



BUSINESS EXCELLENCE INITIATIVES: A STUDY OF DUBAI QUALITY AWARD-WINNING ORGANIZATIONS IN UAE

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Abstract

This paper presents the central results of a survey analysis carried out in the UAE with respect to business excellence initiatives. The main purpose of this research is to investigate the use of business excellence initiatives in Dubai quality award-winning organizations. The study used a self-administered questionnaire to confirm the adaptability of business excellence initiatives by Dubai quality award-winning organizations. Several statistical tests including descriptive statistics, internal consistency reliability and content validity were employed using the Statistical Package for the Social Sciences (SPSS). The result of the study shows that various business excellence initiatives already implemented by Dubai quality award-winning organizations for their efforts towards business excellence. The award-winning organizations believe that business excellence initiatives are important in helping them reach their organizational goals.

Keywords: business excellence; initiatives, survey, Dubai Quality Award, UAE

INTRODUCTION

In today's business environment, quality and excellence are two attributes most sought by organizations. While quality is a measurement against a standard or model, excellence is perhaps the "ultimate quality" (Bahaldin, 2005).

Excellence is the state or quality of excelling. Particularly in the field of business and organizations, excellence is considered to be an important value, and a goal to be pursued. In the EFQM Annual Report (2015), 'excellence' is defined as "an outstanding practice in managing the organization and achieving results, based on a set of fundamental

concepts". In this respect, BX as a new modern management philosophy has been an important subject among organizations (Dahlgaard et al., 2013; Mann et al., 2011). With the changes in the business environment, the term of 'excellence' has now been replaced dramatically as a new word for 'quality'.

The concept of 'business excellence' (BX) which is also known as 'organizational excellence', is defined through and based on the world wide quality award models (Doulatbadi & Yusof, 2015). By definition, BX is considered as a path to be the best or a world-class organization which represents an important means for achieving excellence. The starting point in achieving excellence is to improve quality. According to Lam, Chan & Chan (2004) there are five levels of excellence maturity ranging from lowest to highest namely Unaware, Uncommitted, Beginners, Improver, and Achiever. Each level has its own

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meaning which has been developed mainly based on the literature.

This paper provides a discussion on general descriptive statistics of respondents which mainly covers the first section of the survey questionnaire. It is followed by discussion on the reliability and validity tests conducted on the factors used in survey instrument are also presented prior the analysis from the final section. The main characteristics of the companies and respondents who participated in the pilot study are also presented. Further discussion and conclusion on the main findings drawn from the analysis is collectively reported at the end of the paper.

LITERATURE REVIEW

Among the quality improvement approaches which have been proposed, however, Business Excellence (BX), as a modern operation management practice based on the concept of Total Quality Management (TQM), has gained widespread attention of organizations (Zairi & Alsughayir, 2011; Mann et al., 2011). It has been developed as the result of intense world-wide competition based on the quality award models or frameworks to the improvements of overall business performance (Dahlgaard-Park & Dahlgaard, 2010). European Foundation for Quality Management (EFQM) Excellence Model and the Baldrige Criteria for Performance Excellence (BCPE) are two examples of globally accepted major quality excellence award models. The first and immediate aim of these models is the continuous improvement of performance towards achieving excellence (Brown, 2014; Mann et al., 2011; Porter & Tanner, 2012; Sila & Ebrahimpour, 2002). Self-assessment and benchmarking is the main element of these models (Dahlgaard et al., 2013).

As the result of intense global competition, the term TQM lost its appeal while the concept of BX appeared (Dahlgaard-Park, 2011). The concepts and practice of BX and TQM have become very popular around the world (Dahlgaard et al., 2013; Zairi & Alsughayir, 2011; Mann et al., 2011). Over the last two

decades, TQM is dramatically accepted as one of the fundamental criterion (element) for achieving 'excellence'. On the other hand, the concept of TQM has been used by researchers, practitioners and national/international award agencies as an important parameter/enabler while developing their frameworks for implementing and achieving 'organizational excellence' (Adebanjo, 2001).

BX and TQM are considered as straightforward approaches, which apply certain principles and practices throughout the organizations. However, as stated by Dahlgaard-Park & Dahlgaard (2003) the manner in which these approached are enacted depends on the organizational paradigm. In general, TQM represents a philosophy, and a system of methodologies and practices as well as an on-going commitment to BX that covers all issues and engages all individuals within an organization. The common characteristics between these two terms are continuous improvement, culture, customer focus, employee empowerment, innovation, learning, knowledge, and strategy (Wang & Ahmed, 2001).

According to Adebanjo (2001) the failure in TQM interest was followed by an immediate growth in BX. He suggests that BX was widely accepted for exactly the same reasons that TQM declined. Although TQM and BX have many similarities, the two concepts possess a number of differences as well.

Quality and business excellence award assessment models have been developed as a practical tool to help organisations establish an appropriate management system by measuring where they are on the path to excellence, helping them to understand the gaps, and then stimulating solutions' (EFQM 2003). They are considered as holistic models to guide organizations to assess quality activities in their journey towards excellence. Guidelines of these award models usually make reference to the self-assessment process and benchmarking based on the core elements of TQM philosophy. The Deming Prize (DP) of Japan, *the Baldrige Excellence Framework of the*

United States, the EFQM Excellence Award in Europe, and the Australian Business Excellence Framework (ABEF) in Australia are known as the most widely used self-assessment models/frameworks throughout the world. They have consolidated as the most widely recognized self-assessment model for achieving organizational excellence (Brown, 2014; Mann et al., 2011; Hughes & Halsall, 2002; Miguel, 2001; Puay et al., 1998). The overall models of these international awards generally include a minimum of seven core criteria. All the models follow similar procedures for the assignment of their own quality and business excellence awards programs and use a weighting scheme in scoring performance against the defined criteria. The models and their criteria have undergone changes over the years. According to Doulatbadi and Yusof (2015), there are more similarities than differences between these models as worldwide tools of self-assessment in terms of criteria and relevant scores.

MATERIALS AND METHODS

For the purpose of this study, a self-administered questionnaire was chosen as the primarily research instrument to elicit the respondent's opinions.

There are a set of issues that should be clarified before conducting the survey method type in form of questionnaire. With respect to this study, issues consist of developing a sound questionnaire, selection of correct sample size and respondents, choosing appropriate methods for data collection analysis, determining reliability and validity of questionnaire, normality test and pre-testing of questionnaire are discussed in detail in the following sections respectively.

Survey Questionnaire Design

The survey questionnaire of the study was designed based on a variety of inputs including literature review, inputs from quality experts. The questionnaire was improved in terms of clarity based on a pilot survey. The first section

of the survey involved an investigation on the general background and profile of the respondents, which includes the number of years in business, types of business, type of industry, size of organization, respondent's position and years of experience. The business excellence initiatives implemented by the respondent companies also are discussed in this section. The main purpose was to describe and understand some of the characteristics of the survey respondent companies that will be helpful in later analysis. Secondary data such as type of organization and level of recognition was also analysed to get detailed background of the companies.

The survey questionnaire of the study is included two main sections as follows:

Section 1

Basic information about the organizational collection of demographic variables.

Section 2

A number of 52 statements which resulted from an extensive review of literature on the critical factors to quality management practices as well as the feedback of academics and practitioners in the field.

A five-point Likert-type scale ranging from 1 (not useful at all) to 5 (very useful) was used to assess the perspective of respondents. The respondents were asked to determine the level of importance of the factors rating on a five-point interval scale ranging from 1 (being not important) to 5 (being an extremely important). The first page of the questionnaire highlighted the objectives of the pilot survey.

Survey Respondents and Sample

The pilot study was carried out with a total of 15 companies which were 10% of the sample size as suggested by Fink (2003) as cited in Saunders (2007). Convenience sampling technique as a form of non-probability sampling design was used in selecting this pilot sample. Because of the

widely dispersed organizations, the target sample for the pilot survey was limited only to those companies that received the DQA in the state of Dubai in the years between 2003 and 2010. This state hosted about 76.5% of total number of the sample. The companies which took part in the survey varied in terms of size, type of business and industry.

It was expected the selected sample to fulfil the requirements of all the statistical techniques used, as well as to justify the cost and time limitations of the study. It was strongly believed that the selected pilot companies from different sectors and industries with sufficient experiences in implementing the DQA model and its criteria would therefore able to provide a valid feedback on the survey questionnaire.

To collect sufficient feedback from the respondents for further improvement of the questionnaire, directors or managers in charge of quality and business excellence were included as the primary information sources for the pilot survey. It is essential that the perception of critical factors comes from those who have a good understanding and experience in topic of quality management and business excellence, and these individuals assumed to fit this criterion. To get reliable feedback as much as possible, all respondents were carefully targeted by name, position and contact address. All the respondents were informed about the survey through an electronic invitation e-mail two weeks prior distributing of the questionnaires.

Survey Administration

12 of the 15 questionnaires distributed, were received back completed and collected on the same day. However, in three cases, the researcher had to wait for the questionnaire to be completed by respondents and return for collection. For this reason, the researcher had to make several phone calls and send reminder electronic mails for new schedules and waited to collect the completed questionnaires. This was a bit challenging task and time consuming which was affected on conducting the actual survey as was planned. Finally, all the 15

questionnaires were completed by respondents giving a response rate of 100 per cent. Support from top management within the respondent's companies, handed all questionnaires personally to every participant, and close follow-up via phone calls as well as the length of the questionnaire (no open-ended questions were included) helped to get this high response rate. The procedures of distribution and collection of the pilot survey were successfully completed over two (2) months.

In order to achieve the objectives of the study, the draft of the questionnaire was personally distributed through one to one visit to the prospective organizations. Although this process was very time consuming and costly, but has helped the researcher in achieving the following objectives: (a) To ensure the questions are answered by the right person, (b) To have a direct dialogue with respondents while introducing the survey, (c) To make sure that the survey questions were understood by the respondents, (d) To collect the questionnaires immediately after completed by respondents, (e) To gain more completed questionnaires and increase the response rate.

Further to this, with the pilot survey questionnaire each participant was also requested to assess the questionnaire separately through using an 'Evaluation Sheet'. This assessment mainly was conducted in order to ensure about the following issues: (a) total time usage to complete each questionnaire, (b) sequencing of the questions asked, (c) instructions, and suitability of ranking scale, (d) comprehensibility of the questions and ambiguity (if any) and (e) consistency of the questions and overall design and format.

Survey Data Analysis

The survey data collected from the respondents were mainly analyzed *through* Statistical Package for Social Sciences (SPSS) software Version 27 using descriptive statistics. In order to ensure about the quality of the survey questionnaire, a specific reliability and validity tests in the form of internal consistency, content validity were also applied

on the survey instrument for the purpose of this study.

RESULTS AND DISCUSSIONS

Descriptive Statistics

As for the demographic profile of respondents, the descriptive statistical results obtained from SPSS revealed that the most of the companies were established over 20 years (58.2%) and grouped as fully local-private companies (56.0%). Figures 1 and 2 present the results.

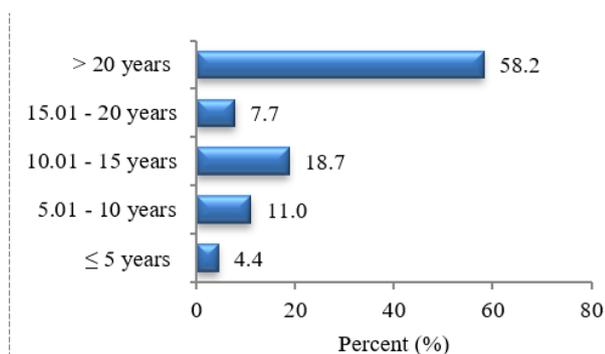


Figure 1. Respondent companies by years of operation

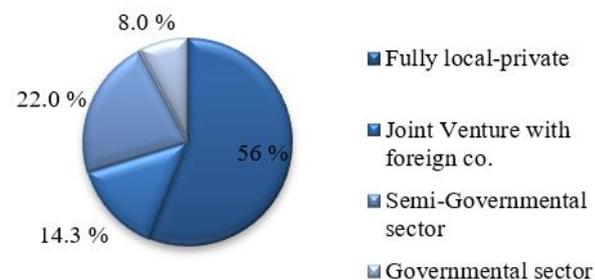


Figure 2. Percentage of respondents by types of business

According to the type of industry, as shown in Figure 3, the respondents came from different types of industry with service being the highest at 22%. This is followed by trade and manufacturing sectors with 16.5% and 14.3% respectively. These results indicate a good diversity of industries among the respondents for this study.

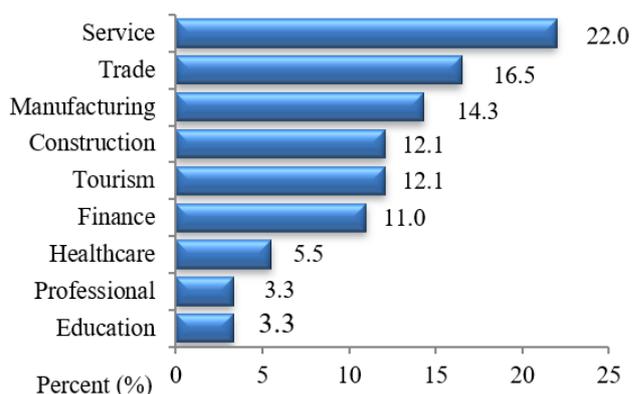


Figure 3. Percentage of respondents by types of business

The analysis also shows that the majority of the respondents (71.4%) were part of large companies with more than 250 employees, working as quality manager/officer (46.2%) for more than 7 years (53.3%) and hold a postgraduate-degree (73.3%) in related fields. Figures 4 and 5 present the results.

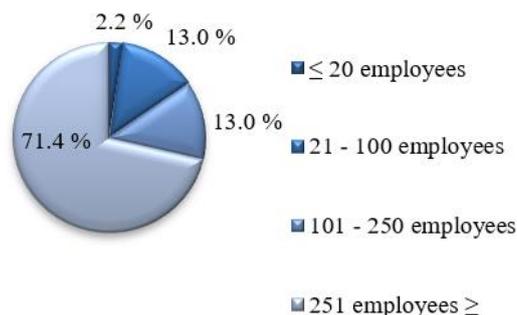


Figure 4. Percentage of respondents by the number of employees



Figure 5. Respondents by position/job title

With respect to business excellence initiatives the respondents were asked to indicate those business excellence initiatives they had already implemented within their companies from a list of major initiatives given. Figure 6 shows the rankings of initiatives implemented by respective companies in form of a Pareto diagram. The result shows that various business excellence initiatives already implemented by respondents for their efforts towards excellence. As illustrated in diagram, the three initiatives implemented by the vast majority of the respondent companies are Quality Mission Statement (93.4%), Customer (Client) Surveys (81.3%), and Employee Suggestion Scheme (75.8%). Approaches such as HACCP, Lean and Six Sigma with average of 15% are placed as the three least implemented initiatives. The analysis also shows that about 54.9% of the surveyed companies implemented the EFQM Excellence Model.

Internal Consistency Reliability

For the purpose of this study, the internal consistency reliability analysis was performed using Cronbach’s coefficient alpha as part of the standard reliability test used in the SPSS software. In order to ensure the internal consistency and reliability of the variables on the pilot survey, Cronbach’s alpha coefficient test was performed. The coefficient alpha values of the factors were significantly greater than the general requirement (e.g.>0.70). This indicates that all the variables used in survey questionnaire were likely to be understandable by respondents.

Content Validity

In dealing with the content validity of the survey questionnaire, three approaches conducted in this research including (1) literature review; (2) expert’s opinion; and (3) pilot study. First an extensive review was carried out in the field of quality management and business excellence to elicit critical factors and related sub-factors of the survey questionnaire. The developed survey instrument then reviewed by 27 quality experts

including of 11 academics and 16 practitioners from industry.

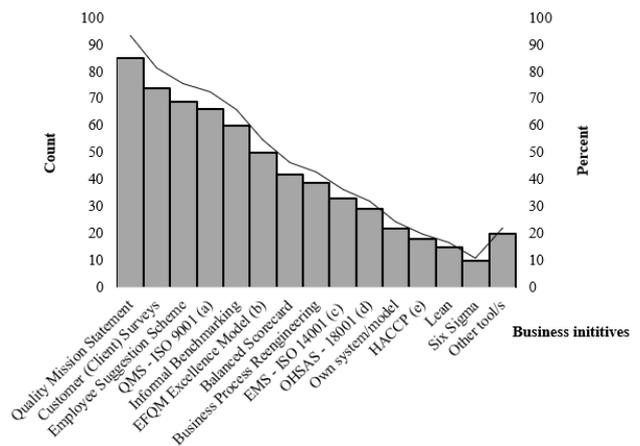


Figure 6. Pareto diagram of business excellence initiatives used by respondents.

The comments received from the pilot respondents were carefully reviewed and analyzed and improvements were made on the questionnaire as far as possible before administering the questionnaire to the final sample. The main issues highlighted by the pilot respondents were the words used in the elements representing the critical factors. As such, a few certain words relating to the critical factors were changed in order to make the questions clearer. For example, ‘strategy and planning management’ was changed to ‘strategy and quality planning’, and ‘work climate and culture’. One sub-factor of organizational culture, the current pay scheme, was removed from the final draft of questionnaire, and ‘business excellence’ ‘organizational culture’ was changed to culture’ was added as a new sub-factor as suggested by one of the respondents.

Majority of the respondents also expressed a positive comment on the length of the questionnaire which was a manageable time for the respondent to answer. From the survey, it is concluded that most of the proposed factors match with industry practices. The award-winning organizations believe that business excellence initiatives are important in helping them reach their organizational goals.

CONCLUSIONS

This paper has presented the results from a survey of the business excellence initiatives in Dubai quality award-winning organizations in the United Arab Emirates. Several statistical tests were employed using the SPSS to analyze data. This result indicates that the respondents had sufficient knowledge and experience to assess the survey questionnaire and provide valid feedback and comments on the question items. In this way, it is strongly believed that the survey instrument developed for this study have content validity since it was well received by the panel of experts and the respondents of pilot study. As such, it can be concluded that the developed survey questionnaire and proposed factors of this study was a valid measure for further analyses.

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