

Implementation of European Foundation for Quality Management's Enablers among Jordanian Pharmaceutical Companies: Literature Review

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Abstract

Rapid economic growth has a major impact on income distribution and quality of life, but it also resulted in technological development and increasing competition in the internal-external workplaces. To reduce high risk at the workplace, the European foundation for quality management's enablers is an important aspect and is a largely known model, organizations can apply in order to achieve excellence. This paper highlights the problems in the Jordanian Pharmaceutical companies namely the high closing rate in Jordanian Pharmaceutical companies, and the lack of technological development and knowledge which may be due to a lack of working within the excellence model focus on the entire production process and the resources. The existence of these problems shows that the application of the organization for European Foundation For Quality Managements' enablers will lead to continuous competition and long-term existence in the marketplace. 100 respondents were randomly selected from 15 pharmaceutical companies in Jordan. An exploratory factor analysis was performed and a structured questionnaire was used to summarize the research objectives. Research has shown the effectiveness of applying the EFQM Enablers among Jordanian Pharmaceutical companies.

Keywords: EFQM Model, Excellence Model, Jordan, Jordanian Pharmaceutical Companies.

Introduction

Rapid economic growth has a major impact on income distribution and quality of life, but it also resulted in technological development and increasing competition in the internal-external workplace. According to the Companies control department in Jordan in 2019, 13 Jordanian pharmaceutical companies were completely closed due to the reasons mentioned above. The European Foundation For Quality Management (EFQM model) consists of nine criteria, which are classified into two categories called "enablers" and "results" which is an important aspect to reduce the closure for pharmaceutical companies (Dervitsiotis, 2005). The nine EFQM model criteria are classified based on international literature, The criteria

of “enablers” are (Leadership, People, Strategy, partnership and resources, process,) are the basic factors that cover what an organization does. The criteria of “results” (People results, customers results, society results, and business results), and the 'Results' criteria cover what an organization achieves (Efqm, 2017).

Many scholars have examined the impact of the European foundation for quality management enablers on organizational existence using different (S.M.et al.,2011). In general, previous studies have agreed that EFQM ‘s enablers have a positive effect on performance Dale et al (2016); Espín et al (2020); Boulter et al (2013) Subedi et al (2007)

Some studies that have focused specifically on financial performance have again found a positive impact in implementing EFQM enablers Ashraf et al (2021), while Kafetzopoulos et al (2019) found a positive relationship between EFQM enablers and innovation performance. To ensure continuity in the marketplace, lead organizations try to implement EFQM enablers (Kenkhuis, 2016).

Problem Statement

The importance of the EFQM Enabler stems from the fact that it enables organizations to compete effectively in the marketplace and outperform their peers by gaining a competitive advantage (Jaeger et al., 2016). Therefore, organizations recognize the importance of EFQM enablers to implement EFQM models to meet the turbulent changes and challenges that contribute to their long-term survival. (Dubey,2019). Jordanian pharmaceutical companies face many problems such as a lack of technical knowledge, and the availability of market channels as the local market is small (UN Millennium Development Goals, 2014). (Companies control department in Jordan) state that there are 13 Jordanian pharmaceutical companies due to the reasons mentioned were completely closed. Table 3.1 showed the listed closed Jordanian pharmaceutical companies (Companies control department in Jordan).

Table 3.1

Closed of Jordanian pharmaceutical companies. Companies control department (Jordan) (JO-CCD).

	Pharmaceutical manufacturing company	Closed date
1.	Al Baydar pharmaceutical manufacturing company	2006
2.	Al zayyona pharmaceutical manufacturing company	2014
3.	Al sawsana pharmaceutical manufacturing company	2019
4.	Al shaheen for pharmaceutical manufacturing	2018
5.	Arabi Alami for pharmaceutical trading	2012
6.	Al kina for pharmaceutical trading	2016
7.	Advanced pharmaceutical manufacturing	2016
8.	Sawa pharmaceutical manufacturing company	2016
9.	National Jordanian pharmaceutical company	2016
10.	Meer for pharmaceutical trading	2017
11.	Hanover for pharmaceutical trading	2011
12.	Waw alef mem pharmaceutical manufacturing company	2019
13.	Town center pharmaceutical manufacturing company	2018

Research Objectives

The study would investigate the implementation Of European Foundation For Quality Management's Enablers Among Jordanian Pharmaceutical Companies, the following specific objectives are drawn:

1. To highlight the importance of applying the Europeans Foundation For Quality Managements model among Jordanian pharmaceutical companies.
2. To understand how to implement the Europeans Foundation For Quality Managements enablers.

Theoretical Framework

European Foundation For Quality Management (EFQM)

The EFQM Excellence Model was used in 1992 to enhance European companies position in the competitive global markets (EFQM, 2013). EFQM model has a positive economic impact as it strengthens a company's competitiveness (Gavrila et al.,2005). EFQM recommends that to improve overall efficiency, organizations have to conduct self-assessments as a strategy (Hakes,2007).

EFQM Criteria

EFQM has nine criteria, one to five are grouped as enablers criteria, they are concerned with things that make the health lead organization functions (Leadership, People, strategy, Partnership and resources, Process). Enablers criteria are intended for what an organization does.. Criteria six to nine of the model are grouped as results criteria, they are concerned with the outcome (People results, Customer results, Society results, Business results), and the "results" criteria cover what the organization achieves. 'Results' are driven by 'Enablers' and 'Enablers' are enhanced by feedback from results (EFQM, 2017).

EFQM Benefits

The EFQM Excellence Model is an organizational management system framework designed to support organizations in their quest for a more competitive industry, size, and structure. EFQM helps measure where an organization is on its path to excellence. determine their gaps, and stimulate solutions (Sadeh et al., 2013). EFQM helps organizations to develop measurable goals and vision, and identify the systematic nature of business (cause and effect relationship) (Castilla et al., 2008). EFQM basis recognizes the organization's most successful customers experience whether (internal or external) that can achieve the organizational target guided by the mission statement (Maneesh et al., 2012).

Literature Review

The EFQM model is an excellent quality assessment framework and a great tool for identifying areas for quality improvement (Vallejo et al., 2007). EFQM enablers were implemented to improve the quality standards of Palestinian public and private companies (Baidoun et al., 2018). Strong relationships were based on leadership, resource management, people management, and customer satisfaction (Palani, 2007). A study on German healthcare organizations used the EFQM model, This model has proven to be a quality control tool to gain a competitive advantage (Moeller, 2001). A study in Spain used a quasi-experimental study design with a quality-targeted EFQM enabler, which increased enrollment and reduced length of stay (Vallejo et al.,2007). EFQM model was implemented in the thermal sector to

improve the quality excellence (Dubey, 2019). Human resources and customer outcomes should be given more emphasize in improving the organization (Asadi, 2018).

Leadership

(Bich et al., 2019) state that achieving the differential performance of leadership can positively influence a firm's performance. Mahdi et al (2014) pointed out that their research hypothesis supports that the dimension of leadership can influence competitive advantage. Lianto (2015); Khan (2013) also found that leadership is a resource for strategic decisions that create sustainable competitive advantage. Hili et al (2017) reported that human capital, organizational learning, and leadership have a significant positive impact on organizational performance. Impacts among other variables showed that human capital, leadership, and agency performance have a significant positive impact on competitive advantage. Samsir (2018) indicated that there is a significant impact of mentoring leadership on innovation. Higher leadership directives will lead to higher innovation.

Hunitie's (2018) results indicated that strategic leadership significantly predicted and competitive advantage. In addition, Priadana et al (2021) concluded that strategic leadership has a significant impact on business performance, the competitive strategy does not have a significant impact on business performance, and strategic leadership has a significant impact on competitive strategy.

The People

(Paul et al., 2020) showed that people have an indirect influence on an organization's operational and financial performance. Nyathi et al (2022) found a positive effect of people on performance that the organization-wide gains are enhanced through performance of people. Kumar et al (2016) found that while both customer engagement and employee engagement positively influence company performance, the effect of customer engagement on company performance is stronger. Furthermore, the impact of customer engagement and employee engagement on performance is improved for B2B (vs. B2C) and service (vs. manufacturing) firms.

Strategy

(Alosani et al., 2020) examine empirically the joint effect of strategy on the organizational performance of Dubai Police, and they confirm the effect of strategy on the organizational performance of Dubai Police. Meresa (2019) conduct a case study on DE debit credit and saving institutions in Eastern Tigray, the study found a positive relationship between the strategy and the DE debit credit and saving institutions in Eastern Tigray.

Partnership and Resources

Ming (2020) conduct survey data collected from 257 small- and medium-sized enterprises (SMEs) in Taiwan to study the relationship between partnerships and resources and organizational performance, the results were Results show that superior partnerships and resources enhance organizational performance and gain the competitive advantages. (Yue et al.,2022) Findings of a survey conducted among Chinese sporting goods manufacturers show that partnerships have a positive impact on the organization's sustained performance to achieve a competitive advantage.

Process

Sesar et al (2021) state that internal processes performance has a significant effect on continuous improvement systems for an organization's continued presence in the competitive marketplace. Belekoukias et al (2014); Fullerton et al (2003); Jayaram et al (1999) state that there is a positive effect of Process methodologies on organizational performance. (Singh et al., 2012) state that Business Process Management is regarded as a best-practice management principle that helps organizations achieve competitive advantage.

Conclusion

Companies do not aim to receive quality awards only, but to carry out sustainable development and to assure existence. The role of pharmaceutical companies is critical to public health. These companies are the most affected and face weakness due to failure to use the European Foundation for Quality Management to enable them to achieve competitive advantage and then assure their existence in the marketplace.

Despite Jordan being the fastest-growing country in the last three decades, there are no Jordanian pharmaceutical companies that apply EFQM enablers, the concept is still pending to be widely adopted. Although the private sector is trying to develop its business and follow what is new to achieve a competitive advantage, reach global markets, save costs, and reduce the run-out of important medicines or equipment, the private sector, companies of all kinds generally need to follow new business excellence model such as the European Foundation for Quality Management. It can encourage following the above to improve product quality and create a suitable work environment to achieve competitive advantage and ensure survival and continuity.

This study will contribute to the prior knowledge database and will also help managers of pharmaceutical companies. Specifically, in Jordanian pharmaceutical companies, and large-scale industrial companies to determine the factors affecting competitive advantage, which resulted from a series of tests finally, the results of the study drew a new framework. In previous research, all variables used in the current study and their impact on competitive advantage were rarely used in a single previous study. Meanwhile, it is frequently used as an independent variable. Furthermore, Leadership, People, Strategy, Partnership and Recourses, and Process are the variables, often using each variable separately while addressing its sub-dimensions. Furthermore, the results of this study can contribute to industrial and service companies, medium and small companies, especially pharmaceutical companies in Jordan, in achieving a competitive advantage and trying to maintain their position in the market and continuity and survival. This era. Meanwhile, in Jordan, the concept is still pending to be widely adopted. Although the private sector is trying to develop its business and follow what is new to achieve competitive advantage, reach global markets, save costs, and reduce the run-out of important medicines or equipment, along with the private sector, companies of all kinds generally need to follow the basic factors to enable the European Foundation for Quality Management. It can encourage following the above to improve production quality and create a suitable work environment to achieve competitive advantage and ensure survival and continuity.

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