

# Providing a performance management model based on BSC and EFQM models in mining and industrial companies throughout Gohar

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**Abstract**

The aim of this study is to present a performance management model based on BSC and EFQM models in Golgozar Mining industrial companies. The research method is applicable-developmental, and the research method is descriptive-correlational, using structural equation modeling. The statistical population of the study includes 940 employees of Golgozar Mining and Industrial Company, of whom 270 were selected by simple random sampling using the Cochran formula. To collect research data, three questionnaires; BSC, EFQM, and performance management, were used, whose validity and reliability were appropriate and acceptable. Data analysis was performed using SPSS and AMOS statistical software. The results of structural equation modeling show that the conceptual model of performance management using the BSC and EFQM models in Golgozar Mining and Industrial Company has an acceptable fit, and the balanced scorecard and organizational excellence models, if integrated can provide a suitable framework for performance management in Golgozar Mining and Industrial Company by covering each other's weaknesses.

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## Extended Abstract

### Introduction

Undoubtedly, what distinguishes our world today from the world of organizations a few decades ago is the unstable and complex environment, increasing competition, rapid change and developments, and the increasing development of communications (Siraj & Hågen, 2023); and, on the other hand, the remarkable and continuous developments in management knowledge that have made the existence of an effective performance management system inevitable for organizations (Ohlig et al, 2021); in such a way that the lack of evaluation in various dimensions of the organization (including the evaluation of the use of resources and facilities, employees, goals and strategies) is considered as one of the symptoms and diseases of the organization (Shen et al, 2021). Therefore, all organizations are somehow involved in the issue of organizational performance evaluation; but what they do not agree on are the frameworks, methods and processes (Ehmann et al, 2023).

Performance management is a system for measuring the performance of human resources based on defined and agreed indicators (De Rooij et al, 2019). The goal of such a system is an economic and exploratory assessment of the various activities of an organization (Cvetkoska et al, 2023). In an organization, each individual needs to be aware of their position and performance in order to achieve the set goals and progress in their work [including reducing costs and waste, increasing productivity and efficiency and profits, increasing the satisfaction of those who refer to the organization with the services provided, improving the organization's output results, etc.] (Leviäkangas, 2021). Such awareness allows individuals to be aware of the weaknesses and strengths of their performance and behaviors, and to take the necessary measures to make their efforts more effective (Nguyen & Dao, 2023). BSC establishes a connection between strategic goals and criteria, and is responsible for planning goal setting and strategic alignment (Sarraf & Nejad, 2020). EFQM, as a comprehensive model for measuring the performance of organizations through the design and implementation of an organizational performance assessment system, analyzes their level of intelligent mobility in the optimal design of the movement path, the optimal implementation of goals, the review of the results obtained, and the measurement of the effectiveness of the actions taken; and determines the level of success of organizations in achieving excellence (Romero del Castillo et al, 2021). EFQM is also a methodological framework for evaluating the performance of organizations in two areas: processes and the results of these processes. The achievements of the assessment in this model are the strengths of the organization and its areas for improvement, which suggest a list of prioritized programs to achieve improvements. Based on the lessons learned from Total Quality Management (TQM), paying attention to the eight fundamental values and concepts is a prerequisite for the success and continuous improvement of organizations (Bourillon et al, 2020). Based on the above, the researcher tries to address the main question: What is the performance management model based on the BSC and EFQM models in mining and industrial companies?

### Theoretical Framework

#### Performance Management

Performance management is a process for achieving the business and overall goals of the organization through greater employee participation in activities, and performance appraisal [in the realm of performance management] is defined as an effective means of monitoring and developing employees in work groups (Dolatiet al, 2020). Performance management is a systematic approach that leads to improved organizational performance through the processes of setting strategic goals, measuring, collecting and analyzing data, reviewing performance data reports, and applying its results (Bitkowska, 2018).

Shariati et al, (2024) investigated the identification of factors affecting employee performance management with a human resource development approach in research and technology organizations. According to the interviews conducted, 6 dimensions of the paradigm model, 23 components, and 105 indicators were extracted. Then, according to the paired comparison questionnaire to identify influential and influenced dimensions, it was determined that among the 23 components, the components of the workplace, laws and regulations, socio-cultural factors, human resource planning, role clarity, performance measurement, organizational climate, reward system, employee communication, training, performance evaluation, professional ethics, leadership style, and motivational factors are the most influential, respectively.

Nasiri et al, (2024) investigated the design of a general employee management model with an emphasis on performance management. The findings of the qualitative section showed that the major and core categories in the form of six dimensions of causal conditions, pivotal phenomenon, contextual conditions, intervening conditions, strategies and consequences were upgraded to a higher abstract level, and finally the paradigmatic model of the research was presented. In the quantitative section, the general management model was also approved.

### **Research Methodology**

Regarding its purpose, the research method is applicable-developmental, and descriptive-correlation research method, of structural equation modeling type. The statistical population of the research includes 940 employees of the Golgohar Mining and Industrial Company, of whom 270 were selected by the Cochran formula using simple random sampling. To collect research data, three questionnaires were used: BSC, EFQM and performance management, whose validity and reliability were appropriate and acceptable.

### **Research findings**

Data analysis was carried out using SPSS and AMOS statistical software. The results of structural equation modeling show that the conceptual model of performance management using the BSC and EFQM models in Golgohar Mining and Industrial Company has an acceptable fit, and the balanced scorecard and organizational excellence models, if integrated, can provide a suitable framework for performance management in Golgohar Mining and Industrial Company, by covering each other's weaknesses.

### **Conclusion**

The present study was conducted with the aim of presenting a performance management model based on the BSC and EFQM models in Golgohar mining and industrial companies. The results of this study are consistent with the results of Shariati et al, (2024), Nasiri et al, (2024), Mahdavian sadr et al, (2022), Ismail & Amin (2021), Karaevli (2021), Shirtaheri et al, (2020), Kim (2020), Baruch (2019), and Deft (2019). Kim (2020) concluded that the performance evaluation model, a combination of the balanced scorecard and organizational excellence models, is effective in managing the performance of the insurance industry. Baruch (2019) showed: Prioritizing the improvement projects proposed by the EFQM model, according to the strategic and long-term goals of the organization, seems necessary. Karaevli (2021) in a study showed: the balanced scorecard (BSC) and the European Quality Model (EFQM) are tools for evaluating the performance of the organization with the aim of continuous organizational improvement. Given the expansion of organizational performance management methods, it is necessary to pay sufficient attention to choosing a method that will result in the highest possible return on investment.

According to the results of the study, the following suggestions are made:

-It is recommended to the managers of Golgohar Mining and Industrial Company; Considering the relationship between strategic goals (BSC goals) and the criteria of the Excellence Model (EFQM) to determine the level of achievement of goals and also to increase the efficiency of these goals, use the EFQM criteria. For example: to achieve the goal of growth and learning, pay special attention to the criteria of leadership, strategy, employees and partners.

-It is recommended; special attention should be paid to the criteria of the excellence model because these factors can provide a reliable understanding of the assumptions, needs and expectations of customers, global markets for greater competitiveness, as well as continuous improvement of processes based on the precise identification of situations and demands through the analysis of customer data, operational data and external benchmarks, etc.