



## Assessment of Koh-I-Noor Communication Corporation's Performance in Iran in Basis of EFQM Model

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### Abstract

*Information and Communication technology, as a modern technology, has developed in 90s and through changing life style. Through this, corporations providing communication and internet services could play important role in infrastructures advancement and establishment through supplying different services such as value-added service, presenting business approaches through different communicative instruments, and also increasing the influence of communicative instruments which all these play important role in developed countries. In present study, we discuss the recent changes of EFQM model, organizational excellence model, also we attempt to assess the KOH-I-NOOR Communication Corporation's performance which this corporation is the second fixed telephone operator, in which the main base of research would be realized with the organizational excellence model. The EFQM Excellence Model is a practical tool to help organizations do this by measuring where they are on the path to excellence; helping them understand the gaps; and then stimulating solutions. The results of research show that performance assessment through EFQM model provides a better opportunity to identify the good points of KOH-I-NOOR Communication Corporation's performance, in which the best situation would be occurred in case of getting thorough recognition, and the actions would go well in this case.*

**Keyword:** Performance assessment, EFQM, advancement, excellence.

### Introduction

“Organizational excellence” is a concept following thorough advancement and improvement, and involves all the dimensions and sections of organization. John S. Oakland has presented an interesting interpretation from excellence, he says, excellence is the organization's body, he added that head is the master chairman of organization in which directory board and colleagues take the responsibility to assess the performance of organization, and in this case organizational excellence has to be advanced from the first up the end<sup>1</sup>. In this basis, the most important instrumentation is the one using to advance the organization's performance, and here we could mention the “self-assessment” as one of these instruments. “Self-assessment” indicates a thorough, systematic and regular operations of organization, it is highly important that the results of assessment are involved in the excellence model<sup>2</sup>.

In recent century, great changes of management knowledge on one hand, and the challenges in the organizations on the other hand have made the system of performance assessment unavoidable in the organizations. The studies show that by the lack of performance assessment system, it would be impossible to have necessary reforms in the growth, development and improvement in the organizational activities and at the end it would be led to the organizational death. Therefore, the organizational excellence model (EFQM) should be used as a powerful tool in the organizational pathology and also to

determine the direction way to have an access in the quality. Nowadays, the organizations are looking for identifying ways and improvement opportunities through encouraging their strong points and reducing weak points. The Excellence model (EFQM) is one of these tools which would be very helpful and efficient in this case. This model is one of the set of the guidelines and necessities in which it should be completely carried out in any levels of organizational activities to show that the organizational Excellence should be the main goal in every organization. Thus we would notice that lack of assessment performance system would be the reason for organization's inefficiency<sup>3</sup>. EFQM is a non-profit membership foundation; EFQM is the custodian of the EFQM excellence model, a non-prescriptive management framework that is widely used in public and private sector organizations throughout Europe and beyond. It was believed that an actual European focus on total quality management (TQM), in which the best ideas from around the world could be brought together, was missing. For that reason, 14 administrative directors of prominent European businesses created the European Foundation for Quality Management, later referred to as EFQM. In 1989, the terms of reference of EFQM were established. To help organizations to continually improve and achieve higher levels of performance, EFQM provides networking and mutual learning experiences, offers education, recognizes achievements and supports the implementation of best in class tools and practices The (EFQM) model was founded to stimulate and assist organizations in

improvement activities leading ultimately to excellence in customer and employee satisfaction, influence society and business results, and to support the managers of European organizations in accelerating the process of making Total Quality Management (TQM) a decisive factor for achieving global competitive advantage. Self-assessment has wide applicability to organizations large and small, in the public as well as the private sectors. Self-assessment using the EFQM Excellence Model can give the management team a holistic overview of the whole organization<sup>4</sup>. Increasingly organizations are using outputs from self-assessment as part of their business planning process and use the EFQM model as a basis for operational and project review. Modern performance assessment models could be divided into two groups, in which the first group has the models within performance assessment pyramid and effective progress, in this case balanced scorecard is also provided to help directors for evaluating and improving the business process, and models within the assessment part, Deming award for TQM, Baldrige award for U.S companies, and the award European Foundation for Quality Management (EFQM) are involved in second group<sup>5</sup>. It is concluded that EFQM model is the most prominent model and is more general. According to the recent studies, we could mention the following results in basis of EFQM model<sup>6</sup>. i. In Europe, more than 2000 organizations have used EFQM model, ii. From 25 corporations, 15 corporations applied EFQM model for assessment, iii. From 50 superior corporations introduced by financial times in 2001, 13 European corporations used EFQM model, iv. At least 1000 small corporations paid attention to this model<sup>7</sup>.

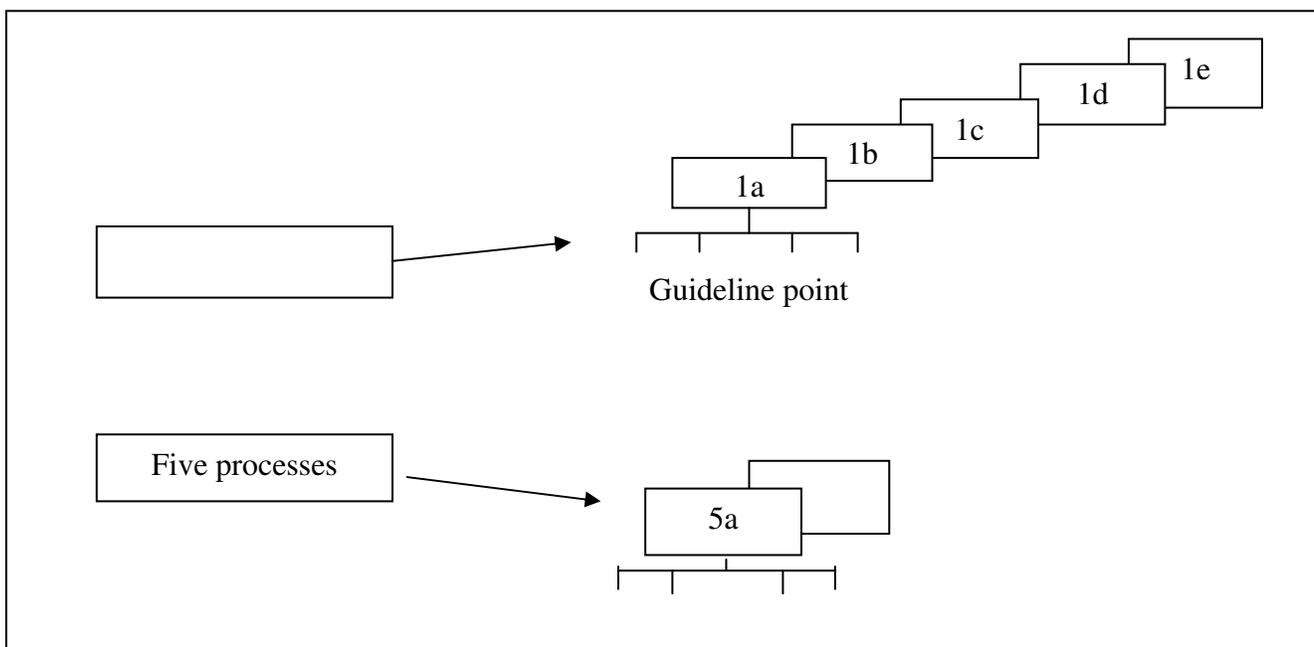
The EFQM Excellence Model is a non-prescriptive framework for organizational management systems, promoted by EFQM and designed for helping organizations in their drive towards being more competitive. The achievements through this model, could be the good points of organization, and improved fields in which the prioritized programs are recommended to achieve the advancements<sup>8</sup>.

**The structure of EFQM model:** In enablers' part, each of the criteria and sub-criteria would be respectively divided into some sub-criterion and points. Considering all the points and applying them in the organization is not obligatory, and based on the nature and activity of each organization, the organization could consider the points in this case. The structure of enablers' criteria have been presented in figure 1.

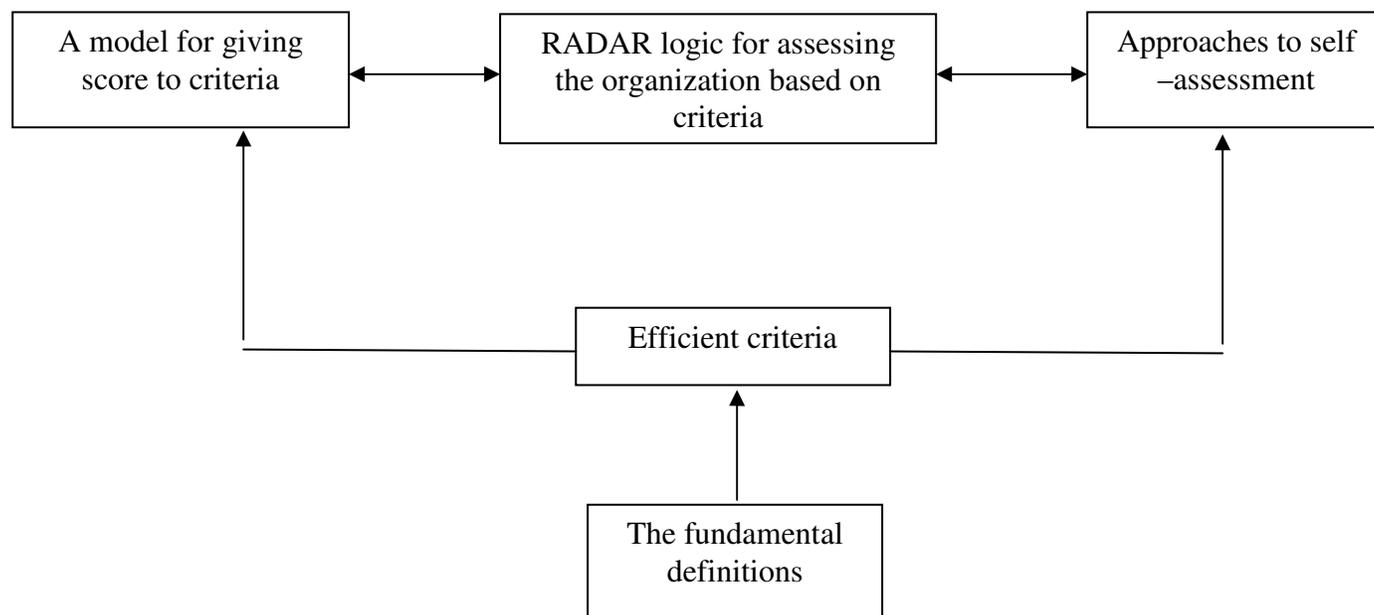
The structure of result criteria is relatively different from the enablers' criteria. 6, 7 and 8 criteria from the results criteria would be divided into two sub-criteria as following: i. Consequences, ii. Functional indices.

The criterion 9, would be divided into two sub-criterion as following: A-Key achievements of strategy, B-Key indices of function

In general, the business model of EFQM involves five main parts that these five parts and their relation with each other have been shown in figure 2<sup>9</sup>:



**Figure- 1**  
**The structure of enablers' criteria**



**Figure 2**  
**The thorough structure of EFQM model**

## Methodology

In present research, the performance assessment has been accomplished through the questionnaire with 40 questions. The statistical society of research is involved of directors and headmen of KOH-I-NOOR Communication Corporation in 2012. Data has been gathered through 9 box criteria, and the score of each criterion and the total score of data for KOH-I-NOOR Communication Corporation has been calculated as well<sup>9,10</sup>.

The main aims in reviewing the model are as following: i. The model has to be general and has to be applicable in all big and small, profit and nonprofit, complex and simple organizations, ii. The concept of this model has to be simple and related to other activities and parts, iii. The concept of this model has to be understandable for all directors and EFQM experts, iv. Concepts, definitions and points have to be applicable, v. This model has to be in accordance with the accomplished activity in 2005.

Figure 3 indicates the 9 box criteria for EFQM model with the new edition. As said previously, the changes in new edition had been involved in three parts such as changes in definitions, changes in giving score to RADAR, and also the changes in the purposes, and finally the changes in new subjects such as innovation, reliability, shareholders' domination, organizational dynamics, risk management, expansion of products and services, suppliers' management. The present research is a survey provided as a descriptive – applicable research and has been accomplished in 2012. The Research is accomplished on

KOH-I-NOOR Communication Corporation, and the statistical society is involved of directors, experts and the chairmen in different parts. Fanava Group was founded with the objective of penetrating into the stock exchange market of Tehran by the end of 2002. Relying on its experienced and professional staff, a strong financial backbone and a large market share, Fanava stays distinguished in the development of communication and information technology industry in Iran as the biggest holding. Through the best technologies involving the value-added and modern services, KOH-I-NOOR Communication Corporation could get the services of fixed phone lines and phone communications as ADSL Radio and WIFI with high volume in the world to corporations, industrial corporations, administrative and enterprise departments in a short while. These services could be presented as fixed phone line, visual phone and videoconference. In this research, data has been obtained through the standard self-assessment questionnaires of EFQM organization, and the questions in questionnaire is totally relevant with the last changes in 2010<sup>10,11</sup> questionnaire scoring is based on Likret's scale. The questionnaire of this research involves 40 questions, and the questionnaires were given to experts, staffs and directors of KOH-I-NOOR Communication Corporation, and before providing the responses for the questions in questionnaire, the sessions considered to make the directors and experts familiar with corporation. Then data were assessed in 9 box criteria of EFQM model, in such a way that the average score of each question was calculated through descriptive statistic indices. Then, to calculate the score of each criterion, the average of obtained scores were calculated from the questions, finally the total score was resulted through the summation of 9 box criteria scores.

**Main body:** The structure of EFQM model, in its simplest form, the EFQM Excellence Model is a 9 box "Cause and Effect" diagram. There are five enablers and four results. The enabler criteria cover what an organization does. The results criteria cover what an organization achieves. To improve the results it achieves, the organization must improve what it does. The Model provides a non-prescriptive framework that helps to understand the often complex cause and effect relationship within an organization. The structure of enablers' criteria has been shown in the figure presented in this paper. The structure of result criteria is somehow different with the enabled structure. The 6, 7 and 8 criteria from results are divided in a similar form into two sub-criterion; a- attitudes b -the applicable indices, in which applicable indices of 9 criteria are divided into two sub-criterion 1- key achievements of strategy 2-key indices of performance. According to figure 4, the EFQM model involves five main parts in which these five parts and their relation have been shown in figure 3<sup>12</sup>. In basis of 8 box fundamental definitions, this model moreover the changes in titles of these definitions, other changes have been also occurred in their content; i. achieving balanced results, in new edition, concentrating on development is the key set of the results to provide the progresses along with perspectives, mission and strategy, in a way that directors could be enabled for making the effective and appropriate decisions. ii. Adding value for customers; in recent edition, concentrating on definition and giving information would give the values and provide costumers's cooperation in the processes of product and service design. iii. Leading with vision, inspiration and integrity; in recent edition, this definition is more dynamic and it concentrates on the directors' ability to be adaptable and show the reaction and be responsible to get assured from the success in organization. iv. Managing by processes; in recent edition, concentrating on the way that processes are designed through the integrated management out of the traditional borders of organization to realize the strategy. v. Succeeding through staffs; in recent edition, concentrating on making the balance between organization; strategic needs and personal expectations and staffs' s wishes all are considered for the cooperation. vi. Nuturing creativity and innovation; in recent edition, this concept needs the development and mutuality with networks and make all the advantage takers active in innovation and creativity orders. vii. Building partnership; in recent edition this definition has developed for the shareholders, and it is perceived that the companies have to participate in mutual participation in order to succeed. viii. Taking responsibility for sustainable future; in recent edition, this concept put the emphasis on active responsibility taking for the organization's activities and behavior, and knowing the effects of taking responsibility on society<sup>13</sup>.

**The changes in enable criteria and the results of EFQM model:** The total structure of enablers involves 5 enablers, and key words related to these criteria have been preserved, and only the changes were occurred in processes to processes, products and services. In new edition, 24 enabler sub-criteria

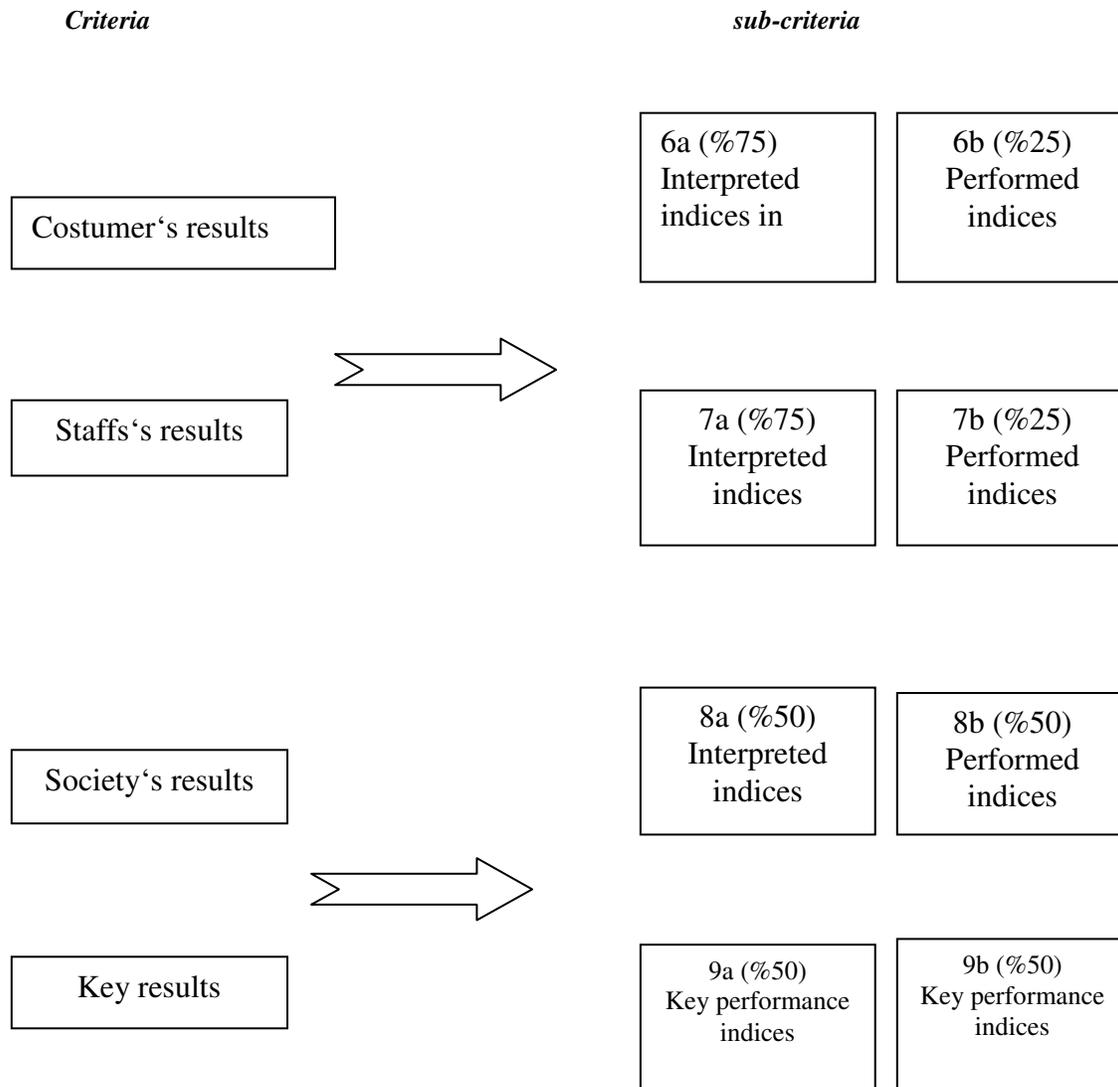
have been considered for the advancement of organization performance. In result part, new edition for 6, 7 and 8 criteria gave the most obvious result between (a) perceived aspects and performance indices (b). It could be concluded that organizational performance excellence would be only realized while the efficacy and efficiency be realized in the organization. The fundamental changes occurred while putting the name for expected results in shareholders and owners' view. According to the changes, the criterion simply focuses on whatever is related to achieving the purposeful strategy. The other change which may somehow be irrelevant is the innovation. moreover learning and innovation, the topic "innovation" is the main factor in success of organization, and model's dynamics would be shown in this part. The most changes in enabler's criteria and the results of EFQM model have been shown in 2 and 3 tables<sup>14</sup>:

**The changes in giving score to criteria:** The most important factor in changes is the changes while giving score in each enablers and results' section, which all are as following: Giving score to enablers' criteria have been shown in a simple figure, 100 scores are given to each 5 enabler's criterion. Changes in criteria measurement in results section are in such a way that costumer's results and key results have been prioritized (150 scores) and the balance has been realized in society, in which staffs' results (100 scores) prioritized as well. For the criterion 9 and 8, the score have been divided as 50-500 between a and b parts, but this division for 7 and 6 criterion is like 25-75 between a and b parts.

**Table- 1**  
**Comparison of changes in giving scores to 9 box criteria**

Criteria	2003	2010	
Leadership	%10	%10	%50
Policy and strategy	%8	%10	
People	%9	%10	
Partnership and resources	%9	%10	
Processes and products	%14	%10	
People result	%9	%10	%50
Customer result	%20	%15	
Society result	%6	%10	
Key result	%15	%15	

RADAR test logic in order to evaluate and determine the score of organization in base of EFQM excellence model, is The main change in new edition of the model in 2010. In evaluating the result section, two main elements have been used, in which they are named the applicability and performance. In evaluating the enablers, there are also three parts such as attitude, streaming, and reforming. Table 1 shows the all changes<sup>15</sup>.



**Figure- 3**  
**Giving score to the results criteria in new edition**

In public service part, MMS Company could get the EFQM award for nearly two years. This company is an office in Germany. Group Duetsche Telekom is one of the European directories in basis of information and communication technology, that recently has been introduced as the sixth phone operator in prioritized Arabian business site in order to attract customers.<sup>16</sup> T-System multimedia solution with medium size and high creativity to use, is an applicable software for staffs in all around Germany. *T-System is a German global IT services and consulting company headquartered in Frankfurt. It is a subsidiary of Duetsche Telekom. One of the largest IT services companies in Germany at the time. Most of Deutsche Telekom's existing service and IT businesses were then merged and incorporated under the control of one single company, the newly founded T-Systems. This system works on intelligent linkages of services, data, communication and information from*

the Design to the implementation supervised by a quality management system. This system took the Ludwing Edhard award for two times for being the best corporation in Germany. Also this system took the EFQM excellence award for the 'improvement' in 2006 and took the award in 2005 for the continuous learning, innovation and advancement. We could mention the "T-System multimedia solution" as the most successful internet and multimedia corporation in Germany<sup>11</sup>.

Some well-known directors working in this system "T-System multimedia solution", have been considered as the effective factors in the success of corporation. Dealing with this system in order to bring about the success would finally lead to success in this system. The processes such as advanced attitude through the T-System multimedia solution has been considered effective for the success in this system. The corporation works in some

communities of project which one of them is the multi-project management operator, in which it is needed to learn how to use the complex projects. In this corporation, despite achievements in the market, they announce that we are not perfect and we always try to get better than before and learn new things as well.

**Results and Discussion**

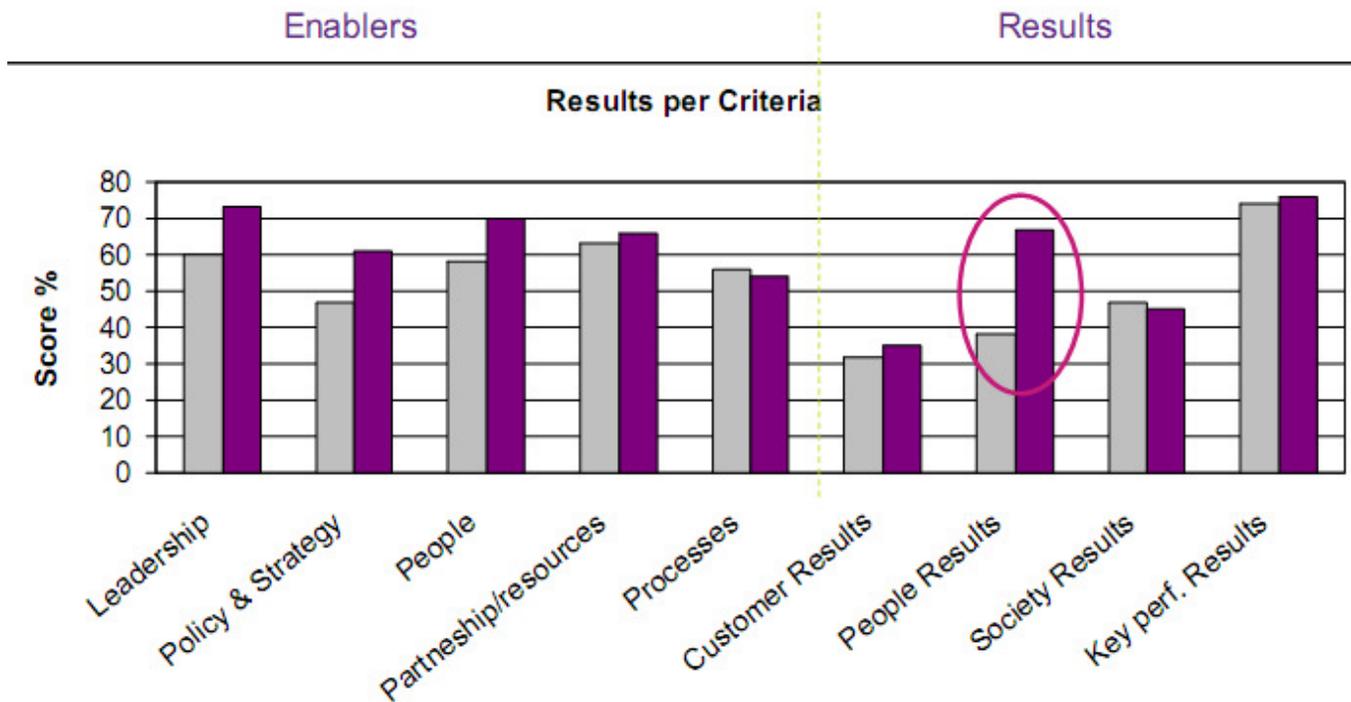
Telia Sonera Telecom Corporation is the dominant telephone company and mobile network operator in Sweden. In 2010, this corporation presented the self –assessment of its organization, and also compared its corporation result with previous year’s assessment through the EFQM excellence model. This corporation got successful and the most efficient corporation, and this corporation has been announced as the greatest European operator, it is highly important to say that, in beginning this corporation was only a local operator, and it became the fifth great operator in Europe. According to the results of “self-assessment” in this operator in 2010, the highest score is respectively related to key results, directory and staffs. As indicated in figure 2, the least score is related to costumers and society’s results. It could be concluded that progress was achieved in previous years as well, in which the corporation was only declined in the criteria “processes and society’s results”.

These all show that the corporation needs to be improved and advanced for providing better action.

In 2009 and 2010, Telia Sonera Telecom Corporation used the EFQM excellence model for getting the better results, in which the followings have been resulted in figure 4<sup>11</sup>.

**Conclusion**

In this research, the comparison of scores average in KOH-I-NOOR Communication Corporation with the applied sample in abroad sample shows that this corporation’s scores are lower than the similar self -assessment scores in comparing with the obtained scores. The low average of scores is a matter in Iran, which shows that however ICT corporations in Iran are working in communicative projects and get into these issues, but unfortunately they do not have that much experience for getting through it. In this case they would not get the best results in comparing with their rivals in these fields. We have to mention that also the appropriate culture and positive attitude is not in Iranian directors to implement the communicative devices and get through the self- assessment in perspective of organizations and Iranian directors.



**Figure- 4**  
 The comparison of Telia Sonera Corporation’s self –assessment results in 2009 and 2010

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