

Unlocking Business Performance Potential: Quality Management, Innovation Performance and Organizational Learning Culture in Focus

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Abstract

The primary objective of this study is to ascertain the impact of the European Foundation for Quality Management (EFQM) on the three dimensions of Business performance (B.P.), i.e., financial, market, and non-financial performance aspects of textile firms operating in Pakistan. Additionally, this research investigates the mediating role of innovation performance (I.P.) and organizational learning culture (OLC) in the connection between EFQM and B.P. Data was gathered from textile firms, and the collected data underwent a comprehensive analysis using Structural Equation Modeling (SEM) conducted through AMOS version 22. The findings underscore that EFQM significantly influences B.P. within the textile industry. Furthermore, I.P. plays a constructive and significant mediating role, positively bridging the relationship between EFQM and various business performances, but OLC mediates only in market performance. The study contributes substantively to the body of knowledge concerning EFQM enablers and various business performances, specifically within the context of the developing textile industry in countries like Pakistan.

Keywords: Business performance, TQM, Organizational learning culture, EFQM

Introduction

Quality management (Q.M.) has been suggested as a significant predictor of competitiveness and the efficiency of businesses because it enables the enterprise to meet customers' needs and preferences and, in turn, pursue organizational goals and objectives (Makindeet et al., 2023). Many studies found in the existing literature suggest the significant role of different approaches of Q.M. in the enhancement of productivity and competitiveness of the firm (Haerizadeh, 2022). Although the existing literature provides a range of studies on the direct association of Q.M. with the performance of the business, there needs to be more consensus about the significance of this relationship among past studies (Yousaf, 2023). Some studies in the literature emphasized and found that a positive association exists between TQM and B.P. (Ahmad, 2021). While some other studies were found in the past, literature failed to find any significant direct association between them (Westphal et al., 1996). This lack of harmony among the findings of different studies may be due to the ignorance of particular Q.M. practices and their roles in Q.M. models (Zeng et al., 2017). All these neglected Q.M. practices have

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been included in the frameworks utilized for "national quality awards." For example, the "European Foundation for Quality Management" (EFQM) incorporates all these Q.M. practices, and it is used as an instruction for "total quality management" (TQM) execution by many enterprises. Therefore, EFQM enablers are mainly regarded as significant predictors of B.P. by past studies (Gadenne & Sharma, 2009; Suárez et al., 2017). The theoretical support for the current study is mainly derived from organizational theory and "micro-foundations of institutional theory" because the current study aims to develop and explain the linkage among micro-foundations of institutional theory, Q.M. theory, and organizational theory by analyzing the impact of EFQM enablers on the B.P. with the mediation of OLC and I.P. between them. The I.P. can be regarded as a critical mediator between EFQM and B.P. because it refers to the phenomenon of performing things concerning quality (Kafetzopoulos et al., 2015), and it can positively affect the firm performance (Chaudhry et al., 2019; Sadikoglu & Zehir, 2010). Very few studies have particularly examined EFQM enablers as predictors of B.P. and the mediation of I.P. (Ahmad et al., 2021). Therefore, an objective of the current research is to analyze the mediating role of I.P. between EFQM enablers and B.P. Another critical variable that can play a potential role in the relationship between EFQM enablers and B.P. is "organizational learning culture" (OLC) because the success of TQM execution in the organization relies on many individual factors and eventualities, which are categorized under the concept of "learning organizations." The current study derives its position from the micro-foundations of "institutional theory" given by (Powell & Colyvas, 2008; North, 2005), who argued that organizational change or other outcomes could be accomplished by mobilizing the change and developing the desired culture at the micro-level through everyday individuals working in routine days. The development of OLC is also realized by motivating and promoting the learning capabilities of individuals of the organization at a micro level by applying effective TQM practices (March 2008; W. et al., 2017; Bruce & Staden, 2017). Hence, another objective of the current study is to develop and explain the linkage of "micro-foundations of institutional theory" with the development of OLC by analyzing the mediating role of OLC between EFQM and B.P. Very few studies found in the literature examining the role of OLC between EFQM and B.P. with a holistic approach (Ahmad et al., 2021). Furthermore, broader viewpoints of the I.P. described through "product innovation, organizational innovation, process innovation, and marketing innovation" (Kafetzopoulos et al., 2019; Kafetzopoulos & Psomas, 2015; Tavassoli & Karlsson, 2015), B.P. described through "financial performance, market performance, and non-financial performance" (Ahmad et al., 2021) and OLC have been considered in the current study about the five EFQM enablers (people, processes, leadership, partnership & resources, and policy & strategy) which make the current study more significant and unique. In this way, it would be easy to understand how influential these EFQM enablers, OLC, and these dimensions of I.P. can be in enhancing three types of B.P.

Literature Review

TQM/EFQM enablers and B.P.

Several models and frameworks have been established for TQM, aiming toward the organization's quality management system (Yousaf., 2023). Numerous studies underscore the EFQM's prominence as one of the most widely adopted and pragmatic frameworks for facilitating the successful implementation of TQM initiatives within organizations. For instance, Gómez et al. (2017) and Liu and Ko (2018) have all highlighted the model's popularity and practicality in this context. More recent research, such as that conducted by Yousaf (2023), Bukvic (2023), and Keshtegar et al. (2021), has also emphasized the EFQM model as a framework for employing TQM practices.

Recent research studies have consistently highlighted the positive impact of EFQM on organizational effectiveness and business performance. For example, a study conducted by Calvo-Mora et al. (2020) on Spanish firms demonstrated that the practical application of EFQM within a firm yields favorable outcomes, enhancing both the firm's performance and organizational effectiveness. Similarly, another study by Medne et al. (2020) underscored the significant role of implementing the EFQM model in fostering sustainable development within a firm.

Moreover, the positive impact of the EFQM model and various TQM models on business performance and organizational effectiveness is corroborated by the findings of studies conducted by Pambreni et al. (2019), Dawabsheh et al. (2019), and Basheer et al. (2019). These studies collectively reinforce the value of TQM practices and EFQM enablers in enhancing overall organizational effectiveness and business performance. Given the great importance of EFQM in enhancing the competitiveness, efficiency, and performance of the business, the need for an in-depth analysis of the association between EFQM and B.P., along with the mediation of different variables, has been highlighted by many past authors (Kafetzopoulos et al., 2019; Sousa & Voss, 2002). The EFQM enablers were classified according to the technical and social factors by Calvo-Mora, Picón, Ruiz, and Cauzo (2014), who suggested that the EFQM model can enhance the effectiveness of an organization by setting up a systematic collation of essential factors required for the functioning of the organization.

Ahmad et al. (2021) also highlighted and analyzed that EFQM enablers work in association with business results within a system of Q.M., so they are integrated in such a way that they enhance the B.P.

H1: "Enabler excellence of EFQM has a significant positive impact on B.P."

H1a: "EFQM has a significant positive impact on FP"

H1b: "EFQM has a significant positive impact on NFP."

H1c: "EFQM has a significant positive impact on M.P."

Role of I.P. between EFQM enablers and B.P.

Innovation performance pertains to converting inputs into tangible outputs, signifying proficiency in transforming innovative potential and endeavors into practical market implementation (Zizlavsky, 2016). The categorization of innovation performance has been approached differently in various pieces of literature, reflecting the diverse perspectives taken by past researchers. Some previous studies have concentrated on a singular facet of innovation (Abrunhosa & Sa, 2008; Zeng et al., 2017), while others consider innovation as an all-encompassing concept encompassing various manifestations of innovation (Camisón & Villar-López, 2014; Prajogo, 2016).

The present study aligns with the classification of innovation delineated in the "OECD Oslo Manual," which defines innovation through four distinct dimensions: "process innovation, product innovation, marketing innovation, and organizational innovation" (Ahmad, 2021; Tavassoli & Karlsson, 2015). This classification system serves as the framework for understanding and categorizing innovation in the study and is consistent with the perspectives in the relevant literature.

The I.P. plays a vital role in the linkage between EFQM enablers and B.P. because EFQM enablers tend to produce favorable results regarding the I.P. of the enterprise, which ultimately enhance the business's market, financial, and non-financial performance. The importance of I.P. in this relationship is that when firms apply quality practices to improve operational performance, they usually need to incorporate innovative practices to ensure favorable outcomes of those practices (Aboelmaged, 2014). It means I.P. entails great importance while linking Q.M. practices with B.P. (Bernardo, 2014; Kafetzopoulos et al., 2019). However, very

few studies are found in the existing literature investigating this mediation of I.P. between EFQM enablers and B.P. (Kafetzopoulos et al., 2019). A critical review of past studies suggests that the execution of Q.M. practices in the business produces a facilitating environment for innovation development. Various required internal elements and processes are developed while executing Q.M. practices to facilitate organizational innovation. Matias and Coelho (2011) analyzed the linkage between TQM and innovation, concluding that TQM provides strategic support for innovation management. The positive association between TQM and I.P. has also been supported by the research work of Prajogo and Sohal (2003). A study by Ahmad et al. (2021) also supported the idea that the execution of TQM practices, particularly EFQM, can facilitate innovation in the organization. A study performed by Suarez et al. (2016) revealed that the proper execution of excellence models (e.g., EFQM) incorporates many benefits for the organization which support the I.P. It has been suggested by Ortiz et al. (2009) that hard as well as soft dimensions of Q.M. including people, as well as process management, significantly enhance the innovation capability of the business. The positive impact of the leadership dimension of Q.M. on innovation has also been suggested and supported by past researchers, e.g. (Flynn, 1994; Kim et al., 2012). However, the particular associations of EFQM enablers with I.P. still need to be examined in the past study.

Kumar and Sharma (2017) indicated that the quality personality of the leader tends to ensure the selection of an innovative process. A study performed by Prajogo and Sohal (2004) on Australian firms revealed that people management and leadership dimensions of TQM enhance firms' innovation. Tena et al. (2018) also supported the positive impact of TQM dimensions on the I.P. of firms. It has been highlighted and emphasized in past studies that the TQM can drive the process, product, and organizational innovation, and teamwork promotes the absorptive capacity of the firm, which is the ultimate predictor of innovation (Miranda et al., 2014; Nguyen & Chau, 2017). Shan et al. (2016) revealed that when employees in the organization are empowered and trained, they become more likely to adopt and apply the latest methods and processes for product development and, ultimately, innovation augments. "Policy and strategy" is about the objectives, plans, policies, and rules developed to pursue the strategy. For the successful execution of the strategy, it must be converted into practical and innovative plans. Therefore, policies and strategies are a way to enhance innovation in the organization (Tepic et al., 2014). Partnerships are also regarded as a great way to promote innovation because they allow the exploitation of resources between partners from different domains or sectors. Ciliberti, Carraresi, and Bröring (2016) and Rampersad, Quester, and Troshani (2010) also promoted the idea that partnerships can facilitate the I.P. of a firm. Besides these dimensions of the EFQM model, process management is also regarded as an essential antecedent of innovation because it is followed by innovation plans that enhance the process and product innovation. Ooi et al. (2012) and Perdomo-Ortiz et al. (2009) also supported the positive role of process management in enhancing different types of I.P. Although all these studies support the argument regarding the positive effect of TQM dimensions on I.P., they do not efficiently capture the intricacy of EFQM enablers. It means that the existing literature focusing on isolated criteria and associations is not enough for the efficient valuation of the linkage between EFQM and I.P. Therefore, there is a solid need to analyze whether these enablers affect the excellence of firms in the domain of I.P.

The I.P. ultimately contributes to the B.P. of the firm. For example, Chaudhry et al. (2019) suggested that the innovation performance of the firm significantly enhances the financial performance of the firm. Cheng et al. (2010) highlighted that different innovations can significantly promote the market and other B.P.s. Kafetzopoulos et al. (2019) and Ahmad (2021) emphasized that product, process, marketing, and organizational innovations enhance B.P. by improving its market strategy, market performance, competitive advantage, financial performance, and other non-financial benefits. Another study by Ahmad et al. (2021)

emphasized the I.P. role as a mediator between TQM and different dimensions of business performance as F.P., NFP, and M.P. It means I.P. can mediate the association between EFQM model enablers and B.P.

H2: "I.P. significantly mediates the relationship between EFQM and B.P."

H2a: "I.P. significantly mediates the relationship between EFQM and F.P."

H2b: "I.P. significantly mediates the relationship between EFQM and NFP."

H2c: "I.P. significantly mediates the relationship between EFQM and M.P."

Role of OLC between EFQM enablers and B.P.

Organizational learning culture places a high value on learning by establishing mechanisms that promote and encourage suggestions, empowerment, knowledge sharing, knowledge acquisition, and improvements to achieve competitive advantage and organizational effectiveness (Islam, 2019).

OLC is another essential variable that can play a potential role in the relationship between EFQM enablers and B.P. because quality practices incorporated in the operations of the business encourage the firm to elevate its learning capability by having close insights about the market trends and target customers, which ultimately enhance the performance of the business (Akgün et al., 2014; Malik & Blumenfeld, 2012). When a business develops OLC, it comes in better condition to evaluate and avail business opportunities by utilizing its learning capability, contributing to its performance and efficiency. In the modern globalized and competitive business world, OLC has gained significant importance due to its potential contribution to the firm's performance, efficiency, competitive advantage, and innovativeness. Many past researchers have attempted to explore and explain the linkage of OLC with different positive outcomes, e.g., competitive advantage, innovativeness, and B.P. (Alegre & Chiva, 2013; Camisón & Villar-López, 2011; Goh et al., 2012; Namada, 2018; Islam, 2019). However, the linkage between Q.M. and OLC, with particular reference to the EFQM, has been somewhat ignored in the past literature. Therefore, there is a strong need to examine the phenomenon through which the EFQM can encourage the firm to develop OLC, and the OLC can, in turn, lead to improved B.P. Some studies have explored the intermediary role of organizational learning in the connection between TQM and different dimensions of organizational performance (Mahmood et al., 2015; Akgün et al., 2014; Malik & Blumenfeld, 2012).

The OLC can enhance the firm's innovativeness, competitive advantage, and performance by giving various fruitful outcomes. Therefore, various past studies have suggested that OLC has the potential to positively derive different types of B.P. (Ahmad et al., 2021; Islam, 2019). Based on these past studies, the current study hypothesizes that:

H3: "OLC significantly mediates the relationship between EFQM and B.P."

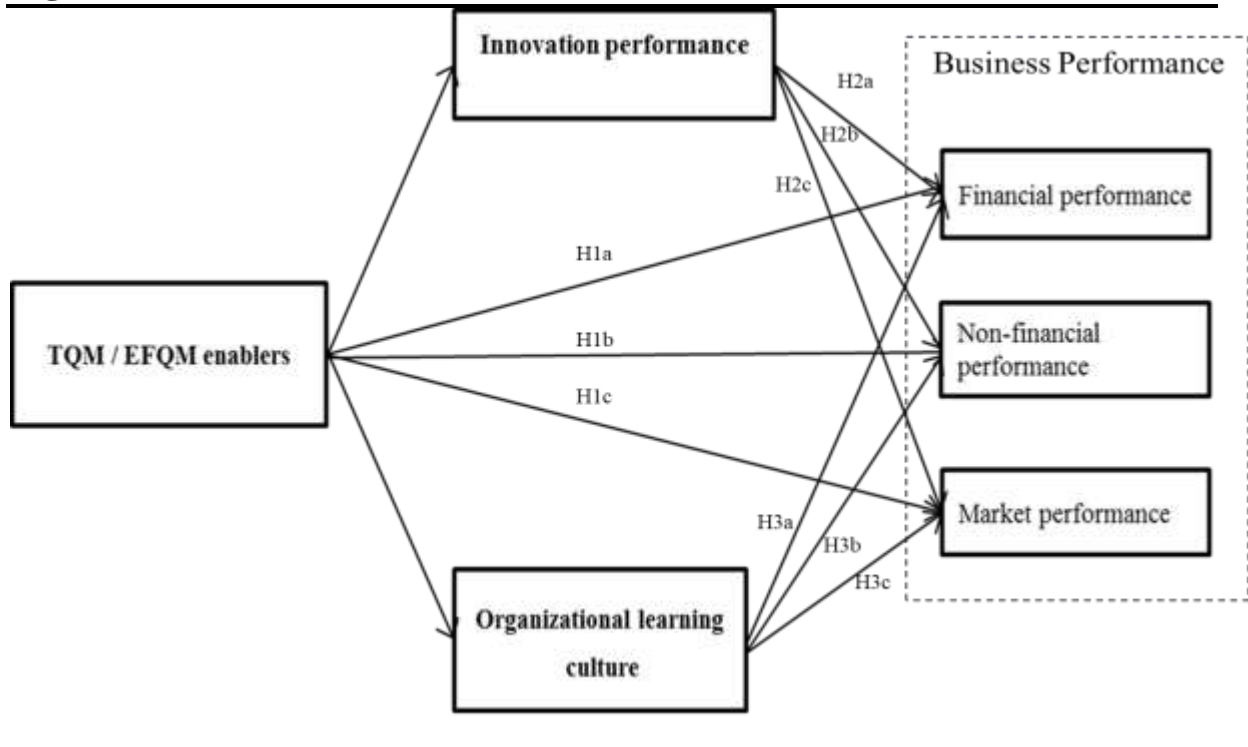
H3a: "OLC significantly mediates the relationship between EFQM and F.P."

H3b: "OLC significantly mediates the relationship between EFQM and NFP."

H3c: "OLC significantly mediates the relationship between EFQM and M.P."

Framework

Figure 1



Methodology

Population, Sampling, and Data Collection

This research was executed using a self-administered questionnaire survey involving managers working in the textile sector of Pakistan. Adequate measures were taken to guarantee the confidentiality and privacy of the respondents, ensuring that the information they provided would remain undisclosed and not be divulged to their respective owners under any circumstances.

The initial data and information about these companies were extracted from the members' directory of APTMA, and the APTMA members list was considered the "sampling frame" for the current research. As member textile companies, according to this framework, are located across different provinces and regions of Pakistan, as shown in Table 1, the current study adopted "cluster probability sampling" according to the suggestions of Berenson, Levine, and Szabat (2009) to select a sample from the population. To determine the sample, all member companies of APTMA were classified into four clusters based on four provinces of Pakistan. As 68% of total APTMA companies belong to the province of Punjab, and Punjab is the largest province, as well as producer of cotton (Shafiq et al., 2019), member companies of APTMA belonging to Punjab were selected as the sample of the current study.

Table 1 The population of the study (APTAMA members list)

Province	City	Mills	Sub Total
Punjab	Bannu	1	
	Chakwal	3	
	Faisalabad	36	
	Kasur	1	
	Lahore	107	
	Multan	21	
	Rawalpindi	1	
	Sahiwal	1	
	Shekupura	1	172
Sindh	Hyderabad	1	
	Karachi	69	70
KPK	Kohat	1	
	Mardan	2	
	Peshawar	6	
	Swabi	1	10
Federal Area	Islambad	2	2
<i>Grand Total</i>			254

Measurement and Instrument

The data for this study will be collected through a structured questionnaire. The scales for EFQM, innovation performance, and business performance were adopted from the study of Kafetzopoulos et al. (2019), while the scale for OLC was adopted from the study of Islam (2019).

Data Analysis

The quantitative data collected through the questionnaire will be analyzed through SPSS and AMOS by running “structure equation modeling” (SEM). Two forms of construct validity are examined to assess the validity of the constructs: convergent validity and discriminant validity. Convergent validity is assessed through three metrics: the values of average variance extracted (AVE), construct reliability (C.R.), and maximum shared variance (MSV). The benchmarks for composite reliability and average variance extracted are set at 0.7 and 0.3, respectively. The outcomes of the validity assessment are presented in Table 2

Table 2 Convergent and Discriminant Validity

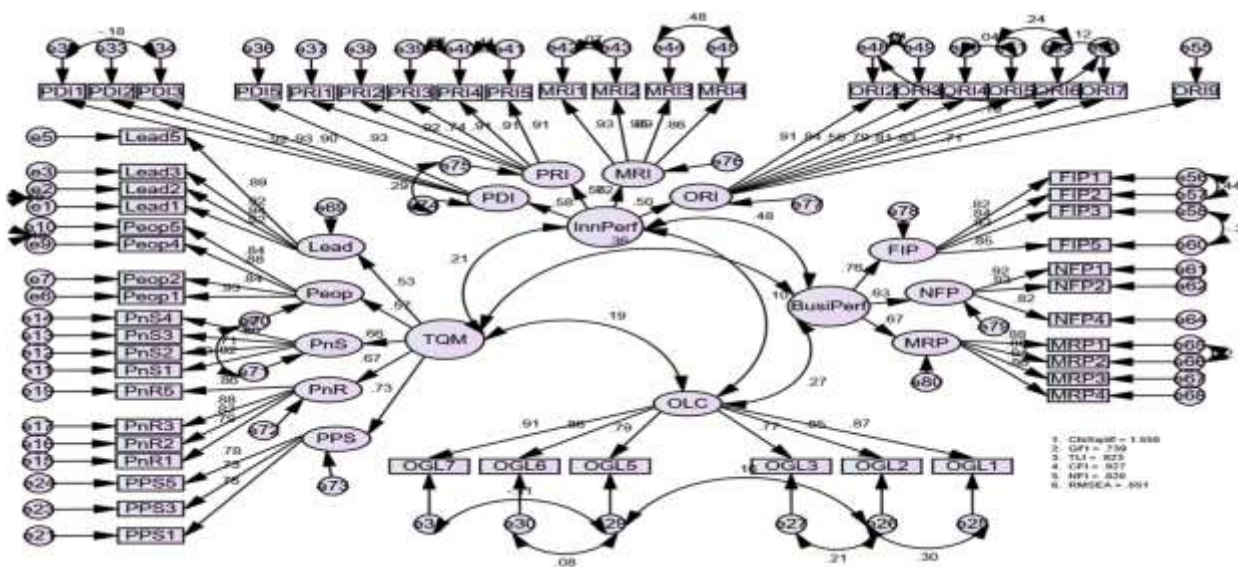
Construct	Cronbach's alpha	CR	AVE	MSV	MaxR(H)	InnPerf	TQM	Busi Perf	OLC
Innovation performance (InnPerf)	0.926	0.784	0.455	0.231	0.704	0.596			
EFQM/TQM Business performance (BusiPerf)	0.902	0.769	0.402	0.129	0.856	0.215	0.634		
	0.911	0.730	0.476	0.231	0.898	0.481	0.359	0.690	
OLC	0.941	0.938	0.717	0.071	0.963	0.101	0.194	0.266	0.847

Table 2 presents compelling evidence of the established convergent validity within this research's dataset. The composite reliability values surpass the 0.7 threshold for all variables, and the average variance extracted values exceed 0.3 for each variable. Additionally, the MSV values for all variables are notably lower than the corresponding AVE values. The data provides robust support for construct validity, as convergent and discriminant validity are effectively demonstrated.

Model Fitness

Displayed in Figure 2 are the outcomes derived from the CFA conducted in this study, validating the research data's compatibility and establishing the congruence of the hypothetical model preceding Structural Equation Modeling (SEM). All indicators consistently align within their respective ranges, affirming the data's adherence to acceptable parameters. This assures that the dataset is poised for further comprehensive analysis.

Figure 2 Nested CFA



Structural Equation Modeling (SEM)

SEM is a comprehensive multivariate statistical technique that synergizes the strengths of factor analysis and multiple regression analysis (Kerlinger, 1966).

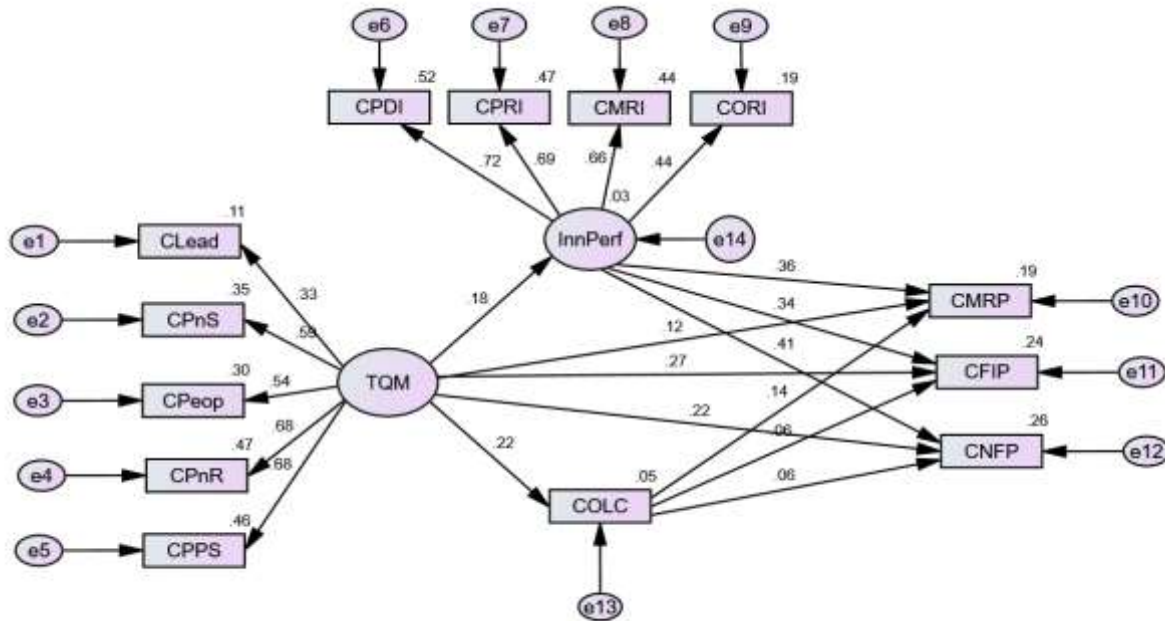
Table 3 SEM

	Path		Estimate	S.E.	C.R.	P
InnPerf	<---	EFQM/TQM	.178	.283	2.765	.048
OLC	<---	EFQM/TQM	.218	.293	2.343	.019
PnS	<---	EFQM/TQM	.592	.479	3.862	***
Peop	<---	EFQM/TQM	.544	.458	3.774	***
PnR	<---	EFQM/TQM	.685	.563	3.981	***
PRI	<---	InnPerf	.687	.123	8.028	***
MRI	<---	InnPerf	.664	.090	7.849	***
Lead	<---	EFQM/TQM	.325	.027	6.379	.016
PPS	<---	EFQM/TQM	.677	.514	3.974	***
PDI	<---	InnPerf	.723	.060	8.389	***
ORI	<---	InnPerf	.441	.084	5.509	***
MRP	<---	EFQM/TQM	.123	.267	1.484	.138
FIP	<---	EFQM/TQM	.268	.316	2.730	.006
NFP	<---	EFQM/TQM	.215	.318	2.378	.017
MRP	<---	InnPerf	.364	.091	4.599	***
FIP	<---	InnPerf	.344	.089	4.452	***
NFP	<---	InnPerf	.409	.098	5.199	***
MRP	<---	OLC	.140	.067	2.145	.032
FIP	<---	OLC	.059	.066	.915	.360
NFP	<---	OLC	.063	.071	.995	.320

The data in Table 3 illustrates the effects of various variables and the orientations of their relationships. Notably, the influence of TQM on IP is determined to need more statistical significance. At the same time, its impact on OLC is notably positive and significant.

Furthermore, the effect of IP on Process Innovation (PRI) and Market-Related Innovation (MRI) is firmly established as both significant and positive. In contrast, the impact of OLC on FIP and NFP is determined to lack statistical significance. Conversely, the influence of OLC on MRP is firmly established as both significant and positive. These findings are presented graphically in Figure 3

Figure 3 SEM



Mediation Results

The findings about the mediation of IP between TQM/EFQM and BP unveil a significant instance of partial mediation orchestrated by innovation performance within the connections of TQM and all three categories of BP, as shown in Table 4. The analysis reveals that TQM's influence on the company's market performance is indirectly channeled through innovation performance to a magnitude of 5.6%. This underscores that heightened implementation of EFQM/TQM practices leads to a noteworthy elevation in the firm's innovation performance, substantially enhancing its market performance.

Table 4 Results of Mediation Analysis

Path	Effect	95% Confidence Interval	Conclusion
TQM/EFQM → OLC → MRP	0.0281	[.001; .0700]	Partial Mediation
TQM/EFQM → OLC → FIP	0.0171	[-.0071; .0518]	No Mediation
TQM/EFQM → OLC → NFP	0.0173	[-.0075; .0510]	No Mediation
TQM/EFQM → InnPerf → MRP	0.0563	[.0192; .1029]	Partial Mediation
TQM/EFQM → InnPerf → FIP	0.0487	[.0129; .0980]	Partial Mediation
TQM/EFQM → InnPerf → NFP	0.0700	[.0255; .1253]	Partial Mediation

The following Table 5 presents a summary of the study hypothesis

Table 5 Hypothesis Summary

Hypotheses	B-Value	P-Value	Decision
H1: EFQM -> BP	-	-	-
H1a: EFQM -> FP	.268	.006	Accepted
H1b: EFQM -> NFP	.215	.017	Accepted
H1c: EFQM -> MP	.123	.138	Rejected
H2: "EFQM -> IP ->BP"	-	-	-
H2a: "EFQM -> IP ->FP"	.048	.012	Accepted
H2b: "EFQM -> IP ->NFP"	.070	.025	Accepted
H2c: "EFQM -> IP ->MP"	.056	.019	Accepted
H3: "EFQM -> OLC ->BP"	-	-	-
H3a: "EFQM -> OLC ->FP"	.017	.007	Rejected
H3b: "EFQM -> OLC ->NFP"	.017	.007	Rejected
H3c: "EFQM -> OLC ->MP"	.028	.001	Accepted

Discussions

The primary research question of this investigation poses the inquiry, "Do EFQM enablers of excellence contribute to the enhancement of BP?" Based on the empirical findings of this study, Hypotheses H1a and H1b have been substantiated, aligning with the study's outcomes. However, Hypothesis H1c did not garner supportive evidence from the study's results. The current study reveals that an escalation in adopting TQM or EFQM enablers yields a significant upswing in the firm's financial and non-financial performance. These outcomes resonate with the assertions put forth in various studies, such as Suarez et al. (2016), Kafetzopoulos et al. (2019), and Ahmad et al. (2021).

The second research question explored in this study centers on "What is the role of innovation performance between EFQM enablers and BP? All hypotheses associated with the influence of EFQM enablers of excellence on innovation performance, the impact of innovation performance on BP, and the mediation of innovation performance between EFQM enablers and BP have been validated through the study's findings. The investigation reveals that EFQM enablers wield a significantly positive effect on the innovation performance of textile firms in Pakistan. Notably, an enhancement in EFQM enablers is consistently followed by a subsequent increase in the firm's innovation performance. These conclusions are in alignment with the insights presented in numerous prior studies, including Kumar and Sharma (2017), Shan et al. (2016), and Kim et al. (2012).

The third research question addressed in this study examines "What is the role of OLC between EFQM and BP?"

The results of H3a, H3b, and H3c demonstrate that the OLC significantly enhances a firm's market performance but does not significantly impact its financial or non-financial performance. These findings lead to rejecting H3a and H3b, while H3c is supported. The results concerning H6c, which focuses on the OLC, align closely with several previous studies. These findings underscore the positive influence of an OLC and the firm's capability to enhance its market performance. Notably, studies by García-Morales et al. (2012), Goh et al. (2012), and Patky (2020) all highlight the beneficial role of organizational learning in improving overall firm performance. Consequently, the results of H6c are in harmony with prior research findings. These findings are harmonious with the outcomes of numerous prior studies that underscore the influence of TQM practices in fostering a culture and capacity for learning within organizations. Examples of such studies include Akgün et al. (2014), Ahmad et al. (2021), and Kafetzopoulos et al. (2019).

Conclusion

The study aimed to evaluate the impact of quality on various types of BP, focusing on investigating the potential mediating effects of both IP and OLC. Additionally, this research sought to provide empirical insights into the micro-foundations of institutional theory by examining how EFQM excellence enablers contribute to developing a learning culture within firms. In order to achieve the objectives, the study was conducted within the context of the textile sector in Pakistan, with data being gathered from the managerial staff of textile companies in Pakistan through a survey based on questionnaires.

The current study has unveiled several key findings. Firstly, it was discovered that EFQM significantly positively influences a firm's financial and non-financial performance. However, these enablers do not significantly impact the firm's market performance. Subsequently, this innovation performance significantly and positively influences all three dimensions of BP. Consequently, the study establishes that innovation performance significantly mediates the relationship between TQM and BP.

The study's findings also highlight the significant positive impact of OLC on a firm's market performance. However, it is worth noting that the study did not establish OLC as a mediator in the relationships between EFQM excellence enablers and financial or non-financial performance. Therefore, the conclusion is that OLC significantly mediates the relationship between EFQM and BP regarding market performance only.

Policy Implications

The findings of this study helped them realize the importance of TQM practices in the textile sector of Pakistan so they could formulate better strategies for improving their learning culture. Besides strategy-making implications, the current study assists Pakistan's policymakers in developing and applying better policies for the development of the textile sector of Pakistan. The present study and findings help the policymakers of Pakistan understand the importance of applying TQM practices for the growth of firms and the ultimate growth of the whole textile sector. This way, they can develop appropriate policies for applying TQM practices and models in the textile sector to ensure its growth. As the textile sector is one of the most critical sectors in Pakistan's economy, its growth and success would ultimately benefit the economy of Pakistan. Hence, the implications of the current study go beyond the boundaries of firms and sectors as they are likely to affect Pakistan's economy.

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