award again and were awarded Incentive Award. In 2006 they received the National Quality Grand Award. In 2007 they received ISO 14001 and OHSAS 18001 certificates. In 2007 they also applied to European Quality Award and passed the first stage and received field visit. In 2008 they got European Quality Award. Eskişehir Maternity and Paediatric Hospital has been transferring its information and experience in TQM studies to other health organizations in the cities of Eskişehir and Kütahya.

### ***The Aim & the Importance of the Research***

The research studied the effect of EFQM Excellence Model on a company's performance. According to the Model, effective company performance can be guaranteed through an appropriate understanding of leadership, determination of policies and strategies, and efficient management of employees, resources and processes. In the Model, if all these criteria used as input factors are well-used and managed, it will be possible to attain excellence. The research, by testing how valid the theoretical assumptions on excellence are compared to real application, aims to contribute to performance and excellence literature.

### ***Method***

Face to face survey method is used for data gathering in the research. The questionnaire is made up of three parts. In the first part, there are questions to reveal the demographic characteristics of the participants (gender, age, marital status, education, occupation) so that the profile of the hospital staff can be determined. The second and third parts include certain expressions, total 37, to evaluate the criteria of EFQM model and organizational performance. The contents of the expressions are as follows:

Leadership, policy and strategy, employees, leagues and resources, processes, results of patient-society-employee and basic performance results with organizational performance (Expressions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37).

All the expressions in the questionnaire were prepared in Likert scale of 5. The questions in the first part about the demographic characteristics are multiple choice type. The expressions in the Likert scale of 5 are (1)Strongly Disagree, (2)Disagree, (3)Undecided, (4)Agree, (5) Strongly Agree.

### ***Population & Sampling***

The population of the research is the employees of Eskişehir Maternity and Paediatric Hospital. The number of its employees is 400. The sampling represents the population with %10 margin of errors at a reliability level of %90. The following formula is used in determining the number of the sampling(Baş, 2003).

$$n = \frac{Nt^2pq}{d^2(N-1) + t^2pq}$$
$$n = \frac{(400 * 1,96 * 1,96 * 0,5 * 0,5)}{(0,1 * 0,1 * 399) + (1,96 * 1,96 * 0,5 * 0,5)}$$
$$= 69 \text{ forms}$$

The survey was conducted face to face when the sampling was determined as 100. The forms were delivered to the employees working in different departments and then were gathered back after being filled in. All the expressions in the survey are in the Likert scale of 5.

### ***Data Analysis***

The data from the survey were analysed with SPSS 13.0 (Statistical Package for the Social Sciences). The information having been gained through survey was evaluated. The first thing done was reliability analysis. Because the number of the participants was 100, frequency and percentage calculations meant the same thing for the questions about the demographic characteristics in the first part of the survey, only the frequency was

calculated. Reliability was calculated and correlation test was conducted to test the hypotheses about the variables. The hypotheses were then tested with regression analysis to measure to what extent independent variables explain the organizational performance- a dependent variable.

### ***Hypotheses***

- H<sub>1</sub>: There is a positive relation between Leadership criteria of EFQM Excellence Model Studies and organizational performance.
- H<sub>2</sub>: There is a positive relation between Policies and Strategies criteria of EFQM Excellence Model Studies and organizational performance.
- H<sub>3</sub>: There is a positive relation between Employees criteria of EFQM Excellence Model Studies and organizational performance.
- H<sub>4</sub>: There is a positive relation between Leagues and Resources criteria of EFQM Excellence Model Studies and organizational performance.
- H<sub>5</sub>: There is a positive relation between Processes criteria of EFQM Excellence Model Studies and organizational performance.
- H<sub>6</sub>: There is a positive relation between Results criterion of EFQM Excellence Model Studies and organizational performance.
- H<sub>7</sub>: Organizational performance is related with Leadership criterion of EFQM Excellence Model Studies.
- H<sub>8</sub>: Organizational performance is related with Policies and Strategies criterion of EFQM Excellence Model Studies.
- H<sub>9</sub>: Organizational performance is related with Employees criterion of EFQM Excellence Model Studies.
- H<sub>10</sub>: Organizational performance is related with Leagues and Resources criterion of EFQM Excellence Model Studies.
- H<sub>11</sub>: Organizational performance is related with Processes criterion of EFQM Excellence Model Studies.
- H<sub>12</sub>: Organizational performance is related with Result criterion of EFQM Excellence Model Studies.

### ***Findings***

In this part of the research, the results and interpretation of the data acquired from the survey study in Eskişehir Maternity and Paediatric Hospital about the effect of EFQM Excellence Model on organizational performance.

### ***Demographic Characteristics***

The questionnaire includes questions about gender, marital status, age, education and occupation of the participants. The frequency and percentage distribution of the questions is given below.

Table 1 presents the demographic characteristics of the participants. According to the data in the Table, %29 of the participants are male while %71 are female. Whereas %79 are married, % 21 are single. %52 of the participants are between 30-39 years of age. According to the data about the education and occupation of the participants, 1of them is primary school graduate, while 16 are high school graduate, 59 have bachelor degree, 21 are university graduate and 3 have degree of doctor. %7 of the participants are doctors, while %18 are staff of general administrative services and %75 are allied health personnel.

**Table 1.** Demographic characteristics of the participants

		Frequency	%
Gender	Male	29	29
	Female	71	71
Marital Status	Married	79	79
	Single	21	21
Age	20-29 years	29	29
	30-39 years	52	52
	40-49 years	15	15
	50 years and above	4	4
Education	Primary School	1	1
	High School	16	16
	Bachelor's Degree	59	59
	University	21	21
	Masters Degree	3	3
Occupation	Doctor	7	7
	Allied Health Personnel	75	75
	General Administrative Services	18	18
	Total	100	100

**Results of Reliability Analysis on Variables**

Before evaluating the results of the questionnaire, validity and reliability analyses of the scales were performed.

**Table 2.** Results of Reliability Analysis on Variables

Leadership Criterion	Alpha: 0,779
Policies & Strategy Criterion	Alpha: 0,827
Employee Criterion	Alpha: 0,914
Leagues & Resources Criterion	Alpha: 0,816
Processes Criterion	Alpha: 0,861
Result Criterion	Alpha: 0,861
Organizational Performance	Alpha: 0,872

As a result of the analyses, it was decided that the scales were valid and reliable. According to the reliability analysis, none of the questions decreased reliability; therefore, there was no need to omit any of the questions.

**Testing of the Hypothesis about the Variables**

Correlation test was performed to determine the relation between EFQM Excellence Model criteria and organizational performance.

**Table 3.** Correlation Results of the Variables

Correlations	1	2	3	4	5	6	7
1. Leadership	1						
2. Policies & Strategy	,548(**)	1					
3. Employees	,604(**)	,616(**)	1				
4. Leagues & Resources	,609(**)	,606(**)	,620(**)	1			
5. Processes	,586(**)	,465(**)	,575(**)	,705(**)	1		
6. Result Criterion	,465(**)	,441(**)	,538(**)	,522(**)	,660(**)	1	
7. Organizational Performance	,458(**)	,488(**)	,616(**)	,610(**)	,661(**)	,714(**)	1

\*\* Significant relation at the level of 0,01 (bilateral)

According to the results of correlation analyses, there is a relation between organizational performance and leadership very little weak at the level of 0,458 at significance level of  $p < 0,01$ ; between organizational performance and policies and strategies very little weak (Nakip, 2003). (The relation levels of correlation coefficients: 0 no relation, 01-10 very weak, 11-20 relatively very weak, 21-30 weak, 31-40 relatively weak, 41-50 very little weak, 51-60 very little strong, 61-70 relatively strong, 71-80 strong, 81-90 relatively very strong, 91-100 very strong) at the level of 0,488; between organizational performance and employees relatively strong at the level of 0,616; between organizational performance and leagues and resources relatively strong at the level of 0,610; between organizational performance and processes relatively strong at the level of 0,661; and between organizational performance and results criteria strong and positive at the level of 0,714. Regression analysis was performed to measure to what extent independent variables explain the organizational performance- a dependent variable. The results are below.

**Table 4.** Summary Table for the Regression Analysis of the Relation between Independent Variables & Organizational Performance

Model Summary					
Model	R	R Square	Corrected R Square	F	Significance.
1	,793(a)	0,629	0,605	26,261	,000(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significance
		B	Std. Error	Beta		
1	Constant	0,413	0,364		1,132	0,26
	Leadership	-0,112	0,103	-0,097	-1,089	0,279
	Policies & strategy	0,036	0,086	0,037	0,423	0,673
	Employees	0,166	0,07	0,222	2,353	0,021
	Leagues & Resources	0,171	0,11	0,16	1,556	0,123
	Processes	0,197	0,111	0,185	1,766	0,081
	Result Criterion	0,434	0,091	0,418	4,788	0,000

Dependent Variable: Organizational Performance

In the first part of Table 4 it can be seen that correlation is %79,3, determination coefficient is %62,9 and corrected determination coefficient is %60,5. The Table shows the test results of the model as a whole. According to the results in the Table, the F value 26,261 is valid at the significance level of  $p < 0,001$ .

The second part of Table 4.4 shows the coefficients of the constant and independent variables, t values and significance levels. According to the results in the Table, the coefficients of the employees and result criteria variables are significant, but the coefficients of the constant and the other variables are invalid. As a result, employees and result criteria affect organizational performance positively.

### ***Evaluation of the Findings***

In this study, the effect of EFQM Excellence Model on organizational performance was researched. For this purpose, an organization using this model was preferred and thus a research was conducted in Eskişehir Maternity and Paediatric Hospital. A questionnaire was performed on 100 of the 400 employees of the organization and the data became the resource of the study. The questionnaire developed to determine the effect of EFQM Excellence Model on organizational performance consisted of three parts. The first part gave the personal information, while the second part included questions about EFQM Excellence Studies Criteria and the third part consisted of questions about dimensions of organizational performance. Before using the results of the survey, reliability and validity tests of the scales were done as a result of which it was found that the scales were valid and reliable. According to reliability analysis, none of the questions decreased reliability and therefore there was no need to omit any questions. The data were analysed with two different methods: correlation test and regression test in SPSS 13.0 (Statistical Package for the Social Sciences). The independent variables were EFQM Excellence Model Criteria and Organizational Performance was dependent variable. The following results were obtained from the analyses. According to correlation analysis, there is a relation between organizational performance and leadership very little weak at the level of 0,458 at significance level of  $p < 0,01$ ; between organizational performance and policies and strategies very little weak at the level of 0,488; between



organizational performance and employees relatively strong at the level of 0,616; between organizational performance and leagues and resources relatively strong at the level of 0,610; between organizational performance and processes relatively strong at the level of 0,661; and between organizational performance and results criteria strong and positive at the level of 0,714.

**Table 5.** Results of the Hypothesis

<b>Hypothesis</b>	<b>p</b>	<b>Explanation</b>	<b>Result</b>
H <sub>1</sub> : There is a positive relation between Leadership criterion of EFQM Excellence Model Studies and organizational performance.	0,001	Positive, very little weak relation	<b>Accepted</b>
H <sub>2</sub> : There is a positive relation between policies and strategies criterion of EFQM Excellence Model Studies and organizational performance.	0,001	Positive, very little weak relation	<b>Accepted</b>
H <sub>3</sub> : There is a positive relation between employees criterion of EFQM Excellence Model Studies and organizational performance.	0,001	Positive, relatively strong relation	<b>Accepted</b>
H <sub>4</sub> : There is a positive relation between leagues and resources criterion of EFQM Excellence Model Studies and organizational performance	0,001	Positive, relatively strong relation	<b>Accepted</b>
H <sub>5</sub> : There is a positive relation between processes criterion of EFQM Excellence Model Studies and organizational performance.	0,001	Positive, relatively strong relation	<b>Accepted</b>
H <sub>6</sub> : There is a positive relation between employees criterion of EFQM Excellence Model Studies and organizational performance.	0,001	Positive, strong relation	<b>Accepted</b>
H <sub>7</sub> : Organizational performance is related with Leadership criterion of EFQM Excellence Model Studies.	0,279	p>0,05	<b>Rejected</b>
H <sub>8</sub> : Organizational performance is related with policies and strategies criterion of EFQM Excellence Model Studies.	0,673	p>0,05	<b>Rejected</b>
H <sub>9</sub> : Organizational performance is related with employees criterion of EFQM Excellence Model Studies.	0,021	P<0,05	<b>Accepted</b>
H <sub>10</sub> : Organizational performance is related with leagues and resources criterion of EFQM Excellence Model Studies.	0,123	p>0,05	<b>Rejected</b>
H <sub>11</sub> : Organizational performance is related with processes criterion of EFQM Excellence Model Studies.	0,081	p>0,05	<b>Rejected</b>
H <sub>12</sub> : Organizational performance is related with results criterion of EFQM Excellence Model Studies.	0,001	p<0,05	<b>Accepted</b>

As seen in the summary table showing the results of hypothesis tests, as a result of the analyses, while at the significance level of  $p < 0,01$  H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub>, H<sub>4</sub>, H<sub>5</sub>, H<sub>6</sub>, H<sub>9</sub> and H<sub>12</sub> hypotheses are accepted, H<sub>7</sub>, H<sub>8</sub>, H<sub>10</sub> and H<sub>11</sub> hypotheses are rejected.

Regression analysis was done to check to what extent EFQM Excellence Model criterion explain the dependent variable, organizational performance, and it was found that the coefficients of the variables of employees and result criteria were significant.

## Result

No matter what product or service is produced, organizations have to satisfy the expectations of their shareholders. The literature shows that those which have accomplished this have reached their goals and have been able to sustain their existence in intense competition. The most effective path to follow to reach this aim is to support and reinforce the quality activities in the organization.

In the first part of the research, EFQM Excellence Model was explained. EFQM Excellence Model explains how an organization can be managed with an appropriate understanding of leadership taking policies and strategies, employees, leagues and processes in to account, how to achieve employee and customer satisfaction and positive effect on the society, and how to maintain success in basic business matters. The model, at the same time, is a kind of self-evaluation instrument that shows the weak and strong sides of the organization. For this aim an excellence model was established and it is an instrument that shows the organizations where on the way to excellence they are, and how to determine and find suitable solutions for bottlenecks.

EFQM Excellence Model is based on TQM principles and includes these basic concepts: being result-focused, customer-focused, leadership and consistency of the aim, management through processes and data, improvement and participation of employees, continuous learning, rehabilitation, innovation, development of leagues, and institutional social responsibility.

The basic concepts above appear in the model as 5 input and 4 result criteria. The input criteria are leadership, policies and strategies, employees, leagues and resources and processes. The output criteria are results about employees, about customers, about the society and about basic performance.

In the second part of the research, performance and organizational performance were explained. The stage of determining organizational performance criteria requires a delicate study. In national and international literature, there are many different factors to which the subject is attached to, so a crystal clear structure of criterion hasn't been determined. This is because every company's institutional scales to raise its performance in line with its own targets and strategies show difference. In this part, the world literature was scanned and it was tried to form an optimum general structure of criteria; as a result, the organizational performance criteria were grouped under seven headings.

These are productivity, quality of product/service, innovation, quality of work life, financial performance (profitability, suitability to the budget), efficiency and customer satisfaction.

In this study the effect of EFQM Excellence Model on organizational performance was analysed. For this purpose, an organization that had received European Quality Award was preferred and a research was carried out in Eskişehir Maternity and Paediatric Hospital.

A survey form composed of three parts was developed to determine EFQM Excellence Model and its effect on organizational performance.

Before evaluating the survey results, validity and reliability analyses of the scales were performed as a result of which it was found that the scales were valid and reliable. The data were analysed with two different methods: correlation and regression tests on SPSS 13.0 (Statistical Package for the Social Sciences).

In the study, it was found that there is a relation between EFQM Excellence Model Criteria and organizational performance at different levels.

In order to determine to what extent affect the dependent variable organizational performance regression analysis was done and as a result it was found that the coefficients of the variables of employees and result criteria (results about customers, about employees, about the society and basic performance results) were significant.

In the employees criterion, it can be argued that, in order to raise organizational performance, the knowledge and potential of the employees are managed and developed efficiently by the organization at individual level and on the whole of the institution.

In the results criterion about employees, it can be said that the efforts of the organization to achieve employee satisfaction are perceived positively by the employees and this is reflected positively to their performance.

In the results criterion about customers, it can be seen the general image of the organization meets both the current and the future needs and expectations about the services given and this image is also perceived positively by external customers.

In the results criterion about society, it can be argued that the organization tries hard to fulfil its social responsibilities and the awards it has received are perceived positively by the society.

In the criterion of basic performance results, it can be said that the organization has accomplished positive results about the pre-planned performance in terms of the aims and targets of the organization.

In the research, no effect of the criteria of leadership, policies and strategies, processes, leagues and resources on organizational performance has been found.

It can be deduced from this that reflection of perfect leadership applications to policies and strategies will yield more positive results. It can also be argued that making use of leagues and suppliers in such a way that is adaptable to the policies and strategies and that will support the processes.

Continuous rehabilitation, cooperation and change should be turned into an institutional culture and not only the processes but also the other input factors of the organization should be rehabilitated at the same time. At this point, determination and support of the top management are crucial because their attitudes will shape the institutional culture and determine the attitudes of the employees. In this respect, we can list their duties as follows.

The process rehabilitation teams should be given adequate time, required resources and training and furthermore, managers should join the process. In order to overcome the resistance to rehabilitation activities, employees should be told about the market and competition information about the organization and be convinced of the need for change.

The fact that in the research no effect of the criteria of leadership, policies and strategies, processes, leagues and resources on organizational performance has been found shouldn't be understood as these EFQM Excellence Model criteria are unimportant.

Any application carried out for any dimension of EFQM Excellence Model criteria will definitely effect the applications about the other dimensions. For instance, the efficient relations of the leader with customers, leagues and social representatives will affect the results criterion.

It can be argued that those companies that apply the Excellence Model in increasing the organizational performance can see their strengths and weaknesses by fulfilling the conditions in the sub-criteria and thus present innovative and rehabilitative activities by evaluating the results.

The research was conducted in a public entity that conducts EFQM Excellence model in health sector. Another research that will be carried out on such a sector whose performance criteria are based on more people can yield more direct results about the effects of EFQM applications. Besides, the organizations to participate into the research might also be chosen from a certain sector or region. By differentiating the organization types in the research and the numbers, or by making comparisons between sectors or regions, the effects of EFQM on organizational performance can be interpreted.

The study has both methodological and theoretical limitations; however, it is focused on the effects of EFQM Excellence Model applications on organizational performance. The limitations in the study can be eliminated or modified so that new study subjects can be formed.

This research can be a resource that will lead and contribute to the future researches through its information and results.

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