



THE ANALYTICAL APPROACH OF QUALITY GOVERNANCE ON BENCHMARKING

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ABSTRACT

The U.A.E. Federal government has adopted a Benchmarking Program and Governance as its improvement strategy to enhance the service delivered by its organizations. This research examines the impact of governance principles and the benchmarking program within U.A.E public organizations, measuring the effectiveness of this tool.

A quantitative methodology was applied to investigate and analyse the relationship between the integration of Quality Governance and Benchmarking and their impact on public sector performance. Questionnaires were collected and analysed using SEM. Analyses support the relationship, with the exception of the external and governance elements only being partially supported. Further research is needed to cover the other sectors and other principles of governance.

Key Words: Benchmarking, Analyses, Quality Governance

Introduction

This research investigates the impact of the "internal and external" critical success factors (CSFs) of benchmarking to achieve sustainable quality performance with quality governance as a moderator. This chapter presents the research methodology, data collection, and analysis procedure with the focus on the quantitative methodology measurement. This study uses a quantitative methodology where the data is collected and covers the UAE Federal Government as a unit of analysis.

The main objective of the research is to identify and analyse the internal and external CSFs elements, in particular for measuring the benchmarking program. In respect of the internal and external success factors of benchmarking, the aim is to improve performance effectiveness within government organisations. In using its quantitative research design, all the theories and the questionnaire for this study have been tested and examined in previous work. The primary data will be collected for the internal and external variables of quality governance including

accountability, transparency and participation, and sustainable organisational performance as indicated by the balanced score card (BSC).

The U.A.E decision-makers have implemented aspirational reform policies to improve productivity and enhance the efficiency of resource allocation. Macro privatization and benchmarking has been introduced to facilitate the process in all government organisations (Mansour & Jakka, 2013). The U.A.E, since its formation, has changed dramatically due to increased oil demands and organization affiliations. Over the past few decades, the U.A.E has undergone significant changes due to economic developments and its globalization positioning to be service oriented (Falasi, 2014).

Expatriates are the majority proportion of the total population (Marchon & Toledo, 2014), and the majority workforce within public organisations. To enhance public organisations' performance, the U.A.E. government had adopted enhancement reforms such as Business Process Reengineering, Excellence Awards and New Public Management to improve organisational performance and deliver quality services (Mansour & Jakka, 2013). As part of this, the U.A.E government has made significant efforts to introduce the governance principals.

The decree seeks to enhance transparency among the organisations owned by the Federal Government. The quality initiatives started by the Emirate local government of Dubai in 1994 was for the private sector. In 1998, the Dubai Government introduced a similar model, based on the EFQM, award called the Dubai Government Excellence Program (DGEP). This award is to improve delivery of government services to citizens, visitors, and businesses. Most of the local Emirates, beside the Federal Government of U.A.E, followed Dubai's initiating quality programs to improve efficiency, effectiveness, customer service, and the overall competitiveness of public, industry, and services' sectors (Thawani, 2014).

Research Framework

This research adopts a quantitative approach, covering the framework and hypothesis to be tested. The questionnaire was translated into Arabic in order for it to be fully understood by the participants and to obtain legal permission for its distribution. After collecting the data, the questionnaires were tested and validated. The researcher undertook pilot testing for the all variable items and factor loading was obtained. The research has used a purposive random sampling technique in order to cover the scope of the study.

Measuring the relationship of individual benchmarking CSFs with governance needs to be done against sustainable organisational performance (Wong, Tseng & Tan, 2014). As such, this research examines the relationship of the internal and external elements' aspects of CSFs for benchmarking and good governance to determine whether there is a relationship between the benchmarking program and quality governance principles.

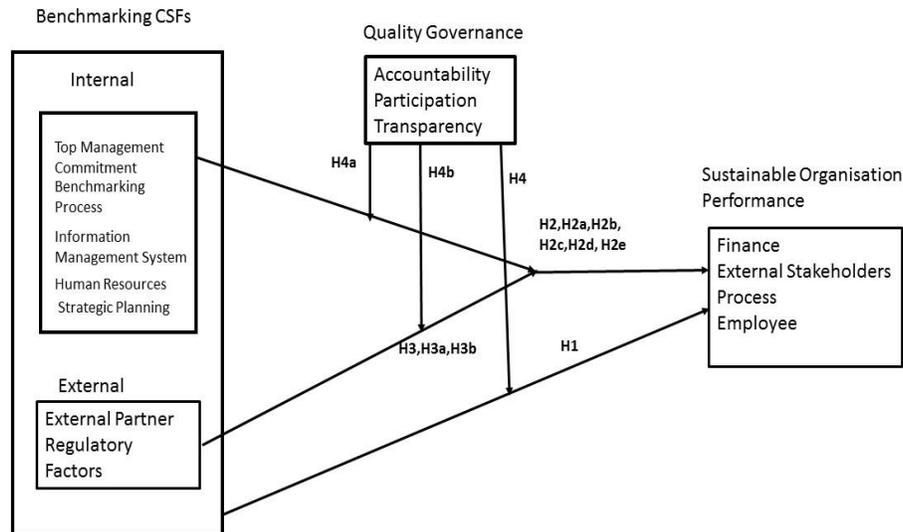


Figure.1: Research Framework

Measurement of Variables

Measurement variables for the internal and external determinants of benchmarking CSFs was used to test their validity and reliability in U.A.E. public federal organisations. The questionnaire was extracted and modified from different research studies to cover this study's variables. The questionnaire uses seven point Likert-type scales from "strongly disagree" to "strongly agree". However, in order to unify it with other governance variables, the researcher used a seven point Likert-Scale(1= Strongly Disagree; 2= Somewhat Disagree; 3= Disagree; 4= Neutral; 5= Somewhat Agree; 6= Agree; 7= Strongly Agree).

Hypothesis Development

Management studies have indicated that benchmarking initiatives can lead to the improvement of services and performance in public organizations. The positive link between the innovations and benchmarking efficiently identify customer perceptions (Kim, Kumar, & Kumar, 2012). The success factors of benchmarking have been discussed in numerous studies in relation to sustainable organisational performance, including those factors which significantly contribute successfully to increasing citizen satisfaction and organisation performance (Mugion & Musella, 2013). The research hypotheses based on the literature gap have been set up in this study. Hence, this has led to the prediction that benchmarking initiatives' success factors will positively enhance the relationship with the public organisations' performance as specified in the following hypotheses:

Hypothesis 1: There is a significant relationship between CSFs of the benchmarking program and the sustainable performance of public service organisations.

Hypothesis 2: There is a significant relationship between internal CSFs of the benchmarking program and the sustainable performance of public service organisations.

Hypothesis 3: There is a significant relationship between the external critical success of the benchmarking program and the sustainable performance of public service organisations.

Hypothesis 4: Quality governance moderates the relationship between CSFs of the benchmarking program and sustainable organisational performance.

Data Collection and Analysis

The sample target was selected from the strategic and quality departments, within U.A.E organisations, based on the two criteria of service delivery, public connection and award-winning organisation. A total of 390 questionnaires were distributed by the researcher to employees of government agencies in the UAE, with 283 questionnaires returned completed. Only 261 (66.9%) of the distributed questionnaires were usable, which represents a high response rate, as a result of face-to-face discussions undertaken with the employees in UAE government agencies. Of the remainder, 22 (5.6%) questionnaires were excluded as they were either returned without having been or were completed unsatisfactorily.

Data Analysis and Discussion

The process of data analysis began by coding, detecting, and screening for missing data and outliers. Data screening ensures that the data is correctly entered without any outliers to determine a normal construct distribution.

The necessity of examining the individual variables for the univariate outlier detection is indicated and shown in the box plot. This was done by looking for the outliers by converting the variables to a z-score value and considering how many variables were located on the absolute value of +3.29 for significant outliers.

From the z score value, it was found that none of the variables had a maximum or minimum value exceeding the absolute value of 3.29.

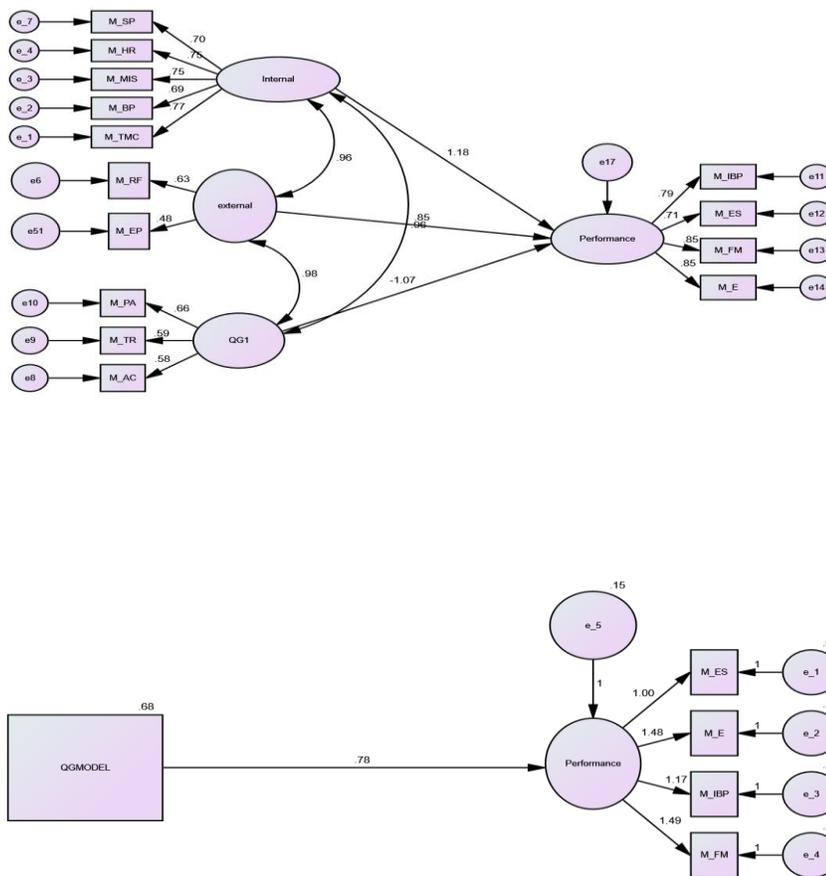
Mean and Standard Deviation for the Variables

From the common method covariance analysis, it is noted that the model was not fit and was worse. This validity for the measurement model of CSFs with items is achieved when all the fitness indices for the construct are achieved at the required level. All the items show a high beta coefficient of above 0.60 and this confirms having high factor loading. Furthermore, the correlations between the variables are not higher than 0.85, which means there are no multicollinearity issues between them. In the measurement model, it was noted that the AVE for

all the variables was above the required level of 0.50. Thus, none of the items of these constructs were removed.

Structural Equation Model (SEM) and Hypothesis Testing

According to other researchers, (Anderson and Gerbing, 1988; Hair et al., 1995; Kline, 2005; Holmls-Smith et al., 2006), a structural model can be tested and presented as a second and main stage of the analysis. The main purpose of the structural model is to underline the hypothesis given in order to answer the research question. An overall Quality Governance of Benchmarking, using a structural analysis, was conducted to determine the sustainable organizational performance measurement as a latent construct used in the present study with Internal and External Critical Success Factors as independent constructs. The measurement model, as shown in Figure 9 was run on the means of Quality Governance. The results of the CFA succeeded in configuring the significance of the critical success factors in the present study



Structural Model of Quality Governance for Sustainable Organisational Performance

From the model fit indices (DF = 21.454, P=0.000, TLI = .969, CFI = .976, GFI= .942, AGFI=.915, and RMSEA=.049) as shown in Figure 4.9 showed that the model is fit (DF = 80.963, P=0.000, TLI = .992, CFI = .996, GFI= .988, AGFI=.964, and RMSEA=.049). The fit values of all the constructs were within the acceptance levels. Thus H1, H2 and H3 are supported because a significant positive relationship is shown between critical success factors and sustainable organizational performance.

Table9: Structural model for Internal and External Critical Success Factors Endogenous	Path	Exogenous	Estimate	S.E.	C.R.	P
Performance	<---	Internal	1.184	1.149	1.068	.285
Performance	<---	External	.855	5.309	.223	.824
Performance	<---	QG	-1.066	5.179	-.283	.777
Performance	<---	BQG	.675	.061	12.697	***

As Table 4.9above shows, the complete Benchmarking Quality Governance model was significant since the P-Value < 0.05. However, the path coefficients as individuals were the Internal & External Critical Success Factors and Quality Governance Variables to the Performance Measures, indicating that the relation with Performance was found to be not significant to Performance measures with the p value over 0.05. Whereas, the path coefficient of Quality Governance mean of the means was significant.

Quality Governance as Moderator

The hypothesis is on Quality Governance that moderates the relationship of Benchmarking Critical Success Factors and sustainable organizational performance. When it comes to the moderating effect of Quality Governance between Benchmarking Critical Success Factors and sustainable organizational performance, it was noted that the majority of the dimensions of internal and external factors have a moderating effect on Quality Governance Principles, with significance levels of less than 0.05. Thus overall, it is confirmed that the majority of the critical success factors contribute to quality governance, having a moderating effect, even though a few have a partially moderating effect.

Summary of Hypothesis Testing

The first hypothesis (H1) sought to identify the significant relationship between critical success factors and sustainable organizational performance. The overall acceptance of fitness levels, square multiple correlation of 85% and significant relationship between the exogenous variables and endogenous variable confirms the hypothesis. Thus, it is confirmed that there is a significant relationship between critical success factors of the benchmarking process and sustainable organizational performance.

For the second hypothesis (H2), out of five internal factors, strategic planning had the high beta coefficients ($\beta = 0.211$, $p = 0.001$) followed by senior management support ($\beta = 0.19$, $p = 0.001$). There is a significant relationship between internal CSFs of the benchmarking program and sustainable performance of public service organisations. The third hypothesis (H3) was investigated to identify the relationship between external critical success factors and sustainable organizational performance. This hypothesis was partially supported as one of the external factor variables, external partners, was found to be not significant at 0.05. However, it was very near to the significance level of 0.01, thus it can be said this hypothesis is partially supported.

Hypothesis four (H4) was partially supported, as the interaction effects of quality governance constructs were partially significant to the critical success factors and sustainable organizational performance. Thus, overall the hypotheses were significant and supported for the study.

Findings and Conclusion

This study has segregated the factors into internal and external influences on the effectiveness of quality. A redesigning of the structural framework comprised the internal and external aspects of the benchmarking impact on sustainable organisation performance.

The findings from this research might be used to inform policy makers of the need to develop more comprehensive plans to stimulate governance. This could start with an excellence award across all sectors to include the governance implementation manuals covering processes and procedures. The generalization of the findings in this research is limited to the Federal organisations within UAE public service providers. Other public institutions, such as local government organisations and public owned institutions, are not covered by this research. Previous research has suggested future studies could cover different cultures, external environments and other performance measurement tools applicable to public organisations, other than the BSC tool. This research has focused on the impact of quality governance on sustainable organisation performance. Other good governance principles, together with the internal and external CSFs of benchmarking, should be replicated to cover different geographical and sector areas for generalizations. The findings suggest and recommend that the more elements and performance tools could be adopted and utilised, which might have a positive influence on public organisation performance. For future and further studies, this study suggests including individual Emirates Local Governmental Departments and organisational performance management, which are in other sectors and geographical areas.

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