# A Study of the Relationship between Organizational Learning and EFQM Excellence Model in University of Tehran

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## Abstract

The purpose of this research was to study the relationship between organizational learning and EFQM excellence model. In this survey, 300 faculty members in University of Tehran 2012-2013 academic year answered to two standard questionnaire of organizational learning that was compiled based on Gomez, Cespedes-Lorente, and Valle-Cabrer (2005) and standard questionnaire of EFQM excellence model (2010). Obtained results by Pearson's correlation coefficient showed the significant relationship between organizational learning and EFQM excellence model. Obtained Results from multi-correlation coefficient and step by step regression showed that the best predictor of EFQM excellence model is transfer and integration of knowledge, system thinking and openness and experimentation.

**Keywords:** Organizational learning, EFQM excellence model, University faculty members

## Introduction

Quality is an important factor to achieve competitive advantage. High quality of products and services helps customers to maintain and increase the number of quality leads to customer dissatisfaction and loss of the organization's future. One of the patterns that identify the level of achievement to the quality and superior performance, there is the European Excellence Model. This model enables managers to determine their effectiveness and to increase leadership capacity, organizational learning and continuous improvement in organizations to institutionalize and provide the opportunity to identify the best processes. In fact, one of the most important tools that organizations can be used to crush resistance to change is hidden and Intellectual capitals in the organization as organizational knowledge and key to gain knowledge and organizational knowledge is learning (Sobhanynezhad &et.al, 2006).

## Organizational learning

Concept of organizational learning formed in 1900 when Taylor posed transfer of learning to other staff to increase efficiency and organizational development. It seems that organizational learning was used for the first time by Cyert and March in their initial study of behavioral aspects of enterprise decision making in 1963 and organizational learning as a phenomena on raised (Nadi and Sajadian, 2011) But due to the complexity, multidimensional a land interdisciplinary learning organization concept, definition accepted by most scholars to be difficult. Gomez and his colleagues have looked at organizational learning from the perspective of the knowledge acquisition process. They define organizational learning as the ability to acquire, create, transfer and integration of knowledge (Gomez *et al*, 2005).

In general, organizational learning, collaboration and teamwork with each other and share experiences and are distributed knowledge between each other and that learning organizations are more effective, and better able to anticipate and respond appropriately to environmental and market changes. Also, scholars have developed a variety of factors to measure organizational learning. For example, Lahtinmaky and their colleagues argue that three factors create the ability to learn: adaptability the collective mission and strategy and create a collective future. Goh and Richards also showed five factors: the mission and purposes of transparency, commitment and leadership abilities, experience, knowledge and teamwork and group problem solv-

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ing (Templeton *et al*, 2002) and Gomez and colleagues (2005) argued four factors to measure organizational learning including:

1) Management commitment: Management should understand and the competence and suitability, then Culture acquisition, creation and transfer of knowledge manage as to the fundamental values (Garvin, 1999).

2) System perspective: the organization will be considered as a system composed of different sections, and each section of the same act with their duties, toactin concert with other sectors (Leonard Barton,1992).

3)Openness and experimentation: creative learning need an open space for new ideas and perspectives within the organization or outside of, and this makes learning personal knowledge to continually modernize, expand and improve(Leonard Barton,1992).

4) knowledge integration and transfer: dimensions of organizational learning capability are linked to two processes occur simultaneously rather than sequentially. The combination of these two processes and internal transfer of knowledge. The effect of these two processes is not the same capacity as implicit internal barriers that prevent the transmission of activities of the organization is dependent (DiBella *et al*, 1996). These components can enable staff to deal appropriately with environmental changes and respond quickly to changes and provide excellence in organizations.

## EFQM Excellence Model

European Foundation for Quality Management (EFQM) is a non-profit organization that has been established in 1988 by fourteen well known European companies (Bosch, Renault, Fiat, BT, Boll, Electrolux, KLM, Nestle, Olivetti, Philips, Solzer, Volkswagen, Razalet, Siba).The mission of this organization is to promote performance excellence, and to create organizational competitiveness in Europe as well as in European organizations throughout the world. (Shahin & Pourbahman, 2011). The EFQM, was founded based on a series of fundamental concepts and values which are essential for total organizational performance (regardless of organizational size and functions), that are retrieved from principles of the Total Quality Management. These concepts include result orientation, customer orientation, leadership, stability of aims, reality and process based management, staff participation and development and continuous learning, innovation and improvement, development of partnership and social responsibilities (Ghobadian and Woo, 1996; Eskildsen, 1998; Vander Wiele *et al.*, 2000; Westlund, 2001).

The EFQM model encompasses nine major criteria in two categories. The first five criteria are regarded as 'enablers' as follows:

*Leadership:* Excellent organizations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organization to anticipate and react in a timely manner to ensure the ongoing success of the organization.

*Strategy:* Excellent organizations implement their mission and vision by developing a stakeholder focused strategy. Policies, plans, objectives and processes are developed and deployed to deliver the strategy.

*People:* Excellent organizations value their people and create a culture that allows the mutually beneficial achievement of organizational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognize, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organization.

*Partnerships & Resources:* Excellent organizations plan and manage external partnerships, suppliers and internal resources in order to support strategy and policies and the effective operation of processes.

*Processes, Products & Services:* Excellent organizations design, manage and improve processes to generate increasing value for customers and other stakeholders (EFQM, 2010). The enabling criteria cover what the organization does, and the results criteria cover what the organization achieves and four of them are referred to as 'results', including: Customer results: What the organization is achieving in relation to its external customers. People results: What the organization is achieving in relation to its people. Society results: What the organization is achieving in relation to local, national and international society as Appropriate. Key performance results: What the organization is achieving in relation to its planned performance. result criteria include what an organization obtains. In fact, the results are obtained by performing enablers and enablers are improved by feedback from the results (Shahin & Pourbahman, 2011).

In general, knowledge model structure which allows universities and their management in order to conduct excellence process management. It is useful model for university management, including implementing quality improvement requires leadership and commitment of senior management. Senior managers should create and disseminate management philosophy, values , and These values are consistent with the overall objectives and set a good organization to achieve its military and to create. Management commitment should relate

to specific strategies and policies and implement at all levels of the organization. The strategy should be based on the current and future needs and expectations of stakeholders and the mission, vision and values caused by the organization to support.

## Literature review

Studies on the relationship between organizational learning and EFQM excellence model, showed no studying with research. But, some related studies are as follows:

Hosseinzadeh (2009) in a study entitled "The Role of Management in organizational Excellence" indicated learning and knowledge in future-oriented organizations is the major axis of goods and services production and value added. Shahin and Rabbani Mehr(2011) EFQM enablers in prioritizing research on polyacryl Company of Iran indicated administrators use the opinions of the staff can use benefits of participatory management to move organization towards excellence easier and faster and less cost.

Myrfakhraldyni Dehghan and Rezaei(2011) in a study entitled "offering conceptual model based on the EFQM excellence for quality higher education in Yazd University" conducted in their study concluded that senior management leadership and commitment are as driving force in all processes of the quality improvement and quality management. Kenksenand Maklan (1998) showed that learning and innovation directly impact customer results and creating value. Leadership is committed to organizational improvement and services respond to change through learning and innovative to customer needs and expectations (Jacobs and Suckling, 2007).

Therefore, the present study examined the relationship between these two variables and the prediction of EFQM excellence model on the dimensions of the organizational learning intends to examine the following hypotheses:

1.There is a relationship between organizational learning and EFQM excellence model.

2.There is a relationship between dimensions of organizational learning(Management commitment, Systems perspective, Openness & experimentation and Knowledge integration & transfer)with EFQM excellence model.

## Methodology

### Statistical population and sampling method

Statistical population of the survey included all faculty members in university of Tehran (1324 per-

sons) in the academic year 2012-2013 those 300 persons were selected as sample through cluster random sampling method proportional to volume of the statistical population.

### Measurement tools

*Organizational learning:* Standard questionnaire based on theory of Gomez, Cespedes-Lorente., and Valle-Cabrer (2005) was used to measure organizational learning. This questionnaire included sixteen questions with five-point Likert scale (1= totally disagree, 5= totally agree) that tested four components of Management commitment (5items), Systems perspective (3items), Openness and experimentation(4items), and Knowledge integration and transfer(4items). Reliability coefficients of questionnaire were obtained in terms of cronbach alpha (0.87).

*EFQM excellence model:* Standard questionnaire based on model of EFQM ( 2010)was used in this research to measure EFQM that included twenty/ five items and tested five dimensions of leadership(6 items), Strategy (4 items) , People (5 items), Partnerships & Resources(5 item) and Processes, Products & Services (5 item). Responding scale of this questionnaire was five-point Likert scale (1- totally disagree, 5= totally agree). Reliability coefficients of the questionnaire were obtained in terms of cronbach alpha (0.90).

### Method of data analysis

Correlation analysis was used in this survey to analyze data and study the relationship among research variables (organizational learning and EFQM excellence model) and step by step regression was applied to predict EFQM excellence models dependent variable through dimensions of organizational learning as predicting variables. Statistical analysis was performed using spss software.

## Results

**Hypothesis 1:** there is relationship between organizational learning and EFQMexcellence model.

**Table 1. Correlation coefficient between organizational learning and EFQMexcellence model**

| variable | EFQM excellence model | |
|---|---|---|
| | r | p |
| organizational learning | 0.81 | 0.001 |

According to results of table 1, correlation coefficient between organizational learning and EFQM excellence model is significant at level $p \leq 0.05$, which reveals a significant relationship between these two variables. Variance of organizational learning is common with EFQM excellence model based on coefficient of determination equal to 0.65 percent.

**Hypotheses 2:** there is relationship between dimensions of organizational learning with EFQM excellence model

**Table 2. Correlation coefficient between dimensions of organizational learning with EFQM excellence model**

| Dimensions of organizational learning | Management commitment | | system perspective | | Openness and experimentation | | knowledge integration and transfer | |
|---|---|---|---|---|---|---|---|---|
| | r | p | r | p | r | p | r | p |
| EFQMexcellence model | 0.67 | 0.001 | 0.73 | 0.001 | 0.68 | 0.001 | 0.84 | 0.001 |

Results of table 2 show that correlation coefficient between dimensions of organizational learning (management commitment, system perspective, openness and experimentation, knowledge integration and transfer) and EFQM excellence model has been significant at level $p \leq 0.05$. Also, between dimensions of organizational learning (management commitment, system perspective, openness and experimentation, knowledge integration and transfer) and EFQM excellence model has been significant relationship.

**Table 3.Multi-regression (stepwise ) to predict EFQM excellence model terms of dimensions of organizational learning**

| Model | Dimensions of organizational learning | Non-standard Coefficients | Standard Coefficient | | t | Ssig |
|---|---|---|---|---|---|---|
| | | B | Standard error | Beta | | |
| 1 | Constant | 26.25 | 1.75 | | 15.00 | 0.001 |
| | knowledge integration & transfer | 4.15 | 0.153 | 0.840 | 27.23 | 0.001 |
| 2 | Constant | 16.28 | 1.77 | | 9.15 | 0.001 |
| | knowledge integration & transfer | 3.06 | 0.167 | 0.630 | 18.35 | 0.001 |
| | system perspective | 2.47 | 0.236 | 0.355 | 10.51 | 0.001 |
| 3 | Constant | 14.16 | 1.84 | | 7.67 | 0.001 |
| | knowledge integration & transfer | 2.80 | 0.180 | 0.567 | 15.57 | 0.001 |
| | system perspective | 2.13 | 0.250 | 0.307 | 8.54 | |
| | openness & experimentation | 0.690 | 0.195 | 0.130 | 3.54 | 0.001 |
| | | | | | | 0.001 |

According to results of table 3, the best predictor of EFQM excellence model is knowledge integration and transfer, system perspective, openness and experimentation. Based on beta coefficient, degree of EFQM excellence model is increased equal to 0.567 per one unit in knowledge integration and transfer, in system perspective dimension equal to 0.307 per one unit and in openness and experimentation dimension equal to 0.130.

## Discussion and conclusion

Results revealed that there is a significant relationship between organizational learning and EFQM excel-

lence model. Therefore, hypothesis (1) is confirmed. Results of this hypothesis are consistent with research results of Hosseinzadeh (2009), and Shahin and Rabbani Mehr (2011). Similarly results demonstrate that there is a relationship among dimensions of organizational learning and EFQM excellence model. Therefore, hypothesis (2) is confirmed. So, organizational learning can enhance the effectiveness of organization, and driving towards organizational excellence. Therefore, Universities as well as a major producer of knowledge and information on community development and from the changes of the new era are not exempt, to excellence must to give important to learning and innovation in university. In universities, faculty members must be able to pass on their knowledge and learning culture, innovation and continuous improvement is the basis of all things. Also obtained results from stepwise regression illustrate that the best predictor of the EFQM excellence model is knowledge integration and transfer (Beta=0.567), in system perspective (Beta=0.307), openness and experimentation (Beta=0.130).

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