

A **STUDY** OF ORCANISATIONAL  
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

	Page
Table Of Contents	i
Acknowledgement	vii
List Of Tables	viii
List Of Figures	ix
List Of Appendices	x
Abstract	xi
<b>CHAPTER 1: INTRODUCTION</b>	
1.0 Introduction	1
1.1 The research Problem	1
1.2 Study Context	6
1.3 Objective of Study	11
1.4 Limitation of Study	14
1.5 Definition	15
1.6 Plan of Study	20
1.7 Significance of Study	20
<b>CHAPTER 2: ORGANISATIONAL QUALITY CLIMATE</b>	
2.0 Introduction	22
2.1 Quality -- A Look At History	22
2.2 Quality Defined	24

## TABLE OF CONTENTS

---

<b>2.3</b>	Quality Is A Process	<b>27</b>
<b>2.4</b>	Concept Of “Quality First”	<b>27</b>
2.4.1	Definition Of “Quality First”	<b>27</b>
2.4.2	When Quality Is Not First	28
2.4.3	“Quality First” Principles	<b>29</b>
2.4.4	Fundamental Concepts Of “Quality First”	<b>31</b>
<b>2.5</b>	<b>Cultural</b> And Climatic Aspect of Quality	<b>47</b>
2.5.1	The Development Of Corporate Culture	<b>47</b>
2.5.2	Definition	<b>48</b>
2.5.3	The Concepts Of Culture And Climate	<b>52</b>
2.5.4	Developing A Customer Driven Culture	<b>63</b>
2.5.5	Assessment Of <b>Organisational</b> Climate	<b>63</b>
<b>2.6</b>	Conclusion	<b>67</b>
 <b>CHAPTER 3:    QUALITY SERVICE IN SERVICE SECTOR</b>		
<b>3.0</b>	Introduction	69
<b>3.1</b>	The Service Sector	69
<b>3.2</b>	What Is Customer Service?	71
<b>3.3</b>	Quality Of Service/Service Quality	<b>72</b>
3.3.1	Characteristics Of A <b>Successful</b> Service Organisation	80
3.3.2	Problems In Measuring and Improving	<b>82</b>
	and Productivity In Service Organisations	

## 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
 <b>CHAPTER 4: QUALITY SERVICE IN THE GOVERNMENT ORGANISATIONS</b>		
4.0	Introduction	98
4.1	Government As A Provider Of Services	98
4.2	Reasons For Lack Of Customer-Orientation In Governments	99
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 Organisations	122
4.6	Culture Change And The Malaysian Civil Service	123
4.7	Conclusion	127
 <b>CHAPTER 5: THEORETICAL FRAMEWORK</b>		
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	<b>Introduction</b>	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	
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**

7.0	Introduction	149
7.1	Descriptive Statistics	149
	7.1.1 Organisational Climate	149
	7.1.2 Independent Variables	156
7.2	Inferential Statistics	160
7.3	Conclusion	169

### **CHAPTER 8: DISCUSSIONS**

8.0	Introduction	170
8.1	Measuring Organisation Climate	170
8.2	Organisational Quality Climate In Malaysian Government Organisations	171
	8.2.1 Strategic Focus	171
	8.2.2 Leadership And Management	178
	8.2.3 Work Force	184
	8.2.4 Customer Orientation	193
	8.2.5 Communication	193
	8.2.6 Overall Organisation Climate Score For Government Organisations	195
8.3	Overcoming The Barriers To Achieving Total Quality In Public Organisations.	198
8.4	Conclusion	207

## TABLE OF CONTENTS

---

### **CHAPTER 9: CONCLUSIONS AND IMPLICATIONS**

9.0	Introduction	208
9.1	Summary Of The Study And Its Findings	208
9.2	Implication Of The Findings	210
9.3	How To Improve Quality Significantly	213
9.4	Suggestions For Future Research	224
9.5	Conclusion Of The Study	225

### **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

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

## LIST OF FIGURES

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

## LIST OF APPENDICES

Appendix No.	Con tents
6.1	Reliability Analysis For Pilot Study
6.2	Sample Of Questionnaires
9.1	The “Quality First” Action Items

## 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

Kajian ini dijalankan untuk melihat konsep “Utamakan Kualiti” (“Quality First”) dalam sektor awam di Alor Setar, Kedah Darul Aman. Bagi tujuan penyelidikan ini, dua bentuk analisis iaitu penilaian iklim organisasi dan analisis faktor-faktor yang mempengaruhi kualiti iklim organisasi.

Analisis penilaian iklim kualiti organisasi memerlukan borang soal selidik yang diedarkan kepada 97 agensi kerajaan yang mengutamakan penyelidikan ke atas faktor-faktor 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 faktor-faktor yang mempengaruhi iklim organisasi yang terdapat di bahagian B dalam soal selidik menunjukkan faktor-faktor seperti saiz dan peruntukan organisasi, jenis kerajaan, fungsi atau misi organisasi dan persepsi pengurus tentang prestasi organisasi mereka tidak mempengaruhi iklim organisasi. Manakala sistem kualiti yang pernah diamalkan mempengaruhi iklim organisasi yang dikaji. Ini menunjukkan organisasi di sektor awam mempunyai iklim yang sama kerana ia mempraktikkan sistem dan dasar pengurusan yang sarna.

Kesimpulannya, sektor awam mempunyai iklim organisasi yang berkualiti sesuai dengan kehendak kerajaan. Walaubagaimanapun 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-torn 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**

**Ahmad Sarji. Improvements and Development In The Public Service for the year 1992.** Kuala Lumpur 1993.

**Ahmad Sarji. The Public Service Of Malaysia: Some Reflections on Quality, Productivity and Discipline.** Kuala Lumpur, 1992.

Akin, G. & Hopelain, D. **"Finding The Culture Of Productivity,"** Organisation Dynamics. Vol 14. No. 3. (1986) Pg. 19-32

**Albrecht, K. At America's Service: How Corporations Can Revolutionise The Way They Treat Their Customers.** Illinois, USA. Dow Jones & Company, Inc., 1988.

Albrecht, K. & Bradford, K.J. **The Service Advantage: How To identify and Fulfil Customer Needs.** USA Dow Jones & Company Inc., 1990.

Al-Shamari, Minwir M. **"Organisational Climate."** Leadership And Organisation Development Journal. Vol 13. No. 6. (1992). Pg. 30-32.

**AT & T Quality Steering Committee. Achieving Customer Satisfaction: Service Quality from The Customer Perspective.** USA At & T 1990.

Berry, L. L & Parasuraman, A. **"Prescriptions For A service Revolution in America"** Organisational Dynamics, Vol 20. No. 4. (1992). Pg. S-15.

Blumberg, D. F. **"Improving Productivity in Service Operations On An International Basis."** National Productivity Review. Spring (1991). Pg. 167-179.

**Bossink, B. A. G., Gieskes, J. F. B. & Pas, T. N. M. "Diagnosing Total Quality Management - Part 2."** Total Quality Management. Vol. 4. No. 1. (1993). Pg. S-12.

**Brown' S. A. Total Quality Service: How Organisations Use It to Create A Competitive Advantage.** US: R R. Donnelly & Sons Co. 1992.

Brown, S. W., Gummesson E., Edvardsson, B. & Gustavsson, B. **Service Quality: Multidisciplinary and Multinational Perspectives.** USA: Lexington Books. 199 1.

**Caudron, S. "How HR Drives TQM."** Personal Journal. August 1993. Pg. 47B - 480.

**Cespedes, F. V. "Once More: How Do You Improve Customer Service?"** Business Horizons. Vol. 35. No. 2. (1992). Pg. 58-67.

**Cook, Sarah. Customer Care: Implementing Total Quality in Today's Service Driven Organisation.** Great Britain: Kogan Page Limited 1992.

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

**DuBrin, A. J. Foundations Of Organisational Behaviour: An Applied Perspective.** New Jersey: Prentice-Hall, Inc., 1984.

**Endosomwan, J. A. Integrating Productivity And Quality Management.** New York: Marcel Dekker Inc., 1987.

**Fairhead, J. Design For Corporate Culture: How To Build A Design And Innovative Culture.** London: National Economic Development Office. 1987.

**Federico, F. J. "Six Steps To Quality Improvement."** National Productivity Review. Vol. 8. No. 2. (1989). Pg. 113-118.

**French, W. L. Human Resources Management.** Boston: Houghton Mifflin Co., 1986.

**Frost, P. J., More, L. F. & Louis. R Reframing Organisational Culture.** Sage Publication, Inc., 1991.

**Gannon, M. J. Organisational Behaviour: A Managerial And Organisational Perspective.** USA: Little, Brown & Co., 1979.

**Glick, W. H. "Conceptualising and Measuring Organisational Climate: Pitfalls In Multilevel Research."** Academy Of Management Review. Vol. 19. No. 3. (1985). Pg. 601-616.

**Griffiths, D. N. Implementing Quality: With A Customer Focus.** Wisconsin: ASQC Quality Press. 1990.

**Gorman, L. "Corporate Culture."** Management Decision. Vol. 27. No. 1. (1989). Pg. 14-19.

**Hammons, C. & Maddux, G. A "Total Quality In The Public Sector."** Management Decision. Vol. 28. No. 4. (1990) Pg. 15-19.

**Healey, J. F. Statistics, A Tool For Social Research.** 3rd. Edition. California: Wodsworth, Inc., 1993.

**Hogg, R. V. & Hogg, A "A Quality Journey: Observations And Suggestions regarding Continuous Process Improvement."** Total Quality Management. Vol. 4. No. 2. (1993) Pg. 195-214.

Hunt, V. D. **Quality In America: How To Implement A Competitive Quality Program.** Illinois: Business One Irwin. 1992.

**Improvements and Development In The Public Service. Government Of Malaysia.** 1990. Kuala Lumpur: 199 1.

Jason, R. **“Achieving Service Excellence In The Financial Service Industry.”** National Productivity Review. Vol. 8. No. 2. (1989). Pg. 129-144.

Jut-an, J. M. **“J. M. Juran On Leadership For Quality: An Executive Handbook.”** New York: The Free Press, 1989.

Juran, J. M. & Gryna. **Quality Planning And Analysis: From Product Development Through Use.** New York: McGraw-Hill, Inc., 1993.

**Little Oxford Dictionary.** 5th Edition. Oxford: Oxford University Press. 1980.

Longenecker, C.O. & Scazzero, J. A. **“Creating A Climate For Quality.”\*** Supervision, January 1993. Pg. 14-16.

Lund & Thomsen, C. **“Visions For The Future.”** Total Quality Management. Vol. 4. No. 5. (1992). Pg. 313-314.

Mahathir, Mohammad. **“Kualiti Teras Kejayaan.”** Kuala Lumpur. 1989.

Mahathir, Mohammad. **“Kualiti Asas Kecemerlangan.”** Kuala Lumpur. 1990.

McLennon, R **Managing Organisational Change.** USA: Prentice-Hall, Inc., 1989.

Milakovich, M. E. **Total Quality In The Public Sector.\*** National Productivity Review. Spring 199 1. Pg. 193 -2 13.

Miller, T. I & Miller, M. A. **“Standards Of Excellence: U.S. Residents’ Evaluations Of Local Government Service.”** Public Administration Review. Vol. 51, No. 6. (1991). Pg. 503-513.

Mills, C.A. **The Quality Audit: A Management Evaluation Tool.** Singapore: McGraw-Hill Book Co., 1989.

Naylor, J. C., Pritchard, R D. & Ilgen, D. R. **A Theory Of Behaviour In Organisations.** New York: Academic Press, Inc., 1980.

New Straits Times, **“Quality Culture For nations Success.”** November, 13, 1989.

Norusis, M. J. **SPSS/PC+ Studentware**. Chicago: SPSS, Inc., 1988.

**Panduan Telefon 1993 Penang, Perlis dan Kedah**. Kuala Lumpur: Telekom Publications Sdn. Bhd.

Porter, L. J. & Parker, A J. “**TQM • The Critical Success Factors.**” Total Quality Management. Vol. 4. No. 1. (1993). Pg. 13-22.

Poupart, R & Hobbs, B. “**Changing The Corporate Culture To Ensure Success: A Practical Guide.!**” National Productivity Review. Vol. 8. No. 3.(1989). Pg. 223-258.

**Process Peningkatan Productiviti**. MAMPU. Kuala Lumpur, 1990.

Reeves, C.A. & Bednar, D. A. “**What Prevents TQM Implementation In Health Care Organisations?**” Quality Progress. Vol. 26. No. 4. (1993). Pg. 41-61.

Ritter, D. “**Let’s Elevate Quality On Our National Agenda.**” National Productivity Review. Vol. 10, No. 4, (1991). Pg. 447-452.

Rosander, A. C. **Deming’s 14 Points Applied To Services**. Milwaukee: ASQC Quality Press. 199 1.

Shaw, J. C. **The Service Focus: Developing Winning Game Plans For Service Companies**. Illinois: Richard D. Irwin, Inc. 1990.

Sekaran, Uma. **Research Methods For Business: A Skill-Building Approach**. New York: John Wiley and Sons, Inc., 1992.

Sachidhanandam, S. “**Fostering An Appropriate Corporate Culture For The Malaysian Civil Service; INTAN Experience.**” INTAN Management Journal. Vol. 1. No. 1. (1992). Pg. 64-85.

Smith, A. K. “**Total Quality in The Public Sector.**” Quality Progress. Vol. 26. No. 6. (1993). Pg. 45-64.

Steeple, M. M. **The Corporate Guide To The Malcolm Baldrige National Quality Award: Proven Strategies For Building Quality Into Your Organisation**. Wisconsin: ASQC Quality Press, 1992.

Scully, J. P. “**How To Really Change The Federal Government.**” National Productivity Review. Vol. 13. No. 1. (1993/94). Pg. 29-38.

Swiss, J. E. “**Adopting Total Quality Management To Government.**” Public Administration Review. Vol. 52. NO. 4. (1992). Pg. 356-362.

Tenner, A. R. & Detoro, I. J. **Total Quality Management: Three Steps To Continuous Improvement.** Massachusetts: Addison-Wesley Publishing Co, Inc. 1992.

**The Ernst & Young Quality Improvement Group USA. Total Quality: A Manager's Guide For The 1990s.** Illinois: Business One Irwin, 1992.

Townsend, P. L. & Gebhardt, J. E. **Commit To Quality.** USA: John Wiley & sons, Inc. 1990.

Trice, H. M. & Beyer, J. M **The Cultures Of Work Organisations.** New Jersey: Prentice-Hall. 1993 .

Ventriss, C. "**The Challenge Of Public Service: Dilemmas, Prospects, And Options.** Public Administration Review. Vol. 51. No. 3. (1991). Pg. 275-279.

Wagenheim, G. D. & Reurink, J. H. "**\*Customer Service in Public Administration.**" Public Administration Review. Vol. 51. No. 3. (1991). Pg. 263 -270.

Wagner, J. A & Hollenbeck, J. A **Organizational Behaviour.** Eaglewood Cliffs, New Jersey; Prentice-Hall, 1992.

Watson, H. E., McKenna, M. A. & McLean, G. M. "**TQM and Services: Implementing Change In The NHS.**" International Journal Of Contemporary Hospitality Management. Vol. 4. No. 2. (1992). Pg. 17-20.

Wood, P. B. "**How Quality Government Is Being Achieved.**" National Productivity Review. Vol.. 11, No. 2. (1992) Pg. 257-264.