

Gap Analysis of Human Resource Situation with EFQM Requirements in Iranian Automotive Industries(Case Study: SAIPA Co.)

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ABSTRACT: Iranian Agents have to compete with strong competitors to present in global market and even to survive in domestic markets; so only the organizations can keep their lives who meet the needs and expectations of their customers and shareholders by developing the human resources. The main objective of this research is to find the strengths and weaknesses of human resources in Iranian auto industries and to assess the existing gap in the situation of the human resources by Organizational Excellence Model. Using such models, the organizations can evaluate their success in implementing their improving programs in different times on one hand, and compare their own performance with other –and best- organizations on the other hand. This study is an applied research in terms of its objectives and it is a descriptive-analytical one in terms of its data gathering. The findings show that the most highlighted weaknesses are customer results, and employees and human resource leadership.

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1. Introduction

The role and importance of human resources in advancing the major goals of the organization is obvious. In this study we have going to research the human resource management in automotive industries to find and remove the existing weaknesses, help the organizations to fulfill their major goals. Using organizational excellence model is implementing in many countries and organizations for several years. In these organizations, the evaluating the whole organization is being done by the requirements of the excellence model through which the strengths and improvement-needed areas of the organizations are being extracted. In the present study we are going to assess and analyze the human resource management with the excellence model. We believe that removing the weaknesses of this management can push the organization through the path of its growth. Human resource management emerged at 1980s and it was developed by its advocates as a new horizon in human resource management (Mirsepasi,2002). Now it is commonly agreed that human resource management not only is not replaced by staff management, but it views the processes of staff management from a different viewpoint. Human resource management not only approaches the staff management for the sake of profitability, but it emphasizes the commitment and mutual relationships of the employees as well (Seyyed Javadein,2004). To reach its organizational goals and reduce its challenges, human resource management needs a model on base of which it measures and evaluates its own success in fulfilling the missions and business strategies. Organizational

excellence model is a suitable means to help the organizations evaluate their path through the excellence and balanced development. The model helps the organization compare their existing situation with the desired situation, detect the differences, and then supply and implement solutions to optimize their current situation on the basis of such differences and their causes (Eghbal,2008).

2. Literature review

2.1. Human resources in organizational excellence

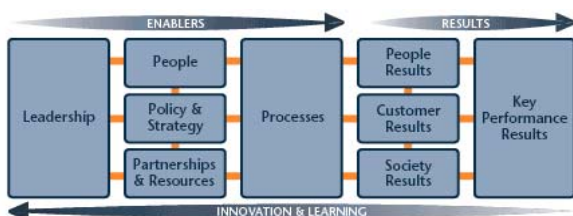
Organization excellence models have face increasing application as a framework for evaluating and measuring the success of the organizations in implementing the modern management systems and comprehensive quality management. These models are being applied as a common language for comparing the performance and the success of the companies. One of the important factors in evaluations on the basis of organizational excellence models is the employee and human resources. Indeed the organizations go through the success via defining their targets at the same line with their strategic objectives. In this regard they try to run toward the excellence by defining and implementing proper approaches and strategies in an integrated system in the field of human resources. Today, the tendency toward the application of a universal system for evaluating the organization and running improvement

programs on the basis of resulted knowledge seems increasing. Any universal evaluation system has some characteristics, among which one can mention the universality of criteria and indices, the feasibility of their quantitative assessment, processes and the evaluation of the processes, the structural and logic relations among the criteria, attention toward the continuous improvement, and moving toward the excellence. Excellent organizations manage, develop and exploit all the potentials of their staff at individual, team, and organizational levels. Such organizations promote the equality and fairness, make the staff participate in administering the issues, and make them empowered. In fact, such organizations justify, communicate, and encourage their staff in a way that motivation and commitment for using their skills and knowledge for the organizational interest is being internalized in all the staff.

2.2. EFQM Organizational excellence model

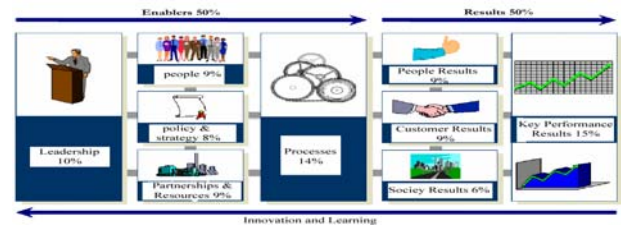
EFQM Model was introduced on 1991 as a business excellence model in which a framework for the organizational self-assessment and finally for winning the European quality award was presented. This process was operationalized on 1992 for the first time. EFQM model shows constant advantages which any excellent organization has to capture. The model was welcomed by the European companies. On 2003 a new edition of EFQM model was published which had significant differences from 1999 edition in its sub-criteria and guidelines. All the members of EFQM Central Committee are among the top European managing directors. This model includes 9 criteria. 5 criteria are enablers (including leadership, policy and strategy, people, partnership and resources, and processes) and 4 criteria are the results (including customers' results, staff's results, society results, and the key performance results). Enabler criteria make and cover whatever an organization does. They are the factors that enable the organization to reach the excellent results. On the other hand, results criteria are the results which are gained by the organization. This set of criteria implies the advances in the proper implementation of the enablers (European Foundation for Quality Management, 1999).

Figure 1. Nine criteria of organizational excellence model



The total score in the excellence model is 1000. Enabler criteria and results criteria can separately gain 50 percent of the total scores which equals to 500 scores for each set of criteria.

Figure 2. Scores distribution in 2003 excellence model



2.3. Self-assessment in EFQM model

Self-assessment is a continuous, systematic and comprehensive review in organization activities whose results are based on a performance model like EFQM. Self-assessment process allows the organization to detect Strengths and improvement-needed points in clear. There are several methods for self-assessment in the organizations excellence model including the followings:

Questionnaire method: this method is being done rapidly and inexpensive. The questions extracted from the components of nine criteria can be simply in yes/no form. In this approach, the excellence model is being considered in form of a bunch of questions and the repliers have to complete the questions on the basis of the existing evidences.

Workshop method: in this method, the members of self-assessment team gather the information and present it to each other in a workshop. In this workshop, the members review and progress the executive programs, score the programs and then come to an agreement. This approach is usually being implemented at the level of companies' managers.

Performa method: since more individuals of different organization departments are involved in information gathering, this approach enjoys higher precision than the other approaches. This approach is simpler than award simulation method.

Award winning simulation method: this method is being implemented on the basis of the process that is recommended for winning the European quality award. In this method, the scoring is highly accurate. This method is a copy of award winning process and can be used for evaluating the organization (European Foundation for Quality Management, 1998).

2.4. RADAR logic

Radar logic in self-assessment cycle is to use the RADAR elements of any methods of scoring and evaluation. This pattern is based on the main concepts of continuous improvement and Deming's cycle (*Plan, Do, Control, Action*) which is one the most important tools in continuous improvement and quality control. When the excellence model is being used in an organization, it has to be scored in each of enabler sub-criterion, approach element, shedding, evaluation, and logic review; then the results of this logic has to be investigated in each results element. The scoring logic can be used in different ways. Usually in assessments and self-assessments, the matrix logic of scoring is being used (European Foundation for Quality Management,1999).

On 2006, Nabitz studied an organization in Netherland and reported his results as follow: *leadership* 43%, *policy and strategy* 65%, *staff* 63%, *resources and partners* 58%, *processes* 64%, *customers results* 33%, *staff results* 53%, *society results* 56%, and *key performance results* 35% (Nabitz W,2007).

In another research on 2001, Moeller and Sonntag assessed 17 service organizations in America on the basis of EFQM model. They reported their average results of their assessment as follow: *leadership* 58%, *policy and strategy* 45%, *staff* 40%, *resources and partners* 69%, *processes* 44%, *customers results* 55%, *staff results* 46%, *society results* 63%, and *key performance results* 35% (Moeller J,2001).

In a case study on UK higher education institutions on 2002, Longbottom & Osseo assessed the gathered data and information. They reported the results of such assessment as follow: *leadership* 37%, *policy and strategy* 38%, *staff* 36%, *resources and partners* 37%, *processes* 39%, *customers results* 38%, *staff results* 27%, *society results* 36%, and *key performance results* 35% (Osseo-Asare,2002).

In yet another case study on 2004, Eskildsen and Kristensen asked 50 questions about the nine criteria in EFQM model. They reported the results of their assessment as follow: *leadership* 64%, *policy and strategy* 74%, *staff* 78%, *resources and partners* 72%, *processes* 66%, *customers results* 68%, *staff results* 37%, *society results* 68%, and *key performance results* 74% (Juhi H,2004).

3. Methodology

In terms of the objectives, this study is an applied research, and in terms of the method of data gathering, it is a descriptive-analytical one. Since this study deals with the description of the situation human resources in Iranian Automotive industries and its comparison with the

requirements of EFQM excellence mode, this research is descriptive; and since the research is going to provide suitable executive solutions for improvement of the performance of human resource management, it is an applied research. Since the subject of the study has been accessible to the researcher and he has gathered his needed data within the environment, so it can be regarded as a field study. Besides, the researcher has used library method to study the literature. The samples of the research were 240 persons among the experts and elites of automotive industry. To collect the data, questionnaire approach has been used. According to standard excellence model, in this approach, there are 50 questions. The questions had been revised and redesigned to match the subject of human resource situation. This research has been done on 2010 and lasted 6 months.

4. Data analysis

In this study, the human resource management gained 455 scores among which, the enablers field and results field gained 244 and 231 scores respectively.

Table 1. Percentage and score of each criterion on assessing the performance of human resource management

#	Information criteria	Score	Percent	Maximum scores in new 2010 edition of excellence model
1	Human resource leadership	42	42	100
2	Policy and strategy of human resource	46	46	100
3	Staff of human resource management	44	44	100
4	Human resource programming	45	45	100
5	Human resource processes	47	47	100
6	Customers results	61	41	150
7	Staff results	42	43	100
8	Society results	55	55	100
9	Key performance results	72	48	150

Regarding the average results of descriptive findings, the highest average scores of the nine criteria belonged to "society results of human resource" which equaled to 54.39. For other criteria, the averages were less than 50. The least average belonged to "customers' results

of human resources” and other working fields. The order of nine criteria scores are as follow:

1. Society results of human resource management
2. Key performance results
3. Human resource processes
4. Policy and strategy
5. Human resource programming
6. Staff of human resource management
7. Human resource leadership
8. Customers’ results of human resources

Strengths and improvement-needed areas

According to the collected questionnaires and the observed frequency, the strengths and improvement-needed are provided on each criteria questions.

Table 2. Strengths

#	Strengths	Related criterion
1	The managers sensibly participated in preparing and codifying the strategic proclamation for the general objectives and the culture of human resource management and informing the staffs about this proclamation.	Human resource leadership
2	The management uses wide and proper data in codifying the strategy and business plans.	Policy and strategy
3	The staff-related plans (like the employment, education, development, etc.) are directly being resulted from the declared needs in strategic plans and objectives.	Human resource staff
4	To be sure that all the activities of service providing are controlled, the human resource management has established a system of standards and/or described requirements (e.g. by using ISO 9000 and ISO 14000).	Human resource processes
5	The management continuously measures the issues like absence, illness, absorb and exit of the staff, internal promotions, incidents rates, encourages and gratitude rates, and the complaints, all of which show the satisfaction and the spirits of the employees and their effectiveness.	Staff results management
6	It can be shown that the management has reached good results in preventing and reducing	Society results of human resource

	the damages to public environment and the neighborhoods, and in preserving and protecting the global resources and participating in social activities.	management
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Table 3. Improvement-needed areas in evaluating the human resource management

#	Improvement-needed areas	Related criterion
1	The managers are accessible to the staff and they actively and seriously encourage the personnel.	Human resource leadership
2	All the managers pursue their own meeting with the customers and other parties out of their own management fields.	Human resource leadership
3	The mutual relations have been made with the staff. The staffs accept that they have been well informed and the human resource management acknowledges their opinions.	Staff of human resource management
4	The attempts of the staff to progress and develop the management success have been admired and these attempts-along with some other factors- will affect the promotions and awards.	Staff of human resource management
5	The results of indices within the management that relate to the satisfaction and loyalty of human resource customer results are comparable with or better than the competitors or other organizations.	Customers’ results of human resources
6	The management conducts continuous polls to measure the customers’ satisfaction of the services and administers the related parameters to measure the satisfaction rate.	Customers’ results of human resources
7	The customers’ results are being separated and differentiated in order to show the opinions of different groups and staffs.	Customers’ results of human resources
8	The human resource management can show that use the results of the polls in an effect manner to improve the services.	Customers’ results of human resources
9	All the staffs are informed about the results of staffs’ satisfaction, and the management act on this satisfaction rate.	Customers’ results of human resources
10	Generally, the results (specially	Customers’

	the real results of staffs' satisfaction) show a progressing procedure or a high and constant level. It can be shown that these results are comparable with other justified organizations or other typical organizations.	results of human resources
11	Through the results of the polls or other ways, the human resource management can show that the neighbors or the society at large have a good conception of the human resource management of the company.	Society results of human resource management

5. Conclusion

In this research we regarded the human resource management as an organization which has specific leadership and policy and have its own processes and customers. We analyzed the existing gap in the human resource with regard to the suitable situation according to the requirements of EFQM model. Moreover, we specified the improved and improvement-needed areas as. According to the findings of the research, three criteria obtained the least scores and this finding show that the existing gap in these three areas is wide for these areas. These criteria include customers' results, human resource leadership, and staffs' results.

6. Suggestions

On the basis of the results of this assessment, the following actions are suggested to meet the wants of the staffs:

- Designing and implementing suitable systems to measure the staffs' satisfaction rate of the performance of the human resource management.
- Focusing on the skills, abilities, attitudes, opinions, values, needs, and wants of the human resources.
- Preserving the human resources and making them satisfied.
- Paying attention to the factors like motivations, staffs' presence in the organization, welfare facilities of the organization for the staffs, staffs' performance, professional security, wage and salary systems, creative conditions of the staffs, communication, physical environment of the work, and dividing these factors to preserving and motivating factors.
- Identifying and specifying the factors of staffs' dissatisfaction.
- Establishing a system of promotion on the basis of the staffs' abilities, not on the basis of organizational relations.
- Paying serious attention to staffs' education and training.

Since the subject of this research is new and since in most of the organizations the excellence model is being considered for the whole organization, it is suggested that the organizations, evaluate the human resource management as the most important management of the organization and remove the existing weaknesses of this management and then start to evaluate the whole organization, because if this evaluation runs correctly, at least two criteria of excellence model (i.e. staffs and staffs' results) will be assessed and its weaknesses will be removed properly.

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