



Published: August 31, 2023

**Citation:** Bukvič V, 2023. The European Foundation for Quality Management (EFQM) Model as an Exquisite Tool for the Analysis of Business Excellence and Its Use in the Healthcare Industry, Medical Research Archives, [online] 11(8). <https://doi.org/10.18103/mra.v11i18.4295>

Copyright: © 2023 European Society of Medicine. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

DOI

<https://doi.org/10.18103/mra.v11i18.4295>

ISSN: 2375-1924

RESEARCH ARTICLE

## The European Foundation for Quality Management (EFQM) Model as an Exquisite Tool for the Analysis of Business Excellence and Its Use in the Healthcare Industry

**Vladimir Bukvič**

GEA College Faculty of Entrepreneurship, Ljubljana, Slovenia

\*Corresponding email: [Vladimir.Bukvic.ce@gmail.com](mailto:Vladimir.Bukvic.ce@gmail.com)

### ABSTRACT:

The author links together business analysis as a practically oriented scientific discipline and business excellence as an ideal that all well-performing organisations wish to achieve while attaining and continuously maintaining superior levels of business performance, thus fulfilling and even exceeding the expectations of their stakeholders. The aim of his research is to present a model and to expose its usefulness as an instrumental tool for operation analysis of an organisation. Thus, he leans on the European Foundation for Quality Management (EFQM) Excellence Model and uses it as an excellent tool for analysing the business of an organisation throughout all the phases defined by traditional business analysis. The scope of the author's research is to highlight the areas across an organisation, whereat the EFQM model can serve as a very efficient approach to measuring business performance of an organisation. This includes the observation of facts and identification of problems, which can be construed as defining the organisation's strengths and areas for improvement. This entails setting up hypotheses and testing them by applying appropriate measures. A comparative analysis is used as a main kind of study design. In addition to that, some other special methods are used, like synthesis, method of deduction, method of induction, method of elimination. After a short introduction, the author makes first a thorough literature review on business excellence in the last two decades with an emphasis on the EFQM Model. He focuses particularly on the assessment and critical attitude of individual researchers who have studied this topic. Further, the author presents the basic concepts and elements of the EFQM model of business excellence, with a particular emphasis on the RADAR matrix (Results, Approaches, Deployment, Assessment and Refinement) as a very useful instrument (management tool) for business excellence analysis. This can also be designated as the major objective of the author's research. Further, additional objective is to show the use of the model for analysing and assessing the business excellence of organisations in the public sector, specifically in the healthcare industry (hospitals). He presents the key attributes (select healthcare aspects) that define the quality of healthcare services for its key participants, i.e., patients and the payers of these services. These attributes, namely technical performance, interpersonal relationships, amenities and access, patient preferences, efficiency and cost effectiveness, are then highlighted by select business excellence criteria, mainly referring to the stakeholders' perception of the organisation in question and business performance indicators. The author rounds off his paper with a couple of recommendations regarding the identification of strengths and areas for continuous improvement, which he, as a leading assessor with many years' experience, including in the healthcare industry, considers as the most important aspect of business excellence analysis.

**Keywords:** business excellence, EFQM model of excellence, financial ratios, quality of healthcare services, business analysis

## 1 Introduction

We know from economic theory that business analysis is basically a term for the scientific research and explanation of the economic reality, its phenomena, relationships, processes and development tendencies.<sup>1</sup> We also know from logic and science that analysis is actually also a general cognitive method, which itself includes a process, method and goal. The mission of business analysis is primarily related to the economic aspect, as this knowledge should help us improve the economic performance of a specific organisation. Although it is also defined from an organisational and user point of view, the purpose of business analysis is primarily economically determined. According to Bergant<sup>2</sup>, in general, analysis can be defined as the process of getting to know (studying) a certain phenomenon in order to make expedient decisions about it and thereby improve the achievement of one's goal. This means that we analyse with the intention of making a decision, and this decision should be followed by a targeted improvement in performance.

In this paper, we connect the analysis of an organisation's operations with business excellence as the ideal to which all good organisations aspire. The aim of our research is to present a model and to expose its usefulness as an instrumental tool for operation analysis of an organisation. For this purpose we use European Foundation for Quality Management (EFQM) Excellence Model. Excellent organisations achieve and permanently maintain excellent levels of operations that meet or exceed the expectations of all their stakeholders.<sup>3</sup> A stakeholder is a person, group or organisation that has an interest or is directly or indirectly involved in the activities of the organisation and/or in its success and can influence the organisation or is influenced by it. The stakeholders are owners, customers, suppliers, partners, government agencies and representatives of communities and employees.<sup>3</sup>

The scope in our research refers to the boundaries and extent of a study, defining its specific objectives, target population, variables, methods, and limitations, which helps us researchers focus and provide a clear understanding of what will be investigated. If organisations are to realize the scope in which they are commercially excellent, or how far they are from this desired target, they must approach the analysis of their operations comprehensively. Business analysis begins with observing facts, diagnosing problems, setting hypotheses and testing them logically and practically. This also implies the definition of measures to improve operations, which leads the

management of the organisation to plan the organisation's operations. In this paper, we try to follow these stages by analysing business excellence. The scope of our research is also to highlight the areas across an organisation, whereat the EFQM model can serve as a very efficient approach to measuring business performance of an organisation.

The specific objectives of our research are, first to check how the EFQM Model can be a useful and efficient tool to analyse the business operations of any organisation from its performance perspective, second to get better knowing its RADAR matrix for measuring individual enablers on one side and its results on the other side, and third to understand how EFQM Model can serve management to implement its business strategy. Target population for our research are mainly the managers (CEOs), analysts and quality managers. Variables in our research are enablers (approaches) and results (used also as criteria by EFQM Model). Methods are presented more in detail under the study design. At this point let us underline the comparative analysis as the key research method. There are not any specific limitations for this study to be stressed except that we have focused only on a couple of variables (enablers and results) and highlighted them on only one organisation in public sector, on only one clinic in healthcare industry.

First, we present the concept of business excellence in greater detail and learn about the most widespread tools for analysing or evaluating business excellence. In the following section, we will focus on the use of the European Foundation for Quality Management (EFQM) Excellence Model and highlight its main features through literature review. A fairly extensive literature review on business excellence is made for the period of the last two decades. The basis of the logic of the EFQM model, i.e., its throughline, is grounded in the connection between the organisation's purpose and strategy and how it is used to create sustainable value for its most important stakeholders in order to achieve exceptional results.<sup>3</sup>

We use the RADAR matrix, which is a dynamic evaluation framework and a powerful tool that provides a structured approach to analysing organisational performance. RADAR is the acronym that EFQM uses to describe the logic behind the diagnostic tool. It comprises Results, Approaches, Deployment, Assessment and Refinement.

Here we are interested in both the factors, or enablers, and the results of the EFQM model of

excellence. When presenting the methodological work, we limit ourselves to only a few select criteria, such as, among enablers, to assets and resource management and, among results, to results related to customers and business results.

In order to more easily understand this approach to the analysis of business excellence and how to analyse the business excellence of a certain business system, we chose the case of healthcare organisation X (a rather big clinical centre) and, due to the limited scope of this contribution, only partially applied to it the above-mentioned criteria from the EFQM model.

At the end of the paper, we provide a brief outline of the RADAR matrix as an excellent tool and methodological aid used in the analysis of business excellence, and highlight the phase of defining opportunities for improvement as demanding great mental effort, since it should orient the organisation/user in question in the direction of action leading to business excellence.

## 2 What is business excellence – literature review

Aristotle wrote that excellence is not an individual act, but an attitude. Excellence is a special quality, a characteristic of what counts as excellent. Excellence is much more than performance, if we look at it as a characteristic of an organisation that achieves the desired, expected results.<sup>4</sup> A legal entity that surpasses others in terms of quality is excellent. When judging the excellence of an organisation, it is necessary to start from the point of view of others who are in contact with it in one way or another. The only thing that matters is how others feel about it<sup>4</sup> [4]. While quality means meeting the demands and expectations of customers, excellence in business means exceptionality, exceeding the expectations of all stakeholders (employees, customers, society, etc.) in a global competitive environment.<sup>5</sup> Quality and excellence are concepts that cover the functioning of the organisation and its parts in the public and private sectors.<sup>6</sup> Today, we demand quality at every step and at every moment. We no longer understand it only as compliance with specific requirements, but as excellent performance that increases customer satisfaction.<sup>7</sup>

According to Kern Pipan<sup>5</sup>, excellence is not a theory. It is about the tangible achievements of what the organisation does and how it does it, the results achieved and the belief that it will sustainably achieve such results in the future. Instilling confidence

in the sustainability of results also requires evidence that what the organisation does and how it does it is well-designed, systematic, and constantly reviewed and improved<sup>8</sup>. According to Marolt and Gomišček<sup>9</sup>, excellence can be defined as exceeding the average and finding the best possible, both in terms of customer satisfaction, resource efficiency, environmental protection, as well as in terms of the organisation's business results. According to Bajc<sup>10</sup>, excellence is not just a choice of one or another model. Excellence means a conscious decision to work perfectly every day and to do every, even the smallest step, as well as possible. The European Foundation for Quality Management (EFQM) in Brussels defines excellence as the excellent practice of managing an organisation and achieving results based on fundamental principles, such as<sup>11</sup>: results orientation, customer focus, leadership and stability of purpose, management based on processes and facts, employee involvement, continuous improvement and innovation, mutually beneficial partnerships and the social responsibility of the organisation.

When assessing organisations according to the EFQM excellence model, we consider the following fundamental principles of excellence<sup>12</sup>:

- adding value for clients,
- creating a sustainable future,
- developing organisational skills,
- encouraging creativity and innovation,
- leadership with vision, inspiration and integrity,
- agile management,
- achieving success with the talent of employees,
- sustainable achievement of excellent results.

Let us take now a quick walk through the literature on the topic of business excellence in the last two decades with an emphasis on the EFQM Model. Here, we are particularly interested in the assessment and critical attitude of individual authors who have been engaged in research on this topic. Considering that two and a half years have passed since the adoption of the renewed model of business excellence (EFQM 2020), there are still not many articles that would provide a qualitative assessment of its usefulness and advantages compared to the previous model (EFQM 2013).

Most companies have attempted a significant number or improvement initiatives such as total quality, re-engineering, restructuring and teams, with very mixed successes. According to Samson & Challis<sup>13</sup>, in many cases these initiatives have been adopted without being part of an improvement strategy, but a part of a series of *ad hoc* decisions.

The authors explored the deeper “pre-conditions” that explain the variance in success of such improvement attempts and resulting performance changes. They illustrated a holistic management system and set of guiding principles that are common to the world’s best companies. The system comprises closely connected elements of the integrated improvement strategy, action plans, performance management, external benchmarks, and rewards for all employees. This approach to management is different in kind to the *ad hoc* approach, and executives can assess themselves against the system and the principles framework. An action plan can then be set up to permanently change the state of their company and achieve that improvement initiatives will work sustainably.

Rusjan<sup>14</sup> assessed the usefulness of the EFQM Excellence Model for decision-making on organizational improvement activities. He studied the procedures of the model in practice. He discussed some methodological issues related to the use of the EFQM model. These procedures are studied in order to analyse their appropriateness for identification of problematic situations (what is also the first stage of business analysis) and, based on that, for identification of problems. The author is critical in the sense that the model does not offer any specific guidelines regarding problem identification. Thus, the model offers no structured approach about how to exploit strengths or about how to classify or prioritize areas for improvement. He is concerned about the conceptual issue, about the clarification of the relationship between decision made on the basis of the EFQM model self-assessment results and other strategic, business, organizational, etc. decisions.

A group of researchers<sup>15</sup> used an integrative literature review methodology to explore the diversity of studies being conducted concerning the EFQM model. The results of their review indicate that the majority of papers are focused on too few research topics (e.g. performance measurement) with limited methodologies (e.g. case study). This was also one of the reasons why we decided to write this article focusing on the application of the business excellence model to a short case study from healthcare industry.

At the beginning of the previous decade, Asif et al.<sup>16</sup> explored the adequacy of business excellence models to address corporate sustainability, which is conceptualised in terms of economic, social and environmental bottom lines. They also investigated how organisations may manage corporate sustainability in the absence of a comprehensive

sustainability management system standard. Thus, the EFQM excellence model and the Baldrige Criteria for Performance Excellence are analysed with regard to their considerations of sustainability. Their findings revealed that the models *per se* do not comprehensively address sustainability issues and economic prosperity remains a dominant consideration. They proposed an integrated quality-sustainability framework. Sustainability indicators, such as those provided in the Global Reporting Initiative framework, could be integrated with core business processes using the structures and infrastructure provided by business excellence models. Sustainability has been adequately considered and included within the last revision of the EFQM model.

In their research, Asif et al.<sup>17</sup> discussed an interesting topic »service excellence«. This issue is especially relevant for this paper dealing with business excellence in the healthcare industry. This issue is recognised as a means to delight customers, enhance customer loyalty, and build long-term customer relationships. According to the authors, the existing service excellence models focus on the perspective of customers but fail to provide a systematic approach to implementation. The purpose of their study was to investigate what service excellence can learn from the business excellence models. Their study mutually compares the three most prominent models, i.e. Baldrige Criteria for Performance Excellence, EFQM model, and Johnston's service excellence model. The findings show that Johnston's model provides basic steps for achieving service excellence, while the EFQM and BCPE models can provide a systematic approach to service excellence implementation. The authors identified room for improvement in the current service excellence approaches.

Some Spanish researchers<sup>18</sup> investigated whether there is a specific approach to the adoption of best management practices embedded in the EFQM Excellence Model. They were interested in those practices within EFQM's enablers which predict high performance. They used the actual criteria and sub-criteria scores attained by organizations, which were assessed in the period from March 2011 to March 2013. The findings based on factor and regression analyses show that Spanish organizations adopt the best practices encompassing the EFQM model in a similar fashion: organizations on average follow parallel trends in the scores received per criterion, and there are no significant differences in the importance attributed to enablers. Their study contributes to the management literature on best practices, by

highlighting a consistent trend in the use of the EFQM model, and also provides insights to managers on how to better allocate resources withing Business Excellence Models.

In 2017, a Greek group of researchers<sup>19</sup> offered a descriptive analysis of TQM and business excellence measurement by synthesising the relevant literature. They made a thorough review. Their target was to advance a concrete understanding of relevant literature and to assess whether the temporal trends in business excellence measurement literature help position firms for the emerging business excellence context. A total of 139 papers were identified from 39 refereed management journals published from 1990 to 2016. The articles were classified and analysed according to business sector, framework used and methodology applied. The trends in each of the three axes and key research areas were proposed. Ahn et al.<sup>20</sup> first introduced the EFQM model, which has facilitated the transformation toward an integral management approach, including openings to corporate social responsibility. The companies' ability to grow and to improve continuously is namely also determined by its social competences, ethical responsibility an environmental contributions. This shift of focus leads to a reorientation of the concept of business excellence. The authors emphasized that at first, quality management focused on the quality improvement of products and services, later on the processes providing these products and services. Quality was renamed into business excellence when corporations oriented themselves on the quality of the organisation and the chain (or network) in which it operates. Confronting with the present challenges, companies are beginning to focus on the quality of society while taking care of their core businesses.

Fonseca<sup>21</sup> analysed the EFQM 2020 Model, supported by a literature review and content analysis, to identify its theoretical foundations and the more relevant novelties compared with the 2013 version. The EFQM 2020 Model is based on the link between an organisation's purpose and strategy, aligned with the United Nations Sustainable Development Goals, to simultaneously deliver performance and ensure transformation, creating enduring value for its key stakeholders and achieving remarkable results. The model adopts a strategic management lens and fits well in the Business Model description. The term excellence is no longer explicitly present, replaced by »outstanding« (the best it can be). Last but not least, the model is less prescriptive compared to the 2013

version and comprises seven criteria grouped in three dimensions: Direction (why), Execution (how), and Results (what), supported by 23 Criterion Parts and 2 Results Criterion, plus 112 guidance points, and the RADAR assessment tool. Nevertheless, on a theoretical level, several management theories support the EFQM 2020 Model. Although restricted to conceptual and theoretical analysis, his analysis can help academics and business leaders understand this novel model and support future empirical research.

In 1992, the EFQM Excellence Model was created to help organisations - regardless of size or sector - develop and implement their strategies to increase the competitiveness of European organisations. Since then the model has adapted and evolved over time to reflect changes in the global market place. The 2020 model is the latest EFQM Excellence Model and it has changed fundamentally since the previous (2013) one. The latest model has shifted from being a simple assessment tool to one that offers 'a framework and methodology to help with the changes, transformation, and disruption that individuals and organisations face every day'.<sup>22</sup>

How about business excellence related to public and service sectors, like healthcare? (The author of this paper was also a leading assessor for one of the biggest clinical centres in Europe (two assessments in a row), for one big regional hospital and for one big Slovenian health insurance company). The traditional Business Excellence approach has been increasingly regarded as inward looking, inefficient and unable to drive appropriate actions for improvement in organisations, thus being of limited value for their stakeholders. This critical statement was made toward the end of the previous decade by Kanji<sup>23</sup>, who set up an architecture of Business Excellence. This architecture deals with a set of systems, stakeholders, critical success factors and Structural Equation Modelling to create a holistic, reliable and comprehensive measurement model. The main advantage of the Global Excellence Measurement Systems is in providing integration and alignment among the various organisational subsystems and measures. Such integration comes from two main features. In his paper, the author first demonstrates the System Architecture of global excellence measurement system and then, with the help of empirical evidence from public and service sectors displays the integration and alignment among the various organisational subsystems and measures for the improvement of the organisation.

Naylor<sup>24</sup> was one among the first researchers who examined the appropriateness of the Business Excellence Model in developing a strategy for Bolton Hospitals NHS Trust to measure organisational performance. By utilising the conceptual framework, which consisted of the EFQM Model, it became evident that, although tools were in existence within Bolton Hospitals to measure organisational performance, several critical areas needed addressing. By addressing these key areas, the organisation could begin to work towards its goal of business excellence.

On the other hand, Jackson<sup>25</sup> described the inception of self-assessment and the EFQM Model. The author demonstrates how one clinical directorate in an NHS Trust used the principles of both to secure a culture of continuous improvement. The journey from a mainly hierarchical, bureaucratic, individualist culture to one where the norms, values and beliefs reflected teamwork, involvement and empowerment is described. The highs, lows and learning points are all included, in an attempt to enlighten other healthcare organisations considering the benefits and pitfalls of using the business excellence model to improve the quality of their healthcare delivery.

At the turn of this century, defining quality of healthcare and determining how to improve organisational performance in developed countries was still an unresolved issue among healthcare professionals. However, given that it is an important area of responsibility and accountability it is According to Ruiz et al.<sup>26</sup> no longer acceptable to view the issue as discretionary. These authors advocate a thesis, that an increasingly acceptable operative option for achieving continuous improvement and excellence seems to be the self-assessment of an organisation, based on the principles of knowledge management and total quality management. They provide an explanation of a two-level self-assessment approach for implementing TQM within the Spanish healthcare system. The first level integrates a client-centred approach using classical healthcare accreditation criteria along with ISO 9000 standards, the aim being to establish quality assurance systems in the whole organisation. The second level uses the EFQM Model as a road map for self-assessment and continuous improvement towards excellence.

## 2.1 A BRIEF INSIGHT INTO THE HISTORY OF TOTAL QUALITY MANAGEMENT

Total quality management shows that more developed countries began to systematically promote quality improvement already in the middle

of the last century. In 1951, a national prize – the Deming Prize – was awarded for the first time in Japan. The award recognizes the achievements of individuals and companies, and the award ceremony is also broadcast on national TV. A few decades later, in 1988, the United States established its national Malton Baldrige Award, which is the only American official award for promoting excellence in public and private organisations. Both awards have an established (self-)evaluation mechanism based on well-structured methodologies that contain quite demanding criteria. All three above mentioned awards are based on a prescribed protocol of systemic elements of assessment (structure of the award, weightings of individual criteria), the self-assessment of employees in the organisation, an external assessment using standardized criteria, a final value assessment, which is a measure of global business excellence, and a competitive comparison.<sup>5</sup>

The greatest advantage of the model of business excellence are the Europe-wide comparable business evaluations, which deal with all key areas of management.<sup>27</sup>

More than 25 national quality and excellence awards operate in Europe, based on the EFQM excellence model, the criteria and practice of the European Excellence Award (EEA). In the world, there are a total of more than 77 national awards for quality and business excellence in 69 countries.<sup>28</sup>

## 2.2 THE EUROPEAN FOUNDATION FOR QUALITY MANAGEMENT (EFQM) EXCELLENCE MODEL

Europe systematically promoted the competitive quality of its economy in 1989 with the establishment of The European Foundation for Quality Management. The European Business Excellence Model (EFQM model) was created by a large interdisciplinary group of experts from various sectors and academic institutions. The first version was presented in 1992 as a framework for evaluating applications for the European Quality Award. The first prize was also awarded at that time. In the modern VUCA era of Volatility, Uncertainty, Complexity and Ambiguity, the updated EFQM model was published in autumn 2020. It is mainly intended for the (self-)assessment of progress in transformations in all areas of operation. The model enables checking and comparing one's own policies, as well as implementation and results on a global scale, as this tool is used by more than 30,000 global organisations.

We cannot ignore the fact that various countries are also making progress by establishing their national awards for excellence. Awarding institutions are usually either government departments, ministries or government-affiliated non-profit organisations.

By actively improving the entire business, this tool allows organisations to identify where they are on their journey of transformation, helps them identify gaps and learn about additional approaches to improve their own business compared to the world's greatest organisations. The 2020 model enables a more unified understanding of the links between approaches and results, and between performance perception and business performance indicators. It helps organisations in strengthening the definition of purpose, strengthening the appropriate collaborative and inclusive culture, providing strong leadership, promoting agility and transformation in various areas of operation, and providing

databases and information for forecasting business trends.

The latest model has shifted from being a simple assessment tool to one that offers “a framework and methodology to help with the changes, transformation, and disruption that individuals and organisations face every day”.<sup>3</sup>

The 2020 EFQM Model (structured very differently from the 2013 one) is based on asking three questions: “Why”, “How” and “What”.

- Why does this organisation exist? What Purpose does it fulfil? Why this particular Strategy? (Direction)
- How does it intend to deliver on its Purpose and its Strategy? (Execution)
- What has it actually achieved to date? What does it intend to achieve tomorrow? (Results).

This drives the three key sections of the new framework, Direction, Execution and Results, as can be seen in Figure 1.

**Figure 1:** The guiding principles that shaped the EFQM Model<sup>3</sup> (EFQM, 2019, 6).



Source: EFQM, 2019, 6 [3]

Each one of these is supported by two or three criteria – there are seven in total – each of which is supported by a series of guiding principles. The positioning statements for each criterion are set out below, not the full guiding principles:

#### DIRECTION

- Criterion 1: Purpose, Vision and Strategy – An outstanding organisation is defined by a Purpose that inspires, a Vision that is aspirational and a Strategy that delivers.

- Criterion 2: Organisational Culture and Leadership
  - Organisational Culture is the specific collection of values & norms that are shared by people and groups within an organisation that influence, over time, the way they behave with each other and with Key Stakeholders outside the organisation.
  - Organisational leadership relates to the organisation as a whole rather than any individual or team that provides direction from the top. It is about the organisation acting as a leader within its ecosystem, recognised by others as a role model, rather than from the traditional perspective of a top team managing the organisation.

#### EXECUTION

- Criterion 3: Engaging Stakeholders – Having decided which Stakeholders are the most important to the organisation, i.e. its Key Stakeholders, and independent of the specific groups identified, it is highly likely that there is a degree of similarity in applying the following principles when engaging with Key Stakeholders.
- Criterion 4: Creating Sustainable Value – An outstanding organisation recognises that Creating Sustainable Value is vital for its long-term success and financial strength.
- Criterion 5: Driving Performance & Transformation – Now and in the future, an organisation needs to be able to meet the following two important requirements at the same time to become and remain successful.

#### RESULTS

- Criterion 6: Stakeholder Perceptions – This criterion concentrates on results based on feedback from Key Stakeholders about their personal experiences of dealing with the organisation – their perceptions.
- Criterion 7: Strategic & Operational Performance – This criterion concentrates on results linked to the organisation's performance in terms of:
  - the ability to fulfil its Purpose, deliver the Strategy and Create Sustainable Value;
  - its fitness for the future.

The 2020 EFQM Model aims to give organisations the opportunity to take a holistic perspective and appreciate that each organisation is a complex but, at the same time, organised system.

### 3 Study design

On the basis of what has been said so far, we can claim that the outlined and defined learning process is actually also a general method of business analysis. This does not mean that we do not use many other methods of cognition in it. But all these other methods are special and not a general method. The special methods that we absolutely need in analyzing business are analysis, synthesis, deduction, induction, the method of elimination, the method of comparison, etc. All of them were used in our research, among them mostly the last one.

### 4 Analysis of the organisation's operations based on the EFQM business excellence model

The use of the business excellence model means a comprehensive systemic approach to management, as it basically enables a relatively objective analysis of the situation, the identification of weak areas in the organisation's operation, and continuous improvement based on the information obtained.<sup>5</sup>

When the organisation decides to apply for the call for national recognition (PRSP0 as an example of the national recognition or award of the Republic of Slovenia for Business Excellence), it thereby, among other things, takes responsibility for preparing an application or its own assessment of business excellence according to the EFQM model. This work is basically an analysis of the business excellence of the organisation (self-assessment), which, as already mentioned, follows seven criteria (two for Direction, three for Execution and two for Results). The first five relate to enablers and the last two to outcomes – results. A large working group of professional employees of the organisation, responsible for individual areas, participates in the preparation of this self-assessment document. The subject of the analysis is basically the assessment of the organisation's operations through the prism of various aspects. It definitely involves a complex business analysis. The authors of the application, each considering an individual area (criterion), present the organisation or its operations in a specific area. Thus, for example, under sub-criterion Drive Innovation & Utilise Technology, the implementation of this strategy consists in presenting the organisation as it follows trends in the introduction of modern technologies of work and equipment. Technical experts in health organisation X (a clinical centre), which applied for the PRSP0 tender, describe how new technologies contribute to better patient treatment, modern and less invasive



treatment methods and, as a result, shorter treatment, lower hospitalisation rates, and greater patient and employee safety. They support these claims with concrete facts, arguments where appropriate and, if necessary, with numbers. From these statements, external assessors then try to extract and meaningfully shape the advantages of the organisation in the chosen field. However, the process of assessing and analysing business excellence does not end there.

As we already mentioned in the introduction, the analysis of an organisation's operations, according to theory, goes through several phases. First, there is the phase of observing facts, then the phase of defining problems, the phase of setting hypotheses, and finally the phase of testing hypotheses, both logical and practical. If we map these phases onto the analysis of the organisation's business excellence, then the record of the organisation's strengths is the result of observing the facts in this organisation, and the identification of problems could be identified with the record of opportunities for improvement.

If the organisation is assessed and analysed according to the EFQM model, these opportunities for improvement will be recognized by the authors of the written assessment application of the organisation themselves. If it is assessed by external assessors, who are not burdened with the organisation's operations, the opportunities for improvement identified in the final report to the organisation/applicant can be more objective and aimed at solving the real problems of the organisation. For the organisation, the suggested opportunities for improvement are the right guidelines for improving operations in a specific area. On their basis, the organisation can prepare measures that, according to the theory of business analysis, are considered as setting hypotheses; checking these, we then arrive at a model or a concrete solution. According to Pučko<sup>1</sup>, this second part is already the planning phase. Thus, the analysis of business excellence is essentially a process of analysis, i.e., monitoring and assessing the organisation, as we know it from business analysis as a traditional science. It is based on the EFQM model of business excellence, and the process itself begins with writing the organisation's assessment application document and continues with the work of external assessors, who first extract the organisation's advantages from the written application document and interviews conducted with the organisation's employees (this happens in

the observation of facts phase) and then, by defining opportunities for improvement, indicate problematic situations or problematic positions of the organisation (this happens in the phase of defining the organisation's problems).

By identifying the problems present in the organisation's operations, the first part of the analysis of the organisation's operations is concluded. The business analysis process continues in the second part, where the organisation's management and its professional team prepare, based on the final report to the applicant prepared by the external assessors, a proposal for concrete measures to improve business in each area. It should be noted that external assessors can also be consultants to a certain extent, although this was not a case in the previous 2013 EFQM model; therefore, in their final report to the applicant, especially by identifying opportunities for improvement, they may advise the organisation and point out some feasible solutions. Of course, with a good and clear definition of opportunities for improvement, the organisation is already offered high-quality guidelines for action. Choosing and adopting appropriate measures, which form the basis of the proposed solutions to problems in individual areas, already means moving on from business analysis to business planning.

#### 4.1 ANALYSIS OF THE BUSINESS EXCELLENCE OF AN ORGANISATION FROM THE POINT OF VIEW OF ENABLERS

The Execution category contains three criteria. Each of them have several factors or enablers. Let us take only one example from the Engaging Stakeholders criterion: Partners & Suppliers. These are the external parties that the organisation chooses to work with to fulfil its Purpose, achieve its Vision, deliver its Strategy and reach shared objectives that benefit both parties<sup>3</sup> [3].

Let us also take one example from the Creating Sustainable Value criterion: Deliver the Value. In practice we find that an outstanding organisation implements effective and efficient ways to create value, making sure it can consistently deliver on its Purpose and value propositions, etc.<sup>3</sup>

As a matter of fact, there are plenty more enablers which have to be taken into account when assessing the business excellence of an organisation according to the EFQM model.

#### 4.2 ANALYSIS OF THE BUSINESS EXCELLENCE OF AN ORGANISATION FROM THE POINT OF VIEW OF RESULTS

In this paper, we look at both criteria provided under the heading Results: 6) Stakeholder Perceptions and 7) Strategic and Operational Performance. Within the scope of the first one, we highlight only the sub-criterion Customer Perception Results. Thus, we are interested in what customer perceptions are about, for example, the overall experience of the customer, the culture of the organisation regarding the attitude and level of commitment to the client, the brand and reputation of the organisation, products, services and solutions, the use of innovations to improve processes, the use of technologies, etc.<sup>3</sup>

Within the scope of the second criterion, we focus only on Business Results. These indicators may include achieving purpose and creating sustainable value, financial results, meeting the expectations of key stakeholders, meeting strategic objectives, achievements in delivering transformations, predictive measures for the future, etc.

The definition of both criteria reads: excellent organisations achieve and permanently maintain

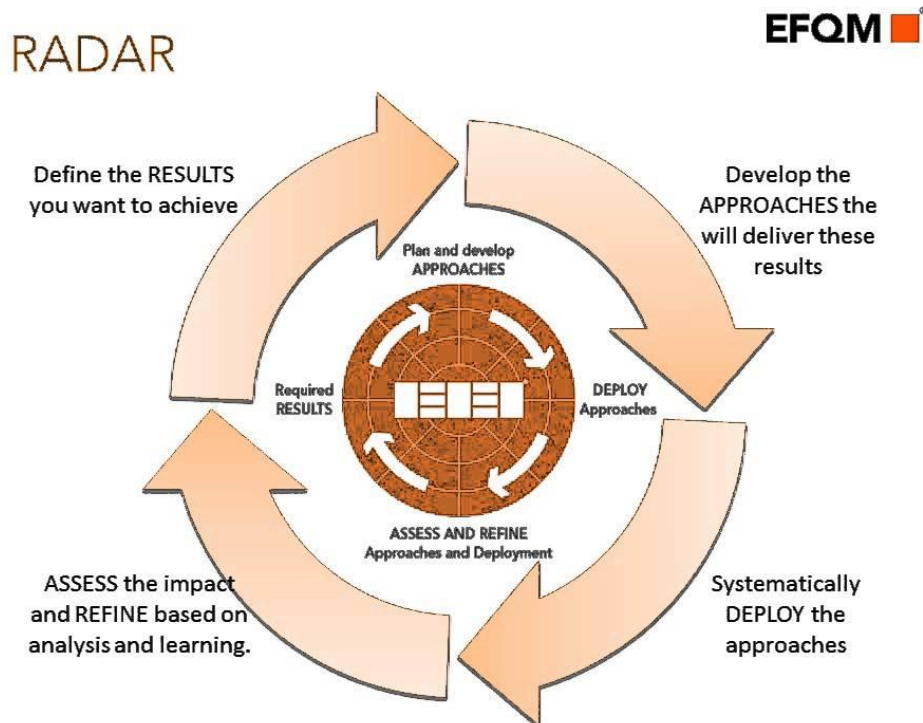
exceptional results that satisfy or exceed the needs and expectations of their customers or their stakeholders.

For our example of the selected organisation X in the field of healthcare, we are also interested in its business performance. There are several indicators which help monitor, understand, predict and improve the likely business results of the organisation. These performance indicators can be: financial indicators, project costs, performance indicators of key processes, successful operation with partners and suppliers, technology, information and knowledge.

### 5 How to analyse and measure the business excellence of an organisation?

The EFQM excellence model relies on the use of the RADAR matrix, which is a dynamic assessment framework and a powerful tool that provides a structured approach to investigating an organisation's performance. Figure 2 illustrates this framework.

Figure 2: RADAR matrix



Source: EFQM, 2019, 39<sup>3</sup>

RADAR is the EFQM's diagnostic tool. The name RADAR derives from the belief that an organisation needs to:

- determine the **R**esults it is aiming to achieve as part of its strategy;
- have in place a number of **A**pproaches that will deliver the required results, both now and in the future;
- **D**eploy these approaches appropriately;
- **A**ssess and **R**efine the deployed approaches to learn and improve.

Organisations applying for EFQM recognition are scored out of 1,000 points, which are divided across the seven criteria.

According to the EFQM excellence model<sup>12</sup>, the RADAR logic generally states that the organisation must:

- determine in its strategy what results it wants to achieve;
- plan and develop an integrated set of reasoned approaches to achieve the desired results in the present and the future;
- systematically implement and spread approaches to ensure their introduction; evaluate and improve the implemented and extended approaches based on the monitoring and analysis of the achieved results and continuous learning activities.

For the purpose of a good and reliable analysis, each element of the RADAR matrix is broken down into a series of attributes, as shown in Tables 1, 2 and 3.

**Table 1:** Analysis of Direction<sup>3</sup>

Elements	Attributes	Description
Approach	Sound	The Approach has a clear rationale, aims to fulfil and respond to Key Stakeholder needs, is described appropriately and is designed to be fit for the future.
	Aligned	N.B. Not applied to Direction
Deployment	Implemented	The Approach is Deployed in relevant areas in an effective and timely manner.
	Flexible	N.B. Not applied to Direction
Assessment & Refinement	Evaluated & Understood	Feedback on the effectiveness & efficiency of the approach and its deployment is collected, understood and shared.
	Learn & Improve	Findings form emerging trends analysis, measurement, learning and benchmarking are used to inspire creativity and generate innovative solutions to improve performance in appropriate timescales.

**Table 2: Analysis of Execution<sup>3</sup>**

Elements	Attributes	Description
Approach	Sound	The Approach has a clear rationale, aims to fulfil and respond to Key Stakeholder needs, is described appropriately and is designed to be fit for the future.
	Aligned	The Approach supports an organisation's Direction and is integrated with other relevant approaches.
Deployment	Implemented	The Approach is Deployed in relevant areas in an effective and timely manner.
	Flexible	The Execution enables flexibility and adaptation.
Assessment & Refinement	Evaluated & Understood	Feedback on the effectiveness & efficiency of the approach and its deployment is collected, understood and shared.
	Learn & Improve	Findings from emerging trends analysis, measurement, learning and benchmarking are used to inspire creativity and generate innovative solutions to improve performance in appropriate timescales.

**Table 3: Analysis of Results<sup>3</sup>**

Elements	Attributes	Description
Relevance & Usability	Scope and Relevance	A set of results that clearly link to the Purpose, Vision & Strategy of the organisation are identified. The selected set of Results is reviewed and improved over time.
	Usability of the Data	Results are timely, reliable, accurate and appropriately segmented to provide meaningful insights that support performance improvement and transformation.
Performance	Trends	Positive trends or sustained outstanding performance over the strategic period/cycle.
	Targets	Relevant targets are set in line with the Strategy and are consistently achieved.
	Comparisons	Relevant external comparisons suitable to position own performance in line with the strategic direction are made and are favourable.
	Future Focus	Based on current cause & effect relationships, analysis of data sets, performance patterns & predictive measures, the organisation understands the drivers for outstanding performance in the future.

The applicant (that is, the organisation that participates in the PRSPO process for an individual year) prepares a written application. This is basically a special document, a presentation of the organisation according to all 7 criteria. The authors of individual contents are professionals in the organisation with relevant knowledge and experience and competences.

### 5.1 HOW TO ANALYSE AND EVALUATE BUSINESS EXCELLENCE ORGANISATIONS IN THE FIELD OF HEALTHCARE

When we analyse business excellence in a chosen organisation, we rely primarily on the quality of its products or services. Thus, for the automotive industry, the number of ppm (the number of bad products per million of all manufactured products) will be a very important quality indicator, as will

just-in-time deliveries (JIT) and excellent process control with the help of tools such as 6 sigma, FMEA analysis, R&D analysis, Control Plan, etc.

The business excellence of healthcare organisations can be analysed with a number of indicators, such as wait times, length of stay (number of days), number of less invasive interventions, number of safety complications (hospital infections, patient falls, etc.)<sup>29</sup> [29].

The business excellence of healthcare organisations is manifested in particular through the quality of healthcare services. These can be described with quite a few attributes, but first we need to know well who the key stakeholders in the healthcare field are. These are medical staff, patients and health insurance companies – the payers of health services. All of them attribute different importance to individual attributes, which is why they also define the quality of healthcare services differently, as shown in Table 4.

**Table 4:** Stereotyped differences in the importance of the quality of health services to key stakeholders

Key stakeholder	Technical achievements	Interpersonal relations	Comfort and access	Patient's wishes	Efficiency	Cost effectiveness
Physician	+++	+	+	+	+	-
Patient	++	++	++	+++	+	-
Payer	+	+	+	+	+++	+++

Source: Ransom et al.<sup>30</sup>[30]

If we want to illuminate the attributes shown above from the point of view of business excellence criterion 6, Customer Perception Results (in which case we connect with the clients to measure results), Table 4 shows two groups that are to be taken into consideration when measuring satisfaction, namely patients and the payers of health services (in our case ZZSZ, the Institute of Health Insurance of Slovenia).

Let us now take a look at the individual attributes that were defined many years ago by renowned experts, are still used today to define the quality of healthcare services, and form the basis for the evaluation and measurement of the business excellence of healthcare organisations in the eyes of their customers (patients). The quality of technical achievements is related to the question of how well current scientific medical knowledge (expertise) and technology are used and exploited in given conditions. Usually, this quality, and thus the excellence of an organisation in the field, is assessed by the timeliness and accuracy of diagnosis, the appropriateness of therapy, and the knowledge used in procedures and other medical interventions.<sup>31</sup>

When managing interpersonal relationships, the patient is put in the foreground and needs to be treated safely, in a quality manner, efficiently and on time. The quality of interpersonal relationships depends on how well the clinician treats the patient on a human level. A good interpersonal relationship

with the patient is established by the doctor taking an interest in the patient's concerns, reassuring the patient and encouraging positive thinking, rather than simply treating the patient.<sup>32</sup> The same applies to the nurses who receive and care for the patients.

The quality of treatment comfort and access to treatment is not defined and measured by what the clinician does during the treatment of the patient, but by the characteristics of the environment in which the clinician treats the patient, such as comfort, convenience and readiness, and privacy.<sup>33,34</sup> Comfort and access to treatment, such as a sufficiently large parking lot, appropriate signposts, comfortable waiting rooms, tasty hospital food, etc, are all direct values for patients. Comfort can contribute several direct benefits. For example, if the environment is pleasant and provides privacy and makes the patient feel relaxed, then it can significantly contribute to a faster and more accurate diagnosis. Access to treatment, i.e., how quickly the patient gets to the doctor and how often he can visit him in the clinic, is very important.

Although patient wishes and preferences have long been recognized as very important factors in achieving high quality healthcare services, they have not been singled out as a factor in their own right until recently. In early definitions, responsiveness to patient preferences was only one of the factors determining the quality of the interpersonal relationship between patient and physician. On the contrary, responsiveness to the

patient's wishes played a prominent role in how the relationship between doctor and patient was established in the form of economic agency theory.<sup>35</sup> According to this definition, the patient, who definitely lacks the necessary knowledge to understand the medical profession, turns to the doctor, who, of course, has this knowledge to act as the patient's agent. In this role, the doctor is expected to make appropriate treatment decisions on behalf of the patient, which the patient would otherwise have to make if he or she had the necessary specialist knowledge. To be a "great agent", a physician must make decisions that are consistent with the patient's goals and wishes. Although in the past this aspect of mediation theory had little real effect on how the quality of treatment was defined, the importance of responsiveness to the patient's wishes regarding the quality of treatment has now become increasingly recognized, for example, according to Donabedian<sup>36</sup> under the rubric "acceptability" and according to the Institute of Health as "respect for the patient's values, preferences and expressed needs."<sup>37</sup>

By efficiency we mean how well resources are used/utilized to achieve the planned result. Efficiency always improves when the resources used to produce a given output decrease. Although economists usually (typically) treat efficiency and quality as separate concepts, today there are many arguments that support the thesis that separating them in healthcare is not easy or even meaningful. Because ineffective treatment consumes more resources than necessary, it is wasteful. Treatment that is wasteful is deficient, incomplete, and therefore of inferior quality, no matter how good it is in other respects, or as Donabedian<sup>30</sup> puts it, "wasteful treatment is either injurious to health or harmful to it because it prevents more beneficial treatment".

The cost-effectiveness of a specific medical service, for example, a surgical intervention, can be defined by how much benefit such a medical intervention brings for a certain amount of expenditure, which is typically measured in improvements in health status. In general, as the amounts spent to provide services under certain conditions increase, returns begin to decline; each additional unit of expenditure yields diminishing benefits until a point is reached where no benefits flow from further increases in the inputs to treatment.<sup>38</sup> The idea that resources should be used to the limit as long as benefits are still flowing has been accepted as a "maximalist aspect" of treatment quality. In this respect, the elements can be consumed as long as there are benefits,

regardless of their size. As an alternative to this maximalist idea, the idea of the "optimal aspect" developed, which states that spending should be stopped earlier, at the point when the additional benefits are too small to be worth the additional costs<sup>30</sup>, known as the marginal principle of managerial economics.

## 5.2 THE RADAR MATRIX – AN UNDERUTILIZED BUT EXCELLENT ANALYTICAL TOOL FOR IMPROVING PROCESSES AND BUSINESS PERFORMANCE

Based on the author's many years of experience as a leading assessor (including in the healthcare industry), we can assert that when writing an assessment application document, applicants do not follow the RADAR matrix, which directs us to the following questions: Do the results derive from the measures? What is the spread of the approach and the breakdown of the results (deployment)? To what extent are the results verified and measured? For example: strategy implementation. What are the strategic goals and how does the organisation achieve them? With this, we can also determine the sustainable development of the organisation. The organisations, i.e., the applicants themselves, should pay close attention to this and provide as much evidence as possible, especially during the assessors' visit to the location.

Applicants do not write everything in their assessment application document (leaving the suggestion box empty, for example), while interviews with employees reveal that they can be very innovative, often proposing improvements through teamwork and interactive work. So, the real picture is much different. Therefore, facts and evidence found at the location must be taken into account when completing an assessment. Benchmarking is also a very common problem, so it is difficult to benchmark organisations.

If an organisation has implemented a modern computer-based information system (SAP, for instance), this does not necessarily mean that it is excellent in this area. It in fact remains questionable to what extent it knows how to use the information for the purpose of internal reporting to management or for the needs of decision-making at various levels in the organisation, for instance, as it pertains to the daily cash-flow, the up-to-date daily balance of receivables and liabilities by maturity (collection period), including by class maturities, when the organisation has available business results and calculated key financial ratios for the previous month, and how the implementation of a certain

measure is evaluated as an economic effect, as having an impact on the improvement of a certain indicator.

We would go beyond the permitted scope of this paper if we undertook a more detailed critical assessment of the current analysis and assessment of the business excellence of organisations using financial ratios. In general, in their written assessment applications, organisations show their business performance only according to a few simple indicators. The presentation of pure (nominal) accounting categories is otherwise the presentation of accurate numbers, but these do not have the expressive power to be convincing.<sup>39</sup> Thus, for example, it would be highly desirable if the authors of the application assessed the financial position of the organisation, which is defined by the Code of Business and Financial Principles<sup>40</sup> as the state of the organisation in relation to its past achievement of financial goals and in relation to the ability to achieve future goals. The presentation of the financial position is thus necessarily linked to information about the organisation's solvency from both the short-term and the long-term perspective. In terms of analysing and assessing organisational excellence, the long-term aspect is of course the most relevant.

There is insufficient emphasis on risk management, which relates to organisations being aware of the different types of risks and how to "manage" them, say, investment risks. If the investment project is sound, the net present value (NPV) positive, and the organisation has the necessary competence and investment ability to implement the project in accordance with its budget, timeline and planned results, the investment risk has been managed well.

The owners' point of view is considered insufficiently. It would seem that the application should include interviews with representatives of the most important owners of the organisation. Today, value-based management theory, which is basically a relatively simple framework for setting goals that follow the increase of added value for owners, has already taken hold. Thus, according to this theory, one of the main factors influencing corporate value is the organisation's ability to generate returns that are greater than the cost of capital provided by the owners.<sup>41</sup>

When it comes to the question of how to measure the excellence of an organisation from the perspective of the owners, we face several problems. According to Turk<sup>4</sup>, differences in

judgment may appear even among owners who have obtained their capital in different ways. Avoiding this issue in this paper, we could associate the excellence of an organisation with a greater growth in the market value of its shares than is common for others.

We should strive to make the EFQM model (using the RADAR matrix) increasingly objective; the approaches it involves should be clear, tangible and measurable, and applicants should take this into account when writing their assessment application document.

While visiting the applicants, it is often found that there is no real coordination between individual departments (purchasing, production, finance).

The collection of relevant data and information is extremely important for the analysis of business excellence, especially for criterion 7, Strategic & Operational Performance. According to Bergant<sup>37</sup>, at least the following types of knowledge are necessary: knowledge of accounting data and financial statements, knowledge of handling data to calculate certain ratios and indicators (analysing), knowledge of an adequate and simple explanation of the ratios and indicators, and knowledge of information presentation and reporting (communication). Relevance and reliability are the key characteristics that any accounting information must possess if it is to be useful. When we identify information as relevant and reliable, this information will be best presented to users in this way if it increases comparability and ensures that a rational and diligent user will be able to understand it.<sup>42</sup> Therefore, the expressive power and message value of indicators based on the quality of the organisation's operations are key to assessing the business excellence of the organisation. This issue is especially important when the authors of the assessment application document for the purpose of business excellence evaluation want to present the organisation according to its business results (Operational Performance).

Among all the aspects listed above, we cannot ignore the ethical one, especially if we highlight the social responsibility of the organisation, on which the model of business excellence is also built. A socially responsible organisation regulates its behaviour towards owners, employees, business partners, its narrower and wider social and business environment, and nature in accordance with the principles of sustainable behaviour<sup>43</sup>. In this framework, according to Bergant<sup>43</sup>, we must also

position the responsibility of management, which, among other things, is obliged to manage the risk of insolvency not only on the basis of professional principles, but also on the basis of ethical ones. Therefore, it would be necessary for the authors to upgrade their assessment application in the part that refers to criterion 7, Strategic & Operational Performance – for example, based on a model of the organisation's comprehensive financial policy, which is based on the organisation's capital adequacy as a starting point.<sup>43</sup>

During the visit to the applicant's location, we often find that the processes are poorly managed, although everything is well defined in the ISO standards and in the applicant's internal documents (quality management), for example, which activities contribute to the creation of value and which do not (the ABC method, value analysis, etc.).

What methods, techniques, approaches (for example, the balanced scorecard system, BSC) are used by organisations to improve their business – we should be able to assess this with the RADAR matrix. In some organisations, they are very familiar with modern methods and techniques, but either do not use them enough or do not use them at all to improve their business activities. It is difficult to assess the extent to which they know how to use the most modern technologies, equipment, etc. It is one thing for them to openly say so and admit it; where this is not the case, if you are not an expert, it is difficult to assess.

## 6 Strengths and opportunities for improvement as the conclusion of business excellence analysis

As already mentioned, writing the assessment application document in the process of applying for the business excellence award call for tender basically involves a comprehensive, complex analysis of the organisation's operations, in the preparation of which practically all of the organisation's functional staff participate. This process of analysing and assessing the organisation ends with a final report to the applicant, the authors of which are external assessors led by the leading assessor. This is certainly one of the most difficult tasks in business excellence analysis. It requires a certain mental effort from all the assessors, who are professionally trained in individual areas: assessor A is responsible for strategy, assessor B for leadership, assessor C for human resources (enablers and results), assessor D for resources and partnerships, assessor E for processes, assessor F for

marketing and customers, assessor G for the area of the social responsibility of the organisation, and assessor H for business results. The assessing group therefore consists of different professional profiles.

The difficulty of writing the final report to the applicant lies primarily in identifying and creating meaningful opportunities for improvement, since it is in this part of the final report that the applicant expects useful suggestions from the assessors and their added value. These opportunities for improvement arise on the basis of the content written in the applicant's assessment application and on the basis of a three-day visit of the assessing group to the organisation, where a lot of data and information are collected, with the help of which, on the one hand, problems are identified (the first phase in business analysis), and on the other hand, by citing opportunities for improvement, appropriate solutions are offered (setting and logically testing the hypotheses), which are practically implemented by the organisation on the basis of taking concrete measures. Here, however, as already mentioned, the business analysis moves on to the planning phase for the organisation.

When business excellence assessors study the organisation's assessment application document and try to assess it according to this criterion, they first focus on the advantages that the organisation should have in the field under consideration. Their task is to identify and extract some key advantages according to which the organisation should be a role model for others, so that good practices in this area (knowledge sharing) can be transferred both internally to other organisational units as well as externally, more widely, to other business environments, to other business systems.

In order to present this aspect, which is also extremely important for the scoring itself (i.e., the final assessment of the organisation) to be more persuasive, let us first state one of the claims of the external assessors of organisation X, which is active in the field of healthcare (a clinical centre). The claim was made based on the prepared application document of the organisation and the assessors' visit to it as a priority in the draft of the final report to the applicant. It relates to criterion 7, Strategic & Operational Performance: *"In terms of the quality of medical services, the organisation ranks among the most successful medical institutions in Europe."* This is an example of a poorly written advantage that sounds rather anecdotal and has a low indicative value. If what the assessors want to convey with this statement is true, then, of course, this is a really big



advantage for both the healthcare organisation and the business system, which brings it a relatively high ranking in the overall scoring according to this criterion and in general. What is actually wrong with this statement? The assessors wrote it down on the basis of a broader interpretation of the results in the assessment application document and on the basis of the information they received from the management during the visit to the clinical centre. Both in the assessment application document and during the visit to the organisation, it was emphasized that the medical staff in this organisation is overburdened, that surgeons perform an inappropriately higher number of operations per year than their colleagues in comparable clinical centres in Central Europe, etc. However, the advantage in italics above is not formulated satisfactorily, as it is necessary to indicate the source of the information, as well as provide a precise definition of the indicator and a comparison with the average and the best healthcare organisations in Europe. It is necessary to know how many hospitals were compared and which of them are still among the most successful.

What is needed is a real comparative analysis of the organisation according to this criterion, based on the method of rectifiers (benchmarking).

Thus, this would be an advantage that falls under the criterion Strategic & Operational Performance. Business performance indicators are much better written like this: *"In terms of the quality of medical services, the organisation is ranked among the most successful medical institutions in Europe, as it achieves better results than the average IQM hospital in most of the presented aspects of IQM quality medicine according to the methodology of the 'international comparison of hospital mortality due to certain medical conditions and surgical interventions with the IQM hospital association'."* Since we have added an appropriate justification to the newly written advantages with the help of comparatively analysed indicators, we have obtained a fully reasoned claim, which can now also be better assessed according to the RADAR matrix. The organisation is able to prove that it is really that good according to this indicator.

## References

1. Pučko, D. (2006). *Business Analysis*. Study book. Faculty of economics University of Ljubljana.
2. Bergant, Ž. (2010). *Fundamentals of business analysis*. Ljubljana: Institute for managerial accounting.
3. EFQM (2019). *The EFQM Model*. Revised 2<sup>nd</sup> edition. Brussels. ISBN-978-90-5236-870-2.
4. Turk, I. (2010). *On personal and business excellence*. Economic Library. Ljubljana: Association of the economists of Slovenia.
5. Kern Pipan, K. (2010). *The impact of continuous improvement and human capital on organisational business excellence* (Doctoral dissertation). Faculty of Organisational Sciences Kranj University of Maribor.
6. Kovač, P. (2006). The development of quality and excellence as a common denominator of reforms in the public sector in Europe. Professional material. GV - EFQM conference. *Winners Conference and SFPO Forum 2006*. Professional material. Ljubljana: Planet GV.
7. Gomišček, B., Maletič, D. & Maletič, M. (2007). Review of the situation in the field of quality management in Slovenian organisations. *Proceedings of the 26th International Conference on the Development of Organisational Sciences*. Portorož: Creative organisation.
8. MIRS 2. (2007). Fundamental principles of excellence. Ljubljana: Ministry of Education, Science and Sports. Office of the Republic of Slovenia for Metrology.
9. Marolt, J. & Gomišček, B. (2005). Total Quality Management. *Moderna organizacija*. Kranj: Faculty of organisational studies University of Maribor.
10. Bajc, Z. (2008). Krka on the path of excellence to success. 20th Forum of Excellence and Mastery. Otočec 2008. Conference of EFQM winners and SFPO forum. "Universal excellence as a new paradigm of successful cooperation between countries and as motivation for a healthy life and successful work." Proceedings. Association of Economists of Dolenjska and Bela Krajina, Novo mesto.
11. MIRS 1. (2007). EFQM Excellence Model. Ljubljana: Ministry of Education, Science and Sports. Office of the Republic of Slovenia for Metrology.
12. MIRS 3. (2013). EFQM Excellence Model. EFQM Publications. Shares what works. Ljubljana: Republic of Slovenia Ministry of Economic Development and Technology. Bureau of Metrology.
13. Samson, D. & Challis, D. (2002). Patterns of business excellence. *Measuring Business Excellence*, 6 (2), 15-21.
14. Rusjan, B. (2006). Usefulness of the EFQM excellence model: Theoretical explanation of some conceptual and methodological issues. *Total Quality Management & Business Excellence*, 16(3), 363-380.
15. Kim, D. Y., Kumar, V. & Murphy S. A. (2010). European Foundation for Quality Management Business Excellence Model: An integrative review and research agenda. *International Journal of Quality & Reliability Management*, 27(6), 684-701.
16. Asif, M., Searcy, C., Garvare, R. & Ahmad, N. (2011). Including sustainability in business excellence models. *Total Quality Management & Business Excellence*, 22(7), 773-786.
17. Asif, M. & Gouthier, M. H. J. (2014). What services excellence can learn from business excellence models. *Total Quality Management & Business Excellence*, 25(5-6), 511-531.
18. Escrig, A. B. & de Menezes, L. M. (2015). What characterizes leading companies within business excellence models? An analysis of "EFQM Recognized for excellence" recipients in Spain. *International Journal of Production Economics*, 169, 362-375.
19. Metaxas, I. N. & Koulouriotis, D. E. (2017). Business excellence measurement: a literature analysis (1990-2016). *Total Quality Management & Business Excellence*, 30(11-12), 1189-1218.
20. Ahn, J. S., Assaf, A. G., Josassen, A., Baker, M. A., Lee, S., Kock, F. & Tsionas, G. (2020). Narcistic CEOs and corporate social responsibility: Does the role of an outside board of directors matter? *International Journal of Hospitality Management*, 85.
21. Fonseca, L. (2021). The EFQM 2020 model. A Theoretical and critical review. *Total Quality Management & Business Excellence*, 33(9-10), 100-1038.
22. Harris, E. (2021). What Is the EFQM Excellence Model and How Useful is it For You. Triaster Ltd. (<https://blog.triaster.co.uk>)
23. Kanji, G. K. (2008). Architecture of business excellence in the public and service sectors. *Total Quality Management & Business Excellence*, 19(49), 399-415.
24. Naylor, G. (1999). Using the Business Excellence Model to develop a strategy for a healthcare organisation. *International Journal of Health Care Quality Assurance*, 12(2), 37-45.
25. Jackson, S. (1999). Achieving a culture of continuous improvement by adopting the principles of self-assessment and business excellence. *International Journal of Health Care Quality Assurance*, 12(2), 59-64.
26. Ruiz, U., Simon, J., Molina, P., Jimenez, J. & Grandal, J. (1999). A two-level integrated

approach to self-assessment in healthcare organisations. *International Journal of Health Care Quality Assurance*, 12(4), 135-142.

27. Kovač, B. (2002). Dimensions and challenges in management. In S. Možina, et al., *Management: new knowledge for success* (pp. 803-880). Radovljica: Didakta publishing house.

28. Calingo, L. M. R. (2002). National Quality and Business Excellence Awards: Mapping the Field and Prospects for Asia: *Report of the Symposium on Quality and Business Excellence Awards held in Nadi, Fiji from 18 to 20 September 2001*. ISBN: 92-833-2332-7. Asian Productivity Organization. Fiji. Pp. 3-23.

29. *Assessment application document of the organisation X for PRSPO, Award of the Republic of Slovenia for Business Excellence for the year 2014 (accessible onyl with the agreement of the Organisation X)*.

30. Ransom, E. R., Joshi, M. S., Nash, D. B. & Ransom, S. B. (2008). *The Healthcare Quality Book: Vision, Strategy, and Tools*, 2nd Edition, Health Administration Press; 2 edition.

31. Donabedian, A. (1988). The Quality of Care. How Can It Be Assessed? *JAMA*, 260(12).

32. Cassell, E. J. (1982). The Nature of suffering and the goals of medicine. *PubMed. US National Library of Medicine. National Institutes of Health*, 306 (11), 639-45.

33. Donabedian, A. (1980). Explorations in quality assessment and monitoring. *Vol. I. The definition of quality and approaches to its assessment*. Ann Arbor. Health Administration Press.

34. Wyszewianski, L. (1988). *The Emphasis on Measurement in Quality Assurance: Reasons and Implications*. *Inquiry* 25 (winter): 424-33. PubMed.

US National Library of Medicine. National Institutes of Health.

35. Arrow, K. J. (1985). The Economics of Agency. V J. W. Prat in R. J. Zeckhauser, *Principals and Agents: The Structure of Business* (str. 37-51). Boston: Harvard Business School Press.

36. Donabedian, A. (2003). *An Introduction to Quality Assurance in Health Care*. Oxford University Press.

37. Wolfe (2021). IOM 2021. Institute of medicine 2001 patient centered care: Crossing the Quality Chasm: A New Health Care System for the 21<sup>st</sup> Century. Wolfe, A.

38. Donabedian, A., Wheeler, JR. & Wyszewianski, L. (1982). Quality, cost, and health: an integrative model. *Med Care*, 20 (10), 975-92.

39. Bergant, Ž. (1998). Financial ratios and quality indicators. Ljubljana: ITEO.

40. Code of Business and Financial Principles (1998). Slovenian Institute for Auditing, paragraph 1.2.

41. Bukvič, V. (2009). Value Based Management with an empirical case. *Proceedings. 1st International Scientific Conference Knowledge and Business Challenges of Globalisation in 2009*. Celje: FKPV (full paper is recorded on CD).

42. Bukvič, V. (2011). Professional foundations of general principles of organizing (preparation for implementation) accounting for internal reporting. In: Bergant, Ž. (ed.). *General principles of internal reporting*. Proceedings. Ljubljana: Association of Economists of Slovenia, p. 171-205.

43. Bergant, Ž. (2015). Social Responsibility and Corporate's Solvency. *Proceedings 11th. International Conference Social Responsibility and Time Challenges*. Maribor: Institute for Development of Social Responsibility.