A STUDY OF ORGANISATIONAL QUALITY CLIMATE IN PUBLIC SECTOR

BY

SALMIAH HJ. MOHD. ALI

Thesis submitted in partial fulfilment of the requirement for the degree of Master of Science (Management)

May 1994

Copyright Salmiah bt. Hj. Mohd. Ali, 1994 All right reserved
DEDICATION

To my husband,

ZAINAL,

without whose continuing support and encouragement this thesis would not have been possible, and to my children

FAIZAL,
FADHLI,
and,
ZETTY

for their unflagging love and affection.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Table Of Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acknowledgement</td>
<td>vii</td>
</tr>
<tr>
<td>List Of Tables</td>
<td>viit</td>
</tr>
<tr>
<td>List Of Figures</td>
<td>ix</td>
</tr>
<tr>
<td>List Of Appendices</td>
<td>x</td>
</tr>
<tr>
<td>Abstract</td>
<td>xi</td>
</tr>
</tbody>
</table>

## CHAPTER 1: INTRODUCTION

1.0 Introduction  
1.1 The research Problem  
1.2 Study Context  
1.3 Objective of Study  
1.4 Limitation of Study  
1.5 Definition  
1.6 Plan of Study  
1.7 Significance of Study

## CHAPTER 2: ORGANISATIONAL QUALITY CLIMATE

2.0 Introduction  
2.1 Quality -- A Look At History  
2.2 Quality Defined
TABLE OF CONTENTS

2.3 Quality Is A Process 27

2.4 Concept Of “Quality First” 27

2.4.1 Definition Of “Quality First” 27

2.4.2 When Quality Is Not First 28

2.4.3 “Quality First” Principles 29

2.4.4 Fundamental Concepts Of “Quality First” 31

2.5 Cultural And Climatic Aspect of Quality 47

2.5.1 The Development Of Corporate Culture 47

2.5.2 Definition 48

2.5.3 The Concepts Of Culture And Climate 52

2.5.4 Developing A Customer Driven Culture 63

2.5.5 Assessment Of Organisational Climate 63

2.6 Conclusion 67

CHAPTER 3: QUALITY SERVICE IN SERVICE SECTOR

3.0 Introduction 69

3.1 The Service Sector 69

3.2 What Is Customer Service? 71

3.3 Quality Of Service/Service Quality 72

3.3.1 Characteristics Of A Successful Service Organisation 80

3.3.2 Problems In Measuring and Improving and Productivity In Service Organisations 82
TABLE OF CONTENTS

3.4 Factors That Influence Quality Service 85
   3.4.1 Quality From The Customers’ Perspective 86
   3.4.2 Quality From The Supplier’s Perspective 86
3.5 Importance Of Quality And Productivity In Service Sector 87
3.6 Meeting The Service Productivity And Quality Challenge 88
3.7 Service Quality In The Public Sector 90
3.8 Conclusion 97

CHAPTER 4: QUALITY SERVICE IN THE GOVERNMENT ORGANISATIONS

4.0 Introduction 98
4.1 Government As A Provider Of Services 98
4.2 Reasons For Lack Of Customer-Orientation 99
   In Governments
4.3 Barriers To Achieving Quality In The Public Sector 111
4.4 Total Quality Programs Focus In Public Sector 119
4.5 Quality Management In Malaysian Government 122
   Organisations
4.6 Culture Change And The Malaysian Civil Service 123
4.7 Conclusion 127

CHAPTER 5: THEORETICAL FRAMEWORK

5.0 Introduction 128
TABLE OF CONTENTS

5.1 Operational Definitions 130

5.1.1 First Level Study 130

5.1.2 Second Level Study 133

5.2 Hypotheses 136

5.3 Conclusion 138

CHAPTER 6: RESEARCH METHODOLOGY

6.0 Introduction 139

6.1 Assessment Of Organisational Quality Climate 139

6.2 Research Design 140

6.2.1 Type Of study 140

6.2.1 Nature Of study 142

6.2.3 Study Setting 142

6.2.4 Time Horizon 142

6.2.5 Unit Of analysis 143

6.3 Research Methodology 143

6.3.1 Sample Selection 143

6.3.2 Data Collection Method 144

6.4 Variables And Measurement 146

6.5 Method Of Data Analysis 147

6.6 Conclusion 148
# TABLE OF CONTENTS

## CHAPTER 7: DATA ANALYSIS AND RESULTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.0</td>
<td>Introduction</td>
<td>149</td>
</tr>
<tr>
<td>7.1</td>
<td>Descriptive Statistics</td>
<td>149</td>
</tr>
<tr>
<td>7.1.1</td>
<td>Organisational Climate</td>
<td>149</td>
</tr>
<tr>
<td>7.1.2</td>
<td>Independent Variables</td>
<td>156</td>
</tr>
<tr>
<td>7.2</td>
<td>Inferential Statistics</td>
<td>160</td>
</tr>
<tr>
<td>7.3</td>
<td>Conclusion</td>
<td>169</td>
</tr>
</tbody>
</table>

## CHAPTER 8: DISCUSSIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.0</td>
<td>Introduction</td>
<td>170</td>
</tr>
<tr>
<td>8.1</td>
<td>Measuring Organisation Climate</td>
<td>170</td>
</tr>
<tr>
<td>8.2</td>
<td>Organisational Quality Climate In Malaysian Government Organisations</td>
<td>171</td>
</tr>
<tr>
<td>8.2.1</td>
<td>Strategic Focus</td>
<td>171</td>
</tr>
<tr>
<td>8.2.2</td>
<td>Leadership And Management</td>
<td>178</td>
</tr>
<tr>
<td>8.2.3</td>
<td>Work Force</td>
<td>184</td>
</tr>
<tr>
<td>8.2.4</td>
<td>Customer Orientation</td>
<td>193</td>
</tr>
<tr>
<td>8.2.5</td>
<td>Communication</td>
<td>193</td>
</tr>
<tr>
<td>8.2.6</td>
<td>Overall Organisation Climate Score For Government Organisations</td>
<td>195</td>
</tr>
<tr>
<td>8.3</td>
<td>Overcoming The Barriers To Achieving Total Quality In Public Organisations</td>
<td>198</td>
</tr>
<tr>
<td>8.4</td>
<td>Conclusion</td>
<td>207</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>9.0</td>
<td>Introduction</td>
<td>208</td>
</tr>
<tr>
<td>9.1</td>
<td>Summary Of The Study And Its Findings</td>
<td>208</td>
</tr>
<tr>
<td>9.2</td>
<td>Implication Of The Findings</td>
<td>210</td>
</tr>
<tr>
<td>9.3</td>
<td>How To Improve Quality Significantly</td>
<td>213</td>
</tr>
<tr>
<td>9.4</td>
<td>Suggestions For Future Research</td>
<td>224</td>
</tr>
<tr>
<td>9.5</td>
<td>Conclusion Of The Study</td>
<td>225</td>
</tr>
</tbody>
</table>

**BIBLIOGRAPHY**

**APPENDICES**
ACKNOWLEDGEMENT

Bismillah-alRahman-alRahim,

There are many to thank for their contributions to these writings. In particular, I want to acknowledge my gratitude to my supervisor:

Dr. Rushaimi Zien Yusoff,
The Director Of Quality Management Institute,
Universiti Utara Malaysia,

for his guidance, advice, coaching, understanding. I record my thanks to:

En. Mohd. Hanizan Zalazilah,
Deputy Director Quality Management Institute,
Universiti Utara Malaysia,

who like my supervisor, made this thesis possible.

I would also like to thank the officers who co-operated to answer the questionnaires for making this thesis a success. I am indebted to my family members, my husband, Zainal, my children, Faiz, Angah and Zetty, and my sister, Azimah who have given me their continuous love, support and encouragement. Many thanks to Mr. Varghase for his editing work and also to all my friends, especially Nyemah and my colleague, Abdul Halim who have given their support and advice to help the task of this project much more bearable.

“Semoga segala usaha kita diberkati ALLAH jua”.

Salmiah Hj. Mohd. Ali
Sekolah Siswazah
Universiti Utara Malaysia
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Table No.</th>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Some Of The “Quality First” Adopters</td>
<td>3</td>
</tr>
<tr>
<td>2.1</td>
<td>Differences Between Manufacturing and Services Industries</td>
<td>26</td>
</tr>
<tr>
<td>2.2</td>
<td>Culture Change From Traditional To “Quality First” Implementation</td>
<td>35</td>
</tr>
<tr>
<td>3.1</td>
<td>The differences In The Pre-Industrial And Industrial Organisation</td>
<td>74</td>
</tr>
<tr>
<td>7.1</td>
<td>Mean Score Of The Variables Measured In The Study</td>
<td>159</td>
</tr>
<tr>
<td>7.2</td>
<td>Results Of The <strong>ANOVA</strong> For Factors That influence Organisation’s Quality Climate</td>
<td>163</td>
</tr>
</tbody>
</table>
## LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure No.</th>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Overview Of The Research Process</td>
<td>20</td>
</tr>
<tr>
<td>2.1</td>
<td>Holistic View Of “Quality First” Integration</td>
<td>46</td>
</tr>
<tr>
<td>2.2</td>
<td>Organisational Philosophy Of Culture</td>
<td>55</td>
</tr>
<tr>
<td>2.3</td>
<td>Organisational Culture Influences Organisational Climate</td>
<td>56</td>
</tr>
<tr>
<td>2.4</td>
<td>Influence On The Success Or Failure Of Organisation</td>
<td>61</td>
</tr>
<tr>
<td>3.1</td>
<td>Product-Oriented Economic Model</td>
<td>83</td>
</tr>
<tr>
<td>3.2</td>
<td>Service-Oriented Economic Model</td>
<td>83</td>
</tr>
<tr>
<td>3.3</td>
<td>Process To Improve Service Productivity</td>
<td>89</td>
</tr>
<tr>
<td>4.1</td>
<td>Elements Involved In Promoting Successful Productivity And Quality Improvement Program</td>
<td>110</td>
</tr>
<tr>
<td>5.1</td>
<td>Diagram Of The Theoretical Framework Of The Study</td>
<td>129</td>
</tr>
<tr>
<td>5.2</td>
<td>Diagram Of Dimensions And Elements Of The Concepts Of Organisation’s Quality Climate</td>
<td>131</td>
</tr>
<tr>
<td>5.3</td>
<td>Relationship Between Independent And Dependent Variables</td>
<td>135</td>
</tr>
</tbody>
</table>
# LIST OF APPENDICES

<table>
<thead>
<tr>
<th>Appendix No.</th>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Reliability Analysis For Pilot Study</td>
</tr>
<tr>
<td>6.2</td>
<td>Sample Of Questionnaires</td>
</tr>
<tr>
<td>9.1</td>
<td>The “Quality First” Action Items</td>
</tr>
</tbody>
</table>
ABSTRACT

This study was carried out to look at the concept of “Quality First” in the Service organisations in the public sector. For this study, the analysis was done on the dimensions and the factors that influence the organisation’s quality climate.

Analysis of the assessment of the climatic factors such as Strategic Focus, Leadership and Management, Work Force, Customer-orientation, and Communication in organisations required the sending out of questionnaires to 97 government organisations in Alor Setar, Kedah Darul Aman. The score of 5.039 was obtained in this study which exceeded the target score of 3.5. This indicates that the organisation climate in the government sector is favourable and conducive for quality improvement effort. The survey showed that managers in the public sector are committed to the quality improvement that the government emphasised upon.

Analysis of the factors that influenced the organisation climate shows that there is no significant difference to the size of the work force, size if its budget, the level of government, its function or mission, past performance of total quality effort, and the perception of managers regarding their organisation’s performance. This shows that the organisations in the public sector are the same since they are required to follow the guidelines that the government has put forward in the various circulars pertaining to the quality improvement and implementation.

Thus, it can be concluded that public agencies in the government have favourable quality climate which is suitable for any total quality improvement effort required by the government. However, the agencies should nor rest on their laurels but still need to strive for continuous improvement in its total quality effort to achieve the country’s vision 2020.
ABSTRAK


Analisis penilaian iklim kualiti organisasi memerlukan borang soalselidik yang diedarkan kepada 97 agensi kerajaan yang mengutamakan penyelidikan ke atas f&or-f&or yang mempengaruhi seperti tumpuan kepada strategi, kepimpinan dan pengurusan, daya tenaga manusia, orientasi pelanggan dan komunikasi.

Nilai yang diperolehi dalam kajian ke atas organisasi di jabatan-jabatan kerajaan ialah 5.039, melebihi nilai yang minima 3.5. Oleh itu, dapat merumuskan bahawa organisasi di jabatan kerajaan mempunyai iklim organisasi yang baik untuk meningkatkan kualiti dan produktiviti.

Analisis ke atas f&or-f&or yang mempengamhi iklim organisasi yang terdapat di bahagian B dalam soalselidik menunjukkan faktor-faktor seperti saiz dan peruntukan organisasi, jenis kerajaan, fungsi atau misi organisasi dan persepsi pengurusan tentang prestasi organisasi mereka tidak mempengaruhi iklim organisasi. Manakala sistem kualiti yang pemah diamalkan mempengaruhi iklim organisasi yang dikaji. Ini menunjukkan organisasi di sektor awam mempunyai iklim yang sama kerana ia mempraktikan sistem dan dasar pengurusan yang sarna.

Kesimpulannya, sektor awam mempunyai iklim organisasi yang berkualiti sesuai dengan kehendak kerajaan. Walau bagaimanapun agensi-agensi yang dikaji perlu membuat peningkatan kualiti yang berterusan dari segi iklim organisasi untuk mencapai wawasan 2020.
CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

This chapter will outline the research problem, the study context, its objectives and the significance of the study. In this chapter, the definition and terms will be defined and the constraints that the researcher faces during the research.

1.1 THE RESEARCH PROBLEM

The Japanese success in quality is legendary. The Japanese have applied Total Quality Control (TQC) theories and techniques to improve their goods and services. In the early 1950s, the term TQC was coined by Armand V. Fiegenbaum, and both W. Edwards Deming and Joseph M. Juran were invited to teach statistical quality control techniques to the Japanese to help them restore their war-tom industries. Then Deming and Juran met Kaoru Ishikawa, Japan’s foremost expert in TQC which to Japanese success in quality crusade.

This leads to Quality leaders who are world class producers/providers of products and/or services -- from very large to small companies involved in diverse
The contents of the thesis is for internal user only
BIBLIOGRAPHY


Doran, P. K. “A Total Quality Improvement Program.” Management Decision. Pg. 54-63


