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## **SELF-ASSESSMENT METHOD AS A BASIS FOR IMPROVING THE ENTERPRISE MANAGEMENT SYSTEM**

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### ***ABSTRACT***

The development of systematic quality management of all types of activities of domestic enterprises becomes a factor in their competitiveness, both on the national and international trade markets. The leaders of Kazakhstani companies are increasingly beginning to pay attention to modern management concepts and theories, which form the cornerstone of the work of many leading foreign firms, focused primarily on the development of strategic plans for their development using assessment criteria of the strengths and weaknesses of activities, as well as allowing to analyze real opportunities, resources and vulnerabilities of the enterprise in relation to the external environment. One of these tools is the method of self-assessment of the enterprise, which allows you to get a complete picture of its activities, to find out whether its consumers, staff, partners, suppliers, shareholders and society as a whole are satisfied. At the same time, the application of self-assessment in practice will provide a systematic approach to business improvement, which requires an international standard in the field of quality. In this regard, the issues of studying the content, methods, models and process of self-assessment, its place and role in the quality management system of an enterprise, as one of the key steps towards rooting the philosophy of quality in the practice of the activities of Kazakhstani companies, are becoming relevant. The article presents the results of a practical approach to the use of the mechanism of self-assessment of activities in the formation and improvement of the organization's quality management system.

**Keywords:** quality management system, quality tools, system management, self-assessment, improvement, enterprise, areas of activity, competitions in the field of quality.

### ***INTRODUCTION***

The issues of increasing the competitiveness of enterprises are especially relevant for the Republic of Kazakhstan today. To solve this problem, the top management of any organization needs to create an effective management system focused on achieving strategic goals, the result of which is an increase in profits, profitability, turnover of funds, and an increase in customer satisfaction and loyalty. To this end, a variety of methods and approaches are used to ensure continuous improvement and improvement of the company's activities, including the self-assessment method, which is based on a comprehensive, systematic, regular self-analysis by the divisions of their activities and the results achieved in accordance with the goals and criteria [1].

The widespread and recognized worldwide awards in the field of quality, such as the Japanese Deming Prize, the American Baldrige Prize, the European Prize, the RF Government Prize, the CIS Prize, etc., are based on methods: self-assessment of companies'

performance, study of advanced enterprises and focus on the best achievements (assessing the level of competitiveness) in order to determine goals and directions for improving activities [2]. The criteria proposed by the quality awards allow any enterprise and in any field of activity to outline the directions of its development in order to achieve more efficient production and obtain better quality and more competitive products. The obtained analytical information, based on the process model of the company's management system, is used in order to make informed decisions about further directions of development of the activities of divisions and the enterprise as a whole. Performing this self-assessment allows you to trace the dynamics of improvement and helps to build a company that operates in accordance with the principles of continuous improvement. And timely correction of the identified weaknesses of activities will help prevent the decrease in the importance of the strengths of the organization, maintain and increase its competitiveness. Self-assessment results become a mechanism for continuous internal improvement of the enterprise management quality system and serve as the initial data for strategic planning of improvements.

In the Republic of Kazakhstan, an analogue of such a prize is the Prize of the President of the Republic of Kazakhstan "Altyn Sapa", established by the Decree of the President of the Republic of Kazakhstan dated October 9, 2006 No. 194 "On the competition for the prize of the President of the Republic of Kazakhstan" Altyn Sapa "in order to build a new economy in Kazakhstan, develop its own production and continuous improvement of the quality of goods and services [3] Participation of Kazakhstani enterprises in this competition allows them to develop an effective system for monitoring the work of all their divisions, based on the application of the self-assessment method, which is extremely important for every enterprise in our country. competing for an award in the field of quality are the main guidelines of the applicant enterprises, however, the existing lack of recommendations and methods does not allow some enterprises to fully fulfill these criteria, which leads to inconsistencies in the documents submitted by applicants, and, consequently, rejection of applications. Considering the above, the development of recommendations and methods for the formation of the necessary documentation based on the application of the self-assessment method is an urgent task not only for Kazakhstani enterprises and organizations planning to participate in such a competition, but also for enterprises that want to create strategies that are not only well-grounded in terms of the corresponding market and assessments of the future state of the elements of the business environment, but also effective and implemented on the basis of reasonable assumptions concerning the organization itself.

The results of self-assessment, when a single set of criteria is applied to the activities of the organization, allow to agree on a common understanding of what the organization as a whole, its individual divisions and each employee should do, based on the company's policy and strategy in the field of quality, to identify and analyze the processes in which it is possible to introduce improvements, to recognize and stimulate the achievements of each department or employee, and most importantly, to compare with the best results achieved both by this organization and by other organizations.

For a correct understanding and application of the self-assessment method, it is necessary first of all to study the international standard ISO 9004, which is part of the 9000 series of ISO standards. This standard is a methodology for the formation of self-assessment and self-diagnosis of any enterprise, as it is designed to achieve sustainable success through consistent and balanced satisfaction of the needs and expectations of all stakeholders [4].

## MATERIALS AND METHODS

The international standard ISO 9004 has evolved along with the development of the quality management system, going through 5 stages of its version, starting in 1987, but at its core it contained guidelines for improving and developing the QMS, which. implemented by enterprises. Key changes in ISO 9004 occurred with the release of version 4 in 2009 - ISO 9004: 2009, when models of business excellence appeared (EFQM, Baldrige Award, etc.), which offered a variety of systems for assessing the performance of organizations. However, at the time, they did not provide information on how organizations can improve their scores. In this regard, ISO 9004: 2009, as a guide to sustaining success, was the link between QMS requirements and business excellence models. The release of version 5, ISO 9004: 2018, offers a broader set of recommendations aimed at ensuring the quality of the organization as a whole. They apply to the entire management system and are focused on the organization's achievement of sustainable success through consistent and balanced satisfaction of the needs and expectations of all interested parties. Its structure reflects the logic of building a management system in order to achieve sustainable success for the organization [5].

ISO 9004: 2018 provides clause 8.3.4 Self-assessment, which provides for a comprehensive and systematic analysis of the functioning of the organization and its performance in terms of its degree of maturity. What does this mean? Each enterprise, on the basis of the methodology given in this standard, must gradually apply its criteria, but taking into account the specifics of its activities. So, for example, you need to start by analyzing the level of maturity of the enterprise, which are subdivided into 5 levels and by them. and identify your strengths and weaknesses. Table 1 shows the form for filling out the self-assessment elements and criteria related to the levels of maturity [6].

Table 1 - Model of self-assessment elements and criteria associated with levels maturity

| Key element | Maturity level towards sustainable success |         |         |         |                                   |
|-------------|--|---------|---------|---------|-----------------------------------|
|             | Level 1                                    | Level 2 | Level 3 | Level 4 | Level 5                           |
| Element 1   | Criterion 1<br>Base level                  |         |         |         | Criterion 1<br>Best<br>experience |
| Element 2   | Criterion 2<br>Base level                  |         |         |         | Criterion 2<br>Best<br>experience |
| Element 3   | Criterion 3<br>Base level                  |         |         |         | Criterion 3<br>Best<br>experience |

A step-by-step methodology for an organization's self-assessment is to:

1) define the scope of self-assessment in terms of the parts of the organization to be assessed and the type of assessment, for example:

- self-assessment of key elements;
- self-assessment of detailed elements based on this International Standard;
- self-assessment of detailed elements based on this International Standard with the addition of additional or new criteria or levels;

2) determine the person responsible for the self-assessment and the timing of its implementation;

3) determine the procedure for conducting self-assessment: by a group (cross-functional or other by the corresponding group) or by individual performers. The self-assessment process can facilitate the appointment of a coordinator;

4) determine the levels of maturity of each individual process of the organization. This should be done by comparing the current state of affairs in the organization with the examples listed in the tables and identifying elements already in use by the organization, starting at level 1 and progressing to higher levels of maturity. The current level of maturity is the highest level of maturity achieved by the organization without any non-compliance with the lower-level criteria;

5) reflect the results obtained in the report. This allows you to record the results achieved over a certain period of time and promotes the dissemination of information both within the organization and outside it. Use of graphics in such a report can help spread awareness of the results achieved

6) assess the current performance of the organization's processes and identify areas for improvement and / or innovation. Such opportunities should be identified during the assessment process and develop appropriate action plans.

An organization can be at different levels of maturity in relation to different elements. Gap analysis can assist top management in planning improvement actions and / or the introduction of innovations necessary to take individual elements to a higher level, and in prioritizing them.

Fig. 1 shows a model of the results of self-assessment, which allow you to build in the future tactics and strategy for improving the enterprise management system [5].

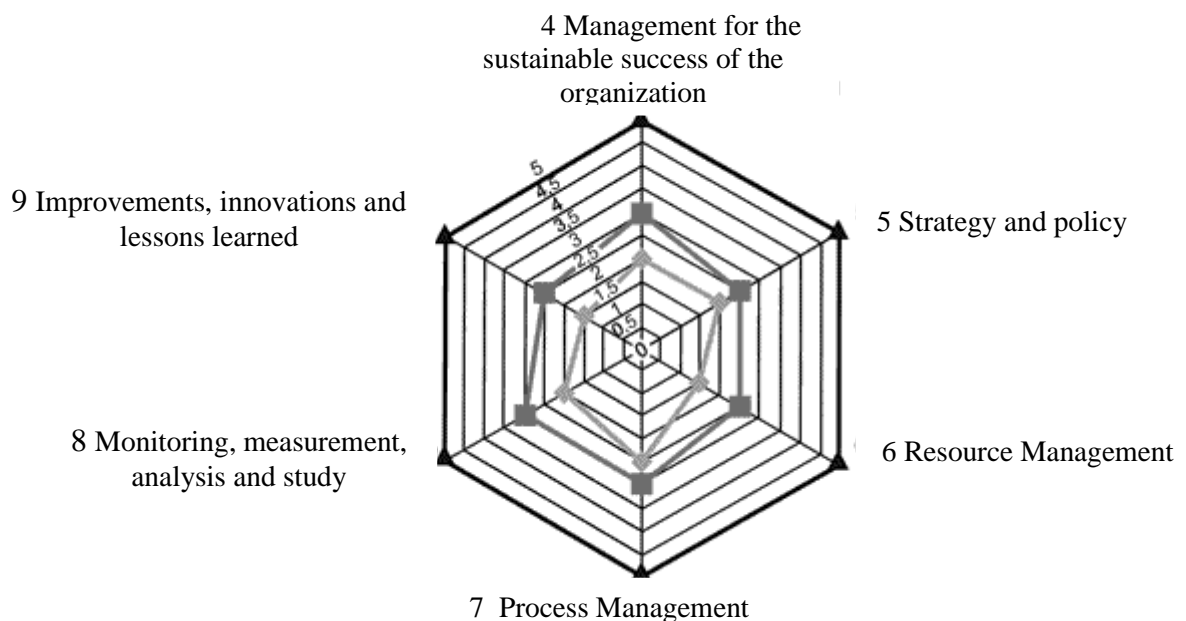


Fig 1. Self-assessment results model

Based on the results of the self-assessment, a plan for improvement and / or innovation should be drawn up,

which should be used as background information when conducting higher planning and review guidance based on the elements of this International Standard.

The information obtained as a result of self-assessment can also be used [7]:

- for comparative analysis and dissemination of knowledge within the organization (comparisons can be made between organizational processes and, where applicable, between divisions);
- for benchmarking with other organizations;
- to monitor the progress made by the organization over a period of time, by periodic self-assessments;
- to identify areas for improvement and set priorities.

At this stage, the organization should assign responsibilities and accountabilities for the selected activities, assess and allocate the necessary resources, and determine the expected benefits and any associated risks.

## **RESULTS AND DISCUSSION**

The study of the criteria of the international standard ISO 9004 for the application of self-assessment methodology allows enterprises to use the assessment a scale that includes five levels of maturity of the organization according to 31 criteria, which cover all the content sections of the standard. In the standard, for each of the criteria, separate tables are provided, in which a special column is provided for recording the results of self-assessment and comments. This self-assessment toolkit, which includes a set of recommendations for improving the quality of management, is one of the most advanced models of business excellence, which is considered the highest level of self-assessment. Thus, a company must conduct two types of self-assessments - a self-assessment of key elements and a detailed self-assessment of elements. The first type of self-assessment is carried out periodically by the top management of the company to get a general idea of the organization's behavior and the current performance of its activities. The list of assessed key elements is shown in Table 2 and is formed depending on the component of the management system, such as - Leadership, Strategy and Policy, Resources, Processes, Monitoring and Measurement, Improvement, Innovation and Learning.

Table 2 - List of estimated key elements of the company QMS

| Components of the QMS                  | Key element of assessment                                   |
|--|---|
| Management                             | What is management focused on?                              |
|  | What is the leadership approach?                            |
| Strategy and policy                    | How are decisions made?                                     |
| Resources                              | How are the resources needed to achieve results determined? |
| Processes                              | How is the activity organized?                              |
| Monitoring and measurement             | How are the results achieved?                               |
|  | How are results monitored?                                  |
| Improvements, innovations and learning | How is improvement prioritized?                             |
|  | How is the learning process organized?                      |

The second type of self-assessment should be carried out by middle managers - owners of processes to get a better idea of the behavior and current performance of the organization. The list of elements for a detailed self-assessment is presented in Table 3, which is filled in more detail based on the assessment of sections and subsections of MS ISO 9004, according to which the quality management system of the enterprise is being improved.

Table 3 — List of elements for detailed self-assessment of clauses and subclauses of MS ISO 9004

| ISO 9004 section title                                       | Assessment elements   |
|--|---|
| 4 Management for the sustainable success of the organization | 4.1 General provisions  |
|  | 4.2 Sustained Success   |
|  | 4.3 Organization environment  |
|  | 4.4 Stakeholders, their needs and expectations  |
| 5 Strategy and policy  | 5.1 General provisions  |
|  | 5.2 Strategy and policy development   |
|  | 5.3 Deployment of strategy and policy   |
|  | 5.4 Communication of strategy and policy information  |
| 6 Resource management  | 6.1 General provisions  |
|  | 6.2 Financial resources   |
|  | 6.3 Organization employees  |
|  | 6.4 Partners and suppliers  |
|  | 6.5 Infrastructure  |
|  | 6.6 Work environment  |
|  | 6.7 Knowledge, information and technology   |
|  | 6.8 Natural resources   |
| 7 Process management   | 7.1 Key points  |
|  | 7.2 Process planning and process control  |
|  | 7.3 Process Responsibilities and Authorities  |
| 8 Monitoring, measurement, analysis and study                | 8.1 General provisions  |
|  | 8.2 Monitoring  |
|  | 8.3.1 General provisions  |
|  | 8.3.2 Key performance indicators  |
|  | 8.3.3 Internal audits   |
|  | 8.3.4 Self-esteem   |
|  | 8.3.5 Benchmarking  |
|  | 8.4 Analysis  |
|  | 8.5 Examination of information obtained as a result of monitoring, measurement and analysis |
| 9 Improvements, innovations and learning                     | 9.1 General provisions  |
|  | 9.2 Improvements  |
|  | 9.3 Innovation  |
|  | 9.4 Education   |

As can be seen from Table 3, self-assessment is carried out in the process of fulfilling the requirements of section 8 Monitoring, measurement, analysis and study of MS ISO 9004 in conjunction with internal audits. Based on the results of the self-assessment, an improvement (innovation) plan should be drawn up, which is used as initial information in planning and analysis by top management based on the elements of the standard.



## **CONCLUSION**

Thus, the assessment of the key elements of the QMS at the enterprise can be characterized by different levels of maturity for each of the elements. Gap analysis can help senior management plan and prioritize improvement actions or innovation initiatives needed to bring individual elements to the next level.

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