

## A STUDY OF EFFECTIVENESS OF APPLICATION OF EFQM-MODEL IN INTEGRATED MANAGEMENT IN TEXTILE ENTERPRISES

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### ABSTRACT

*This article examines the effectiveness of the use of modern management tools in the implementation of an integrated system of quality management and strategic management in the textile enterprises of the Republic of Uzbekistan. Most (but not all) representatives of small and medium enterprises believe that simplified criteria make self-assessment more understandable and therefore more accurate. The use of the EFQM model involves researching and measuring enterprise management capacity, evaluating the system performance of any organization, including model management, which can help in the implementation of so-called “self-assessment” work.*

**KEYWORDS:** *Quality Management, Strategic Management, Innovation, Management Quality, Development, Efficiency, Effectiveness, Modern Management Support, Self-Evaluation.*

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### INTRODUCTION

From the first years of independence in the Republic of Uzbekistan, economic reforms in all sectors of the economy, including the cotton sector, are aimed at further deepening. Great attention is paid to economic policy in this area, the implementation of structural changes in the production of the industry, ensuring the freedom of producers, the introduction of various forms of ownership and improving the logistics, financial and economic relations between farms, organizations and enterprises. Improving the work of enterprises, giving them freedom, improving their management system will allow them to produce better quality products, resulting in increased production efficiency. There is a growing need in Uzbekistan to increase the production of high value-added export-oriented finished products based on deep processing of raw cotton. Successful implementation of such huge tasks requires the development of concrete measures to ensure more rational use of unused internal potential based on the use of modern management tools in the textile enterprises, which are one of the leading sectors of the economy. In this regard, the development of science-based proposals and recommendations to increase the application of advanced models in the management of innovative self-development of textile enterprises is one of the most pressing issues today.

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## **Analysis of the relevant literature.**

The results of the analysis show that there are many sources in the economic literature and practice that deal with the problems of identifying, analyzing, and enhancing production efficiency. In this regard, the use of certain indicators in the practice of enterprises is also established. Isaev R.A. The study of the development of textile clusters in the Republic of Uzbekistan focuses on strategic management [1] and the improvement of organizational and management mechanisms for the implementation of an integrated systemic strategy in the textile industry [2]. Yusupov S.Sh. and the main directions of the development strategy of textile enterprises [3]. However, the systematization of the sources studied has led to the conclusion that many authors have only considered some aspects of management effectiveness. Xakimov G'.Q. and the application of an improved model in improving the effectiveness of quality management in the higher education institution of the Republic of Uzbekistan [4]. Improving management efficiency in industrial enterprises, especially textile enterprises, is of great importance today. Therefore, the use of improved models is important in finding opportunities to improve management efficiency.

The EFQM Excellence Model, a business improvement model developed by the European Foundation for Quality Management, has been in existence for more than 13 years since the early 1990s and is a generalized model of an ideal management system for organizations focused on sustainable development and competitiveness. The model is based on a philosophy of overall management quality and production quality and is based on a systematic approach to management that takes into account the interests of all stakeholders in the organization. Since 1992, based on the EFQM model, competitions on management systems of various organizations have been held in many European countries [5,6]. The use of the EFQM model involves researching and measuring enterprise management capacity, evaluating the system performance of any organization, including model management, which can help in the implementation of so-called "self-assessment" work. However, in any competition, including the main European EFQM European Award, self-esteem is often overlooked. Competitive assessment is taken outwardly, while "self-assessment" is essentially an independent study of the enterprise management system by their managers. When the improvement model was presented in Europe as a European quality award model, it immediately went beyond the best "quality" competition, and these organizations began to be perceived as a tool to assess their level of development relative to benchmarking, identify strengths of management systems, and identify areas for improvement [7].

In 1997, the European Foundation for Quality Management proposed a simplified EFQM model for small businesses. Most (but not all) representatives of small and medium enterprises believe that simplified criteria make self-assessment more understandable and therefore more accurate. Indeed, it is very difficult for small companies, for example, to evaluate on the "2b" indicator. Policies and strategies are developed based on measurement, research, and data from cognitive and creative activities, which is inconvenient for them. However, although the model is evolving and slightly modified, skills to work with it have also been developed, new opportunities have emerged for its use, and many organizations have realized that this tool can be effective in improving business by sharing experiences based on benchmarking and learning best management practices. In 1999, a significant revision of the model was made and the word "business" was removed from its name (until 1999, the model was called the "EFQM Business

Excellence Model”). This is primarily due to the fact that many NGOs have also seen the EFQM model as a tool for improvement and have used it successfully to improve management quality.

## **Research methodology**

The research methodology is a method of dialectics, and in the research process such methods as experimental, selective observation, comparison, expert evaluation were used.

## **Analysis and results**

We will consider a number of features that make it appropriate to use a ‘business model’ to manage an enterprise’s innovative self-development. According to G. Chesbro, the business model has the following features [8]:

1. Creating the essence of value proposition, i.e. the value that proposition creates for users based on this technology.
2. Identify the market segment, i.e. identify the users to whom this technology is useful and the purpose for which it is to be used.
3. Identify the content of the enterprise value chain required to create and distribute the offer and the additional assets required to support the enterprise’s position in that chain.
4. Identify the mechanism (s) of earnings for the enterprise and evaluate the composition of costs and target gross profit when using the offer, taking into account the options of the selected value proposition and the structure of the value chain.
5. Describe the company’s position in the value chain that connects suppliers and customers, including identifying potential additional participating firms and competitors.

In the task of technologicalization of solutions in the management of innovative self-development of the textile enterprise, it is necessary to determine the overall algorithm of such a solution that meets the requirements of objectivity, consistency, strategy and speed of implementation. Objectivity requirements can be achieved using the EFQM model. These are different areas of activity, forms of ownership and size of textile enterprises. According to a Financial Times survey, the EFQM model is used by 60% of the largest companies in the EU, including Siemens, Bosch, Nokia, Volvo, Yellow Pages, TNT and many other recognized world leaders.

The strategy can be used to periodically implement the consistency requirement, consistently apply trained expert evaluation procedures, and synthesize the results of the implementation of decisions made. The demand for speed is met, for example, by the technology and possible automation of expert evaluation procedures performed using an electronic software package. Many researchers and practitioners point out that the top management of textile enterprises understand the importance of self-assessment in developing objective criteria for performance, but this is not always the case in effective solutions. The main reasons for this situation are that the management and staff of the textile enterprise are not sufficiently prepared in terms of the methodology of applying the models.

The object of research was selected textile enterprises that are part of the Association "Uztextile Industry". In these selected enterprises, a self-assessment method was applied in 2020 to

implement a quality management system (QMS) for enterprises based on the improved EFQM-model developed by us.

In the first phase of this process, the following preparatory work was carried out: the Quality Council was established; developed the Regulation on self-assessment of the enterprise; an action plan for the implementation of SMT at the enterprise; a working group was formed to conduct a self-assessment, consisting of heads of different levels and divisions of the enterprise, competent specialists (external experts) working in the relevant departments; the materials we provided were taken as a basis in the selection of the self-assessment model and methods; the identification of those responsible for conducting the self-assessment in accordance with the various criteria was carried out, and the persons responsible for each criterion and sub-criteria were identified; In order to learn about the procedure and methods of self-assessment of team members and employees of the enterprise, we organized seminars and trainings.

In the second - main stage of the event, a self-assessment was conducted to study the activities of all departments and structural units of the textile enterprise. Based on the analysis of the activities of textile enterprises operating in the country, we have developed an improved EFQM-model, which corresponds to it and can be used in all industrial enterprises of the country.

In the third and final stage of the event, the results were analyzed and based on the results, measures were taken to further improve the level of excellence of the textile enterprise and to develop measures based on the results of the main areas of further improvement of the enterprise. The results of the scores evaluated by the experts were processed and the results obtained were summarized.

The results of the analysis show that due to the implementation of a number of measures in this textile enterprise, the criteria of its "Opportunities" and "Results" groups had approximately equal overall scores: 311 and 303 points, respectively. Based on the values of the model criteria "levels of excellence" using the RADAR method, the initial state of SMT in the textile enterprise and its improvement are nine criteria: "Leadership", "Policy and Strategy", "Human Resources", "Resources and Partners", "Process Management", "Results for Consumers", "Results for Employees", "Results for the Company", "Basic Results of Activities".

Self-assessment of the activities of such textile enterprises was carried out at the following textile enterprises operating in the country: "SANAM" LLC, "BEK MEGA TEXTILE" LLC, "BEST COLOR TEXTILE" LLC, "COTTON TEXTILE" LLC, FULL COTTON LLC Betlis Tekstil LLC.

The implementation of self-assessment in the limited liability company "SANAM" allowed to find directions for improving a number of business processes in its activities. The next step was to identify priorities for improving the activities of the textile enterprise. The self-assessment process should identify areas of activity that can be improved, from issues that require strategic solutions to specific tasks that can be addressed quickly. In this regard, there is a need to identify areas where the development of the textile industry plays the most important role.

In order to improve the quality of activities in the textile enterprise, to identify important priorities for further increase its efficiency, a more in-depth analysis of the results was carried out. The results are presented in Table 1.

**TABLE 1 ANALYSIS OF THE RESULTS OF SELF-ASSESSMENT IN A LIMITED LIABILITY COMPANY "SANAM"**

<b>№</b>	<b>Criteria for self-assessment</b>	<b>The normative level of the criterion</b>	<b>The actual level of the criterion</b>	<b>Differences</b>
1	The leadership role of leadership	10,0	7,1	- 2,9
2	Policy and strategy	10,0	6,2	- 3,8
3	Personnel management	10,0	5,6	- 4,4
4	Resources and partners	10,0	5,4	- 4,3
5	Process management	10,0	6,4	- 3,6
6	Results for consumers	10,0	6,3	- 3,9
7	Results for employees	10,0	4,8	- 5,2
8	Results forth company	10,0	6,7	- 3,3
9	Baseline results of activities	10,0	7,3	- 2,7

**Source:** Author's calculations.

The data in Table 1 show that the untapped opportunities and unfulfilled results in improving the quality of activities, further improving the efficiency of SANAM LLC in the following areas (criteria): In the "Capacity" direction - "Resources and partners", "Process management", "Personnel management", the lack of capacity in these criteria did not ensure the achievement of the desired goal of performance in the following "Results": "Results for employees", "Results for Consumers".

Therefore, the management and staff of SANAM LLC will have to develop and implement an action plan in these areas in the future.

### **CONCLUSIONS AND SUGGESTIONS**

The strategic priorities for the development of the textile industry are:

- Improving product quality and expanding the range;
- transition to innovative development;
- diversification of funding sources;
- development of material and technical base;
- Improving enterprise management.

In addition, in accordance with our proposals, the priorities of the policy of the textile enterprise in the field of improving the efficiency and quality of management were identified, which are:

- formation of a quality management system for production activities on the basis of legal requirements and generally accepted standards;
- development of human resource potential of the enterprise;
- Introduction of a quality monitoring system for training specialists using modern information technologies;

- Continuous improvement of the production process, taking into account the needs and desires of suppliers, employees, society and the state;
- Improving the competitiveness of the enterprise in regional, national and international markets of textile products;
- Strengthening the material and technical base of the textile enterprise.
- effective use of business models in order to improve the management of innovative self-development.

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