

THE EUROPEAN BUSINESS EXCELLENCE MODEL AND ITS IMPROVEMENT

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Abstract. Nowadays the practice of self-assessment is the strategy recommended by the EFQM Excellence Model for organizations aiming for improvement on organizational performance. Rigorous self-assessment helps large, small and medium companies work more efficiently, and it is a comprehensive, systematic and regular exercise for the evaluation of companies' activities and results.

Today's customers have higher requirements than ever before. Therefore, in order to be competitive in the twenty-first century, organizations need to improve continuously, meet the standards of excellence in quality and performance. One of the ways to achieve excellence is the use of Business Excellence Models.

The aim of the research is to investigate the improvement possibilities of the performance quality assessment in Latvian enterprises basing on EFQM business excellence model. The hypothesis states that the improving of the EFQM business excellence model used in the performance quality assessment in Latvian companies by including important topical criteria and integrating them into conventional criteria of the model could drive the company to higher level of excellence. The tasks are the following: to study the principles of European business excellence model; to provide the assessment and verification the assumptions included in the EFQM business excellence model with author's improvements by Latvian and foreign business excellence and quality experts; to draw the conclusions and make proposals.

Keywords: *European Business excellence model, improvement, assessment.*

JEL code: L15, L26, M11

Introduction

Organizational excellence is the level that all organizations aim to achieve. Usually, they already have a mature quality management system and are self-motivated to move to total quality management (TQM), expressing it proactively, even when customers had a significant influence in implementation of ISO 9001 (Claver, Tari', Molina, 2002). On the other hand, the social responsibility of organizations has become increasingly important with the emergence of ethical issues, with environmental and social aspects, which enable organizations to increase global perspectives and the integration of several aspects of quality through the Excellence Organizational Models (Talwar, 2011).

The change of paradigm is neither an easy nor a straight process. In fact, despite considering the competitive advantages of the ISO 9000 series extinguished, many organizations do not opt for different models of quality management because of the constraints of different levels. (Wayhan, V.B., Balderson, E.L., 2017). The most common are economic constraints or those related with organizational culture. Therefore, to progress from an ISO 9000 series standard to a position where they can compete by the recognition gained through an EFQM Award there is a long way to go. For the beginning of the self-assessment process, aligning the organizational management with the principles of organizational excellence is mandatory.

According to the statements by L. Porter and S. Tanner, the EFQM business excellence model is a substantial tool of diagnostics providing to the stakeholders learning opportunities aimed to realize the strengths of the company and to discover the possibilities of improvement (Porter, Tanner, 2001). Besides, the aforementioned model can give a company the chance to calculate the difference between the best practice and actual performance (Sampaio, Saraiva, Monteiro, 2012). Due to the model's popularity, practicableness and wide applicability, the author chose it as a basic tool for further research and elaboration of the practical part of her study.

The author points out that a company can avoid the waste of resources via thorough assessment of initial activities, enabling the possibility to channel these resources to the business operations that would facilitate the implementation of business excellence guidelines.

The aim of research is to investigate the improvement possibilities of the performance quality assessment in Latvian enterprises, basing on EFQM business excellence model. The hypothesis states that the improving of the EFQM business excellence model used in the performance quality assessment in Latvian companies by including important topical criteria and integrating them into conventional criteria of the model could to drive the company to higher level of excellence.

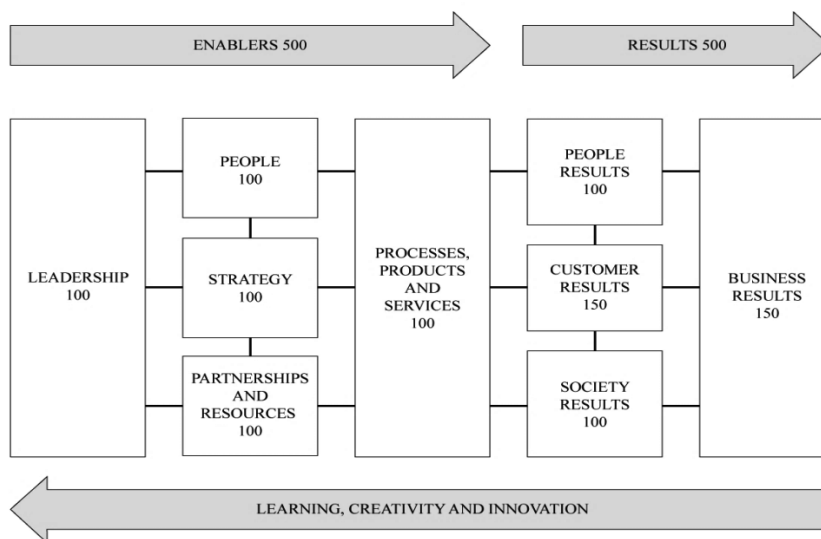
The tasks are the following: to study the principles of European business excellence model; to provide the assessment and verification the assumptions included in the EFQM business excellence model with author's improvements by Latvian and foreign business excellence and quality experts; to draw the conclusions and make proposals.

In order to complete the tasks set by the author regarding the need of EQFM improvement, first and foremost it is necessary to study the guidelines of the EQFM business excellence model and changes to the standard ISO 9001:2015 to identify the corresponding improvable components of the EFQM business excellence model.

Literature Review

The EFQM Excellence Model is the most popular model in Europe and is considered a holistic and integrative approach, in which strategic, managerial and operational control processes are integrated into the model (Dahlgaard-Park, Dahlgaard, 2007). It covers all the most important organizational areas and defines exactly what requirements should be fulfilled therein. Thus, the model serves as a complex tool of self-assessment and simultaneously an approach to excellence. Self-assessment highlights for the organization the strengths and areas of improvement. (Duh, Hsu, Huang, 2012).

The *EFQM* Excellence Model is based on a set of European values, first expressed in the European Convention on Human Rights (1953) and the European Social Charter (revised in 1996). This treaty is ratified by 47 member states of the Council of Europe and the principles are incorporated into national legislation. The Fundamental Concepts of Excellence base on the foundation of these basic human rights, assuming they are universally applied. Recognizing the role business can play in supporting the broader goals of the United Nations (UN), the UN global Compact (2000) was established (Ghicajanu, Irimie, Rares, 2015). This initiative encourages organizations to apply these values actively, set out as principles for sustainable and socially responsible business, across their global operations. Whilst a number of these principles are explicitly covered in the *EFQM* Excellence Model, a number are implicit, including those relating to human rights, corruption, bribery and forced labor, as these are already legal requirements in Europe. For *EFQM* Business excellence model see Fig.1.



Source: Heras-Saizarbitoria, Marimon, Casadesis, 2012

Fig.1. **EFQM Business excellence model**

The model has 9 criteria (*Leadership, People, Strategy, Partnership and Resources, Processes, Products and Services, People results, Customer results, Society results, Key results*) and 32 sub-criteria. Model has 2 parts: Enablers and Results. Total Core 1000 points is divided in 500 points for Enablers and 500 points for the part of Results. The model bases on Fundamental Concepts of Excellence:

1. Leading with Vision, Inspiration and Integrity. Excellent organizations have leaders who shape the future and make it happen, acting as role models for its values and ethics.
2. Developing Organizational Capability. Excellent organizations enhance their capabilities by effectively managing change within and beyond the organizational boundaries.
3. Adding Value for Customers. Excellent organizations consistently add value for customers by understanding, anticipating and fulfilling needs, expectations and opportunities.
4. Creating a Sustainable Future. Excellent organizations have a positive impact on the world around them by enhancing their performance whilst simultaneously advancing the economic, environmental and social conditions within the communities they touch.
5. Harnessing Creativity and Innovation. Excellent organizations generate increased value and levels of performance through continual improvement and systematic innovation by harnessing the creativity of their stakeholders.
6. Managing with Agility. Excellent organizations are widely recognized for their ability to identify and respond effectively and efficiently to opportunities and threats.
7. Succeeding through the Talent of People. Excellent organizations value their people and create a culture of empowerment for the achievement of both organizational and personal goals.
8. Sustaining Outstanding Results. Excellent organizations achieve sustained outstanding results that meet both the short and long-term needs of all their stakeholders, within the context of their operating environment (Sampaio, Saraiva, Monteiro, 2012; Balbastre-Benavent, Canet-Giner, 2011).

Year 2015 brought significant changes to ISO 9000 standards. Subsequently, the author considers important to take into account these changes upon identification of the assumptions to be included into the improved EFQM business excellence model, therefore a general overview of standard sections and comments on necessity of inclusion of other particular issues and their usefulness in context of the improved EFQM business excellence model are provided.

The changes in approach of application are set in the sections of the new ISO 9001: 2015 standard displayed in Table 1.

Table 1

Sections of standard ISO 9001:2015

No.	The parts of Standard
1.	Scope
2.	Normative References
3.	Terms and Definitions
4.	Context of the Organization:
4.1.	Understanding the organization and its Context
4.2.	Understanding the needs and expectations of interested parties
4.3.	Determining the scope of the quality management system
4.4.	Quality Management System and its processes
5.	Leadership:
5.1.	Management commitment:
5.2.	Quality Policy;
5.3.	Organizational roles, responsibilities and authorities
No.	The parts of Standard
6.	Planning;
6.1.	Actions to address risks and opportunities
6.2.	Quality Objectives and planning to achieve them
6.3.	Planning of changes
7.	Support
7.1.	Resources
7.2.	Competence
7.3.	Awareness
7.4.	Communication
7.5.	Documented Information
8.	Operation;
8.1.	Operational planning and control
8.2.	Determination of requirements for products and services
8.3.	Design and development of products and services
8.4.	Control of externally provided products and services
8.5.	Production of products and services
8.6.	Release of products and services
8.7.	Control of nonconforming processes outputs, products and services
9.	Performance evaluation
9.1.	Monitoring, measurement, analysis and Evaluation
9.2.	Internal audit
9.3.	Management review
10.	Improvement
10.1.	General
10.2.	Nonconformity and corrective action
10.3.	Continual Improvement

Source: *Quality Management Systems. Requirements, 2015*

Risk assessment-based thinking allows the organization to diagnose factors that could create derogations from its processes and the forecasted results of the quality management system, apply preventively the management tools and methods to reduce negative impacts and take the new opportunities, which is essential for a company striving for business excellence.

Risk-assessment based analysis is important in order to achieve an efficient quality management system. The concept of risk-based thinking has been indirectly included in the previous issues of the international standard ISO 9001, i.e. in application of preventive measures aimed to dissolve possible incompliances, analysing of any emerged incompliances, carrying out the activities proportional to the impact of incompliance in order to prevent the repetition of inadequacy (Hunt, Dominguez, Williams, 2016). In order to comply with the requirements of the aforementioned

international standard, the organization must plan and implement the activities that include risks and opportunities (Abuhav, 2017). Risk consists of the impact of incertitude, which can be positive or negative. Risk-based positive deviation can give the opportunity, but not all positive impacts of risk will. Therefore, thinking of companies striving for excellence from the point of view of a successful business, risk assessment must be included in EFQM business excellence model (Peckford, 2016).

Basing on new parts of ISO 9001:2015 standard, the author points out that a comprehensive information analysis is one of the most important aspects to be included in the EFQM model and put among the main criteria, since it is the core condition of successful business. Information analysis can include the data on external environment and the results can be applied to increase the competitiveness of the company.

Basing on guidelines of EFQM business excellence model and standard sections of ISO 9001:2015, the author suggests adding to the criteria of leadership and strategy “*the principles of sustainable development and risk assessment*”. It means that nowadays the business must take into account the sustainable development, taking care of environment, work environment and society in general, which is possible only under guidance of strong leader and well-elaborated business strategy (Hoyle, 2017).

As for the criterion “Products, services and processes”, it should include sustainable development. It means, that organizing its business the company must use not only environmentally friendly technologies, but also consider the broadening the range of environment-friendly products (Robitaille, 2015). The sub-criterion “Social perception” must be supplemented by the improvement of company’s image, adding the sustainability component (Cianfrani, West, 2015). The efficiency indexes of this criterion should include the solutions of the environmental problems, thus pointing at the fact, that environment effects are important to the company striving for excellence in business performance (Cochran, 2015). And last, but not least criterion suggested by the author is “Business sustainability” related to the impact of the projects related to natural, working and social environment, which is an integral and significant part of business excellence (Dahlggaard-Park, 2008).

Regarding the assessment of the existing criteria of different business excellence models and changes introduced in ISO 9001:2015 standard, considering the guidelines of business excellence model, the author in her research suggests approbating several assumptions that could essentially improve the EFQM business excellence model to ensure more efficient implementation. These assumptions include Internal and external suppliers; Labour safety and healthcare; Risk assessment; Suppliers; Business excellence; Improvement; External environment of the company and its impact; Comprehensive information analysis and risk assessment; Business sustainability.

Research results and discussion

In order to prove the hypothesis, in June-July 2018 the author carried out the survey of 20 experts – 8 experts from Latvia and 12 experts from abroad with proper experience in assessment of EFQM business excellence model. All persons included in experts’ list are appreciated Latvian and foreign EFQM and quality management specialists; therefore, their participation is of high value. Thus, for instance, among Latvian experts in the survey took part expert A., whose personal qualification is EFQM internal assessor, which means a certification with right to participate in assessment of EFQM business excellence model implementation process as full-scale evaluator. Another expert was experts B., member of the board of Eurofortis, a licensed EFQM IAT coach and the assessor of EQFM Excellence award. One more opinion was provided by expert C., from State Gymnasium, representative of GOA-Solutions (Expert of EFQM excellence model). Latvian experts shared their experience and exchanged opinion with expert D., a qualified assessor of EQFM business excellence model from Italy, expert E., from Greece, who represented EFQM organization and works at Certification department. Experts’ evaluations regarding the importance of EFQM model criteria, sub-criteria and particular aspects in the common EFQM model are displayed in Table 2.

The criteria/sub-criteria and aspects offered by the author and displayed in Table 2 comply with the EFQM model and ISO 9001:2015.

Table 2

Experts' evaluations regarding the importance of EFQM model criteria, sub-criteria and particular aspects in the common EFQM model

Criterion/sub-criterion	Arithmetic mean	Mode	Median	Standard deviation	Significance of the criterion in the model
1. Criterion: Leadership. Proportion of the criterion in model 10.	9.6	10	10	0.3	9.7
Sub-criterion. 1.a Leaders develop the mission, vision, values and ethics and act as role models. Proportion of the sub-criterion in criterion 15.2.	9.3	9	10	0.5	9.4
Sub-criterion 1.b Leaders define, monitor, review and drive the improvement of the organisation's management system and performance. Proportion of the sub-criterion in criterion 13.5.	8.0	8	8	0.4	8.3
Sub-criterion 1.c Management encourages the creation, implementation and continuous improvement of efficient management system basing on principles of sustainable development and risk assessment and taking into consideration both short and long term goals. Proportion of the sub-criterion in criterion 14.6.	8.8	9	9	1.3	9.0
Sub-criterion 1.d Leaders engage with external stakeholders. Proportion of the sub-criterion in criterion 13.8.	8.8	9	9	1.0	8.5
Sub-criterion 1.e Management sustains the culture of excellence among employees basing on sustainable development. Proportion of the sub-criterion in criterion 15.3.	9.5	9	9	1.6	9.5
Sub-criterion 1.f Leaders ensure that the organization is flexible and manage change effectively. Proportion of the sub-criterion in criterion 12.9.	8,3	8	8	1.7	8.0
Sub-criterion. 1.g Management identifies the necessary changes to the company and leads their implementation basing on principles of sustainable development and risk assessment in long term. Proportion of the sub-criterion in criterion 14.6.	8.3	8	8	1.9	9.0
2. Criterion – Strategy. Proportion of the criterion in model 9.5.	9	9	10	0.1	9.2
Sub-criterion 2.a: Strategy is based on understanding the needs and expectations of both stakeholders and the external environment. Proportion of the sub-criterion in criterion 16.8.	9.3	9	10	1.3	9.1
Sub-criterion 2.b: Strategy bases on understanding of needs and wishes of the interested stakeholders and external environmental requirements in terms of sustainable development as well as on risk assessment. Proportion of the sub-criterion in criterion 17.3.	9.0	8	9	1.2	9.4
Sub-criterion.2.c: Strategy bases on assessment of current situation and potential opportunities. Proportion of the sub-criterion in criterion 16.2.	8.5	8.5	9	1.4	8.8
Sub-criterion 2.d: Strategy bases on assessment of current situation and sustainable development. Proportion of the sub-criterion in criterion 15.5.	8	8	9	1.2	8.4
Sub-criterion 2.e: Strategy and the respective supporting activities are elaborated, reviewed and updated according to the principles of sustainable development and risk assessment. Proportion of the sub-criterion in criterion 17.7.	9.5	9	9	1.5	9.6
Sub-criterion 2.f: Strategy and supporting policies are communicated, implemented and monitored. Proportion of the sub-criterion in criterion 16.6.	8.8	9	8	1.1	9.0
3. Criterion – People. Proportion of the criterion in model 10.	9.5	10	9	1.1	9.7
Sub-criterion.3.a: People plans support the organization's strategy. Proportion of the sub-criterion in criterion 14.2.	8.3	8	8	1.0	8.7
Sub-criterion.3.b: Staff employment bases on equal opportunities of the employees, ethic conducts and sustainable thinking. Proportion of the sub-criterion in criterion 14.1.	8.0	8	8	1.8	8.6

Sub-criterion 3.c: Inclusion of employees with special needs in work environment. Proportion of the sub-criterion in criterion 12.9.	7.5	7	7.5	0.9	7.9
Sub-criterion.3.d: People's knowledge and capabilities are developed. Proportion of the sub-criterion in criterion 14.3.	9.0	9	9	0.7	8.7
Sub-criterion 3.e: People are aligned, involved and empowered. Proportion of the sub-criterion in criterion 13.8.	8	7	7.5	1.3	8.4
Sub-criterion. 3.f: Efficient employees' communication system and reduction of the related risks. Proportion of the sub-criterion in criterion 15.7.	9.8	10	9	0.3	9.6
Sub-criterion 3.g: People are rewarded, recognised and cared for. Proportion of the sub-criterion in criterion 14.9.	9.0	9	9	1.0	9.1
4. Criterion: Partnerships and resources. Proportion of the criterion in model 9.5.	9	9	9	0.6	9.2
Sub-criterion 4.a: Partners and suppliers are managed for sustainable benefit. Proportion of the sub-criterion in criterion 22.1	9.8	9	10	0.5	9.7
Sub-criterion 4.b: Finances are managed to secure sustained success. Proportion of the sub-criterion in criterion 18.5	8.3	8	8	1.1	8.1
Sub-criterion 4.c: Buildings, equipment, materials and natural resources are managed in a sustainable way. Proportion of the sub-criterion in criterion 19.9	9	9	9	1.3	8.7
Sub-criterion 4.d: Management applies technologies to support the strategy implementation in long term. Proportion of the sub-criterion in criterion 20.1	9	8	9	1.3	8.8
Sub-criterion 4.e: Managed information and knowledge, assessment of the related risks in order to support the adoption of efficient decisions and increase the competitiveness of the company both in short and long term. Proportion of the sub-criterion in criterion 21.2	9.0	9	9	1.3	9.3
5. Criterion: Processes, products and services. (Proportion of the criterion in model 10)	9.5	9	9.5	0.3	9.7
Sub-criterion 5.a: Elaboration and management of processes in order to increase their value according to the needs of interested stakeholders, assessment of possible risks. Proportion of the sub-criterion in criterion 19.5	8.5	9	8.5	0.6	8.9
Sub-criterion.5.b: Development of products and services in order to increase their value according to the customers' needs in long term. Proportion of the sub-criterion 20.6	9.0	9	9	1.0	9.4
Sub-criterion 5.c: Products and services are effectively promoted and marketed. Proportion of the sub-criterion in criterion 18.2	8.5	8	8.5	1.4	8.3
Sub-criterion 5.d: Products and services are elaborated, supplied and lead according to the principles of sustainable development. Proportion of the sub-criterion in criterion 20.6	9.0	9	9	1.0	9.4
Sub-criterion 5.e: Company improves relationship with customers basing on principles of sustainable development. Proportion of the sub-criterion in criterion 21.2.	9.3	9	9	0.7	9.6
6. Criterion: Customer results. Proportion of the sub-criterion in criterion 10.	10.0	10	10	0.1	10
Sub-criterion.6.a: Perceptions. Reputation and image, product and service value, product and service delivery, Customer service, relationship and support, Customer loyalty and engagement. Proportion of the sub-criterion in criterion 53.3.	9.8	9; 10	10	0.4	9.8
Sub-criterion 6.b: Performance Indicators. (Product and service delivery, Customer service, relationships and support, Complaints handling, Involvement of customers and partners in the design of products, processes, etc. Proportion of the sub-criterion in criterion 46.7.	8.8	9	9	0.9	8.6
7. Criterion: People results. Proportion of the sub-criterion in criterion 10.	10.0	10	10.0	0.1	10
Sub-criterion 7.a: Perceptions. Satisfaction, involvement and engagement, Motivation and empowerment, Leadership and management, Competency and performance management, training and career development, Effective communications, working conditions. Proportion of the sub-criterion in criterion 53.5.	9.8	9	10	0.3	9.9

Sub-criterion 7.b: Performance Indicators. Involvement and engagement activities, Competency and performance management activities, Leadership performance, training and career development activities, Internal communications. Proportion of the sub-criterion in criterion 46.5.	8.8	8;9	9	0.3	8.6
8. Criterion: Society results. Proportion of the criterion in model 10	9.5	9	9.5	0.2	9.7
Sub-criterion 8.a: Perceptions. Image of the organization – as employer, responsiveness in contacts; performance of organization as a responsible member of the society – ethical conducts; role of the organization in the life of the local community – involvement in education and training – support in sports and recreation activities, accidents and health risks, noises and smells, image regarding the sustainability assurance. Proportion of the sub-criterion in criterion 53.6.	8.8	9	9	0.8	9.0
Sub-criterion 8.b: Efficiency indexes. Cooperation with authorities in such issues as certification, import/export, new products, solutions of environmental problems. Proportion of the sub-criterion in criterion 46.4.	7.5	8	8	1.1	7.8
9. Criterion: Business results. Proportion of the criterion in model 10	9.8	10	9.5	0.6	9.7
Sub-criterion 9.a: Business Outcomes. Financial outcomes, Business stakeholder perceptions, performance against budget, Volume of key products or services delivered, key process outcomes). Proportion of the sub-criterion in criterion 51.6.	9.5	9	9	0.5	9.8
Sub-criterion 9.b: Business Performance Indicators. Financial indicators, project costs, key process performance indicators, partner and supplier performance, technology, information and knowledge). Proportion of the sub-criterion in criterion 48.4.	9.3	9	9	0.2	9.2
10. Aspect “External environment of the company and its impact”. Proportion of the sub-criterion in criterion Proportion of the aspect in model 90.	9.0	9	9	0.9	9.3
11. Aspect ”Comprehensive information analysis and risk assessment”. Proportion of the aspect in model 90.	8.5	9	9	0.3	8.8
12. Aspect. Business excellence 100.	9.7	10	9.5	0.2	9.9
13. Criterion: Business sustainability. Proportion of the criterion in model 100.	9.6	10	10	0.2	9.7

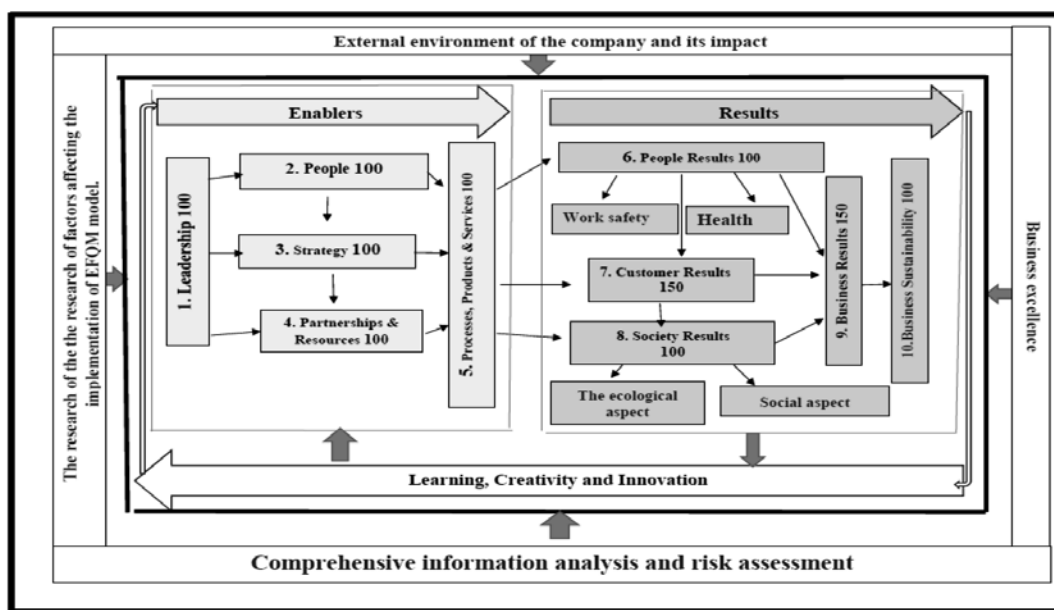
Author's calculations based on survey in 2018 (n=20)

Rating scale 0-10, where 0- criterion is not important for the inclusion in EFQM model, 10 – criterion must be included in EFQM model

To summarize the opinion of the experts, the author used Google Forms questionnaire aimed to find out the importance of different criteria, sub-criteria and particular aspects of EFQM business excellence model offered by the author in the context of common EFQM model. Basing on evaluations provided the author elaborated an improved EFQM excellence model. The author applied the rating scale from 1 to 10, where 1 meant that the criterion, sub-criterion or aspect was not qualifying for inclusion in EFQM model, but 10 meant that the criterion, sub-criterion or aspect must be included in the model. In addition to the importance of criteria and sub-criteria in the common model, the experts had to assess the “weight” of each of the indicated criteria, sub-criteria and aspects. The author concludes that in total the importance and “weight” were assessed similarly due to the experience and perception of the experts regarding the significance of the criterion, its impact to the competitiveness or role in excellence of the company. Different personal experience could generate some particular differences in ratings. At the end of the questionnaire, the experts had the opportunity to express their opinion regarding the criteria, sub-criteria and aspects that should be included in EFQM business excellence model providing the “weight” of the elements in the model, respectively. Due to the fact, that some aspects, such as “Internal and external suppliers”, “Risk assessment” and “Improvement” scored less than 5 points, the author excluded them from the approbated model.

According to the table, in total the expert evaluations, the dominating values in rating of the criteria, sub-criteria and particular aspects were 8 to 10 points out of 10, which means, that the overall rating of the elements included in the questionnaire was high with few exceptions.

The new EFQM business excellence model should include such important aspects as the external environment and its impact on the company, comprehensive information analysis and risk assessment, and business excellence. Experts participating in the approbation of the model named all aforementioned criteria important. Thus, for instance, the mean value of the aspect “External environment and its impact on the company” was 9 (Mode-9, median-9). The mean value of the aspect “Comprehensive information analysis and risk assessment” was 8.5 (mode-9, median-9). The mean value of the criterion “Business sustainability” was 9.2 (mode-9, median9-9.0), meanwhile the mean value of the sub-criterion “Indexes of the impact from the projects related to nature, working and social environment” reached 9.5 (mode-9, median-9.0). Thus, the high importance of the improvements suggested by the author and approved by the experts in the context of common EFQM business excellence model are proved, concluding, that these criteria should be included in the model.



Source: elaborated by the author basing on Survey (n=20) and standard ISO 9001:2015
 Rating scale 1-10, where one-the criterion is not important for the inclusion in EFQM model, 10 – criterion must be included in EFQM model

Fig 2. Improved EFQM business excellence model

Based on a study, the author points out that:

1. In order to comply in due quality with the guidelines of EFQM business excellence model aimed to achieve short- and long-term goals, which is important for the implementation of company’s strategy and risk identification, the sub-criteria of the criterion “Leadership” should be supplemented by the indication about sustainable development.
2. In order to guarantee the successful the company’s activities in long term in the constantly changing business environment, the author suggest amending the sub-criteria of the criteria “Strategy” adding the indication about necessity of sustainable development and risk assessment.
3. To reduce the amount of incorrect or imprecise information, the criterion “Human Resources” should include the sub-criteria with indication on guaranteed equality, sustainable thinking as well as risk reduction in communication with staff.
4. To make the company implement its strategy in long term and reduce possible risks related to the insufficient knowledge and information for the decision-making, the sub-criteria of the criterion “Partnerships and resources” are supplemented with the indication about risk reduction possibilities.
5. In order to comply precisely with the needs and wishes of all interested stakeholders as well as in order to ensure the company’s operations basing on principles of sustainable development, the sub-criteria of the criterion “Products, services, processes” are supplemented with the indication about risk assessment.

6. In order to strengthen the positive image of the company in the society the sub-criterion of the criterion “Social results” is supplemented with the indication on image in the context of sustainability, making long-term contributions, respectively.

The author believes that the model shall keep the conceptually adopted principle of the existing model regarding the sequence: approach – results followed by the training and improvements, but the implementation mechanism needs changes, including in the model some particular aspects and a new criterion – “Business sustainability”, which is directly related to business excellence.

Before introduction of the EFQM business excellence model, the management of the company must assess the stimulating and impeding factors in order to reduce the possible obstacles to the implementation of the model and encourage the competitiveness by maximizing the influence of the stimulating factors.

The aspect of comprehensive information analysis and risk assessment interacts with the implementation of every criterion since the quality of the decision-making depends on analysis (interpretation) and scope of available and necessary information in order to define strengths and weaknesses of the company, change strategy, introduce improvements, reduce possible business risks etc. Dealing with risks and opportunities is the first step to efficient quality management system in order to improve the results and prevent negative impacts. The opportunities can emerge in the situation that is favourable to achieve the expected results, for instance, in circumstances allowing the organization to attract customers, elaborate new products and services, reduce losses and improve the productivity. The activities for taking opportunities may include the consideration of the related risks.

The analysis of the external environmental factors of the company envisages taking into account the impact of the external environment in the context of each criterion. For example, in the criterion “Employees”, while planning the human resource management, the company should consider the common trends of the employment market.

Conclusions, proposals, recommendations:

1. Author’s hypothesis that “the improvement of the EFQM business excellence model to be applied in the quality assessment process in Latvian companies, including new criteria and integrating them with the conventional criteria of the model, can give the opportunity to increase the business competitiveness and drive it towards higher level of excellence” is proved by the data approbation of the qualitative research carried out by the author.
2. The Fundamental Concepts of Business excellence model are following: Leading with Vision, Inspiration and Integrity, Adding Value for Customers, Creating a Sustainable Future, Harnessing Creativity and Innovation, Developing Organizational Capability, Sustaining Outstanding Results, Succeeding through Talent of People, and Managing with Agility.
3. Basing on guidelines of EFQM business excellence model, experts’ opinion and changes introduced in the standard ISO 9001:2015, the author has elaborated an improved version of EFQM business excellence model, including the aspects: “External environment and its impact to the company”; “Comprehensive information analysis and risk assessment”; “Business excellence”; criterion “Business sustainability” with a corresponding sub-criterion **“Indexes of impact from projects related to natural, working and social environment”**, all of them aimed to achieve higher level of business excellence.
4. In order to prove company’s readiness to take part in solutions of different environmental issues aimed to improve its public image, the sub-criterion of the criterion “Social results” is supplemented with the indication about the dealing with environmental problems.

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