



**THE EFFECTS OF ORGANIZATIONAL QUALITY
MANAGEMENT INITIATIVES AND MEDIATING
FACTOR ON THE SUSTAINABILITY OF
MALAYSIAN HIGHER EDUCATION INSTITUTIONS**

BY

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ABSTRACT

The purpose of this study is to examine the relationship between the organizational quality management initiatives and mediating factor on the Sustainability of Malaysian Higher Education Institutions (SMHEI). The quality assurance initiative (QAI), long term strategic planning initiatives (LSPI) and balanced scorecard initiatives (BSCI) theory were measured and assessed through the organizational climate (OC) on the SMHEI. The study utilized 272 top administrators' completed questionnaire survey out of 600 targeted distributions to 20-year old universities in Malaysian Peninsula. The statistical techniques employed in this study were involved Descriptive statistics using SPSS version 20.0, Confirmatory Factor Analysis (CFA) and a full-fledged Structural Equation Modeling (SEM) with software Analysis of Moment Structures (AMOS) version 20.0 to addresses the research questions and as to test the research hypotheses. As organizational quality management initiative is one of the government's priorities, a policy in Malaysian Higher Education Institutions (MHEI), the findings reveal that Long term Strategic Planning Initiatives (LSPI) need to be revisited. Similarly, communication and decision-making in organizational climate of MHEI remain challenging towards the improvement of SMHEI. Consistently, implementing of BSCI could enhance the achievement of effectiveness and efficiency on the SMHEI. Theoretically, the study found that not only campus or leadership perspectives are requiring investigation and it also needs to be extended to financial, customer, internal process, and learning and growth perspectives in the administration for SMHEI. There are some implications from study which need the top management embraced as adjustment. As this is first research of its kind in Malaysia, the value for sustainability of MHEI will be of important for national growth agenda. In conclusion, this study has contributed to knowledge in this field, closed the gap in the literature on Sustainability of Higher Education Institutions (SHEI) and it served as improvement and awareness for Ministry of Higher Education, Malaysia. Additionally, adjustment on quality service for both private and public universities in Malaysia is needed. This study recommends more studies on additional underlying constructs and authenticates the developed model on SMHEI.

ملخص البحث

تهدف هذه الأطروحة إلى دراسة العلاقة بين مبادرات إدارة الجودة التنظيمية وعامل الوساطة على استدامة مؤسسات التعليم العالي في ماليزيا (SMHEI). وقد تم تقييم مبادرات ضمان الجودة (QAI)، ومبادرات التخطيط الاستراتيجي للمدى الطويل (LSPI)، ونظرية بطاقة مبادرات توازن الإنجاز (BSCI) من خلال المناخ التنظيمي (OC) لمؤسسات التعليم العالي في ماليزيا (SMHEI)، واستخدمت الدراسة 272 فردا من ذوي المنصب الإدارية العليا للإجابة على الاستبيان، وذلك من مجموع 600 من المستهدفين في الجامعات التي تم تأسيسها منذ 20 سنة في شبه الجزيرة الماليزية. والأساليب الإحصائية المستخدمة في هذه الدراسة هي الإحصاء الوصفي، وذلك باستخدام SPSS إصدار 20.0، وعامل التحليل التأكيدي (CFA) على معادلة النمذجة الإنشائية قاطبة (SEM)، مع برامج الهيكل الزمني (AMOS) إصدار 20.0 لتحليل أسئلة البحث واختبار الفرضيات. وذلك، بناء على أن مبادرة إدارة الجودة التنظيمية من أولويات الحكومة وسياسات مؤسسات التعليم العالي في ماليزيا (MHEI)، وكشفت نتائج الدراسة بأن هناك حاجة إلى إعادة النظر في مبادرات التخطيط الاستراتيجي للمدى الطويل (LSPI). كذلك كشفت الدراسة بأن هناك تحديات الاتصالات واتخاذ القرارات في المناخ التنظيمي MHEI تجاه تحسن SMHEI، وأن الاستمرار في التنفيذ BSCI سيعزز تحقيق فعالية وكفاءة SMHEI من الناحية النظرية، وجدت الدراسة أن الحرم الجامعي أو القيادة ليست هي الجانب الوحيد التي تتطلب التحقيق، بل ينبغي أن يمتد التحقيق إلى الجوانب المالية و العملاء والعمليات الداخلية، والتعلم ووجهات النمو في الإدارة SMHEI، وتشير الدراسة إلى أن هناك بعض التطبيقات التي ينبغي أن تتبناها الإدارة العليا لتحقيق التسوية، وهذا البحث هو الأول من نوعه في ماليزيا، وبناء على ذلك، يرى الباحث بأن تقييم استدامة MHEI لها أهمية بالغة بالنسبة لبرنامج النمو الوطني. في الختام، يلاحظ بأن هذه الدراسة قد ساهمت في معرفة في هذا المجال، وسدت الفجوة الموجودة في الدراسات السابقة على استدامة مؤسسات التعليم العالي (SHEI)، وهي بمثابة نقطة تحسن وازدياد وعي وزارة التربية والتعليم العالي في ماليزيا. وإضافة إلى ذلك، فإن هناك حاجة إلى تعديل جودة الخدمة في كل من الجامعات العامة والخاصة في ماليزيا. وتوصي هذه الدراسة بالمزيد من الدراسات المستقبلية لتوثيق وتطوير نموذج SMHEI.

APPROVAL PAGE

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DECLARATION

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In the Name of Allah, the Most Beneficent, the Most Merciful

I would like to dedicate this work to my family:

To the memory of my late father, Lasisi Adisa Oladapo, my beloved mother Hj. Khadijah, my Brother Imam Mikail Abdul Azizi (PNG) who encouraged and guided me from childhood to the present time.

Also my wife Hj. Mutiat Bolade Olawoyin, my children Mohammad-faiz Ayodeji, Umar-faruq Ayotunde, Mohammad-fareed Ayotominwa and Faree'ah Ayomikun for your patient, I love you all. Thank you.

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LIST OF ABBREVIATIONS

SMHEI	Sustainability of Malaysian Higher Education Institutions
SHEI	Sustainability of Higher Education Institutions
HEI	Higher Education Institutions
MHEI	Malaysian Higher Education Institutions
OQMI	Organizational Quality Management Initiatives
MOE	Ministry of Education
MoHE	Ministry of Higher Education
QAI	Quality Assurance Initiatives
LSPI	Long term Strategic Planning Initiatives
BSCI	Balanced Scorecard Initiatives
OC	Organizational Climate
MQA	Malaysian Qualification Agency
MQF	Malaysian Qualification Framework
QAMU	Quality Assurance Management Unit
SIRIM	Standard and Industrial Research Institute of Malaysia
MQR	Malaysian Quality Register
QAA	Quality Assurance Agency
QA	Quality Assurance
PDCA	Plan, Do, Control, Act
ISO	International Standard Organization
BSI	British Standard Institute
MS ISO	Malaysian Standard International Standard Organization
CFA	Confirmatory Factor Analysis
SEM	Structural Equation Modeling
SAQ	Sustainability Assessment Questionnaire
LSOCQ	Litwin and Stringer Organizational Climate Questionnaire
OCQ	Organizational Climate Questionnaire
P	Plan
D	Do
C	Check
A	Act
SA	Strategic Analysis
SC	Strategic Choice
SI	Strategic Implementation
LG	Learn and Growth
CU	Customer
IP	Internal Process
F	Financial Perspectives
O	Orientation
CO	Communication
S	Supervision
DM	Decision Making
RM	Reward Management
AW	Awareness

I	Integration
IM	Improvement
HP	Hypotheses

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Sustainability of Malaysian higher education institutions (SMHEI) can be viewed through quality management initiatives among public higher education institutions (HEIs). This is because quality management initiative is one of the government's priorities, a policy in Malaysian public service institutions (Asim, 2001). Indeed, Malaysian higher education institutions (MHEI) might be the top among educational providers in Asia. Several efforts have been put in place in order for it to be the hub of Asia and to achieve a sustainable educational system after the ruling period of British colonial masters. The new initiatives through quality assurance, long term strategic planning and converting intangible aspect of educational services to tangible by implementing balanced scorecard have been the management tools that enhance the quality of MHEI. These initiatives complement the increment and attractiveness of local and foreign customers witnessed today in Malaysian education institutions.

Moreover, global demand of quality higher education has become a propelling factor that mitigates MHEI that concentrate on quality initiatives among HEI administrators. Higher educational expenditure from the Malaysian government has helped in expanding access to improving the quality of education (EPU-Economic Planning Unit, 2006-2010). This realization had been the basic reason for the educational authorities' high handling of quality management as essential in MHEI.

The Minister of Malaysian Higher Education, Mohamed Khaled Nordin (2010) asserts that "Malaysia is making efforts towards becoming an educational hub of

Asia” (p.5). For this reason, sustainability needs to be achieved; strategies need to be forwarded by initiating quality management as policy among higher educational community, so that this initiative can successfully face future challenges of fulfilling highly quality demand on global education and keeping the promise of the Malaysian education policy of securing 100,000 foreign students by the year 2020.

For this reason, Malaysian HEIs’ programmes have to be improved to attract more international and local students to gain benefits from Malaysian higher education system. Moreover, sustainability of higher education institution needs more attention to ensure the university communities achieve a well-deserved future rather than present a sense of attractiveness only.

Literature has revealed that sustainability is a challenge to university administrators as it requires collaborative effort in retaining the institution’s pride, staff effectiveness and efficiency in maintaining global standards (Wright, 2010; Chamila, and Chandana, 2016). Sustainability enhances in the provision of good quality and standard educational services that meet customers’ expectation and societal needs. Nevertheless, sustainability of HEIs dominate in the literature with common findings that indicate organizational quality management leaders lack giving support towards the sustainability achievement in HEIs. This gap entails an investigation in order to understand the effects of management on SHEIs.

It is noted in the literature that SHEIs involves fundamental quality management techniques, consistent top leadership roles for continuous improvement in administration and services of HEIs. Meanwhile, researchers have explained that quality management has to be translated through management performance under a rigorous process of quality assurance, long term strategic planning at institutional

levels in relation to teaching-learning, student activities and managerial services for sustainable future achievement in HEIs (Griffith, 1996; Brennan & Shah, 2000).

As quality is an essential factor focused by successful administrators in HEIs, Parri (2006) has related quality to excellence while some literature reveal that quality is exceptional, standard, consistent or transformative in definition (Nur Anisah, 2012; Edward, 2002; Harvey, 1995; Juran, 1987). On the other hand, sustainability is required in HEIs in order to ensure its relevance and be a continuous process in HEIs. Sustainability is a general concept that sets the goal for university management and academicians in the educational industry to be the best providers of sustainable future for customers (students) and stakeholders of HEIs.

Sustainability concept has relationship with quality management due to it quality imperatives in the organizational climate of HEIs. Undoubtedly, sustainability has become a prime concept required in the organizational climate of any university. This is because the management of HEIs are expected to assure quality in services and plan for quality performance (Nur Anisah, 2012). They can retain the present and future quality of HEIs. Sustainability is a global phenomenon that enhances quality achievement and retains the organization climate feature of HEIs.

Organizational climate research has found that educational leaders are committed enormously in managing institution communities. With that fact, administrators are vastly successful in managing individual resistance towards the achievement of quality in services for customer satisfaction (Erwin & Garman, 2010). In addition, studies have also identified significant long term strategic planning commonly used by HEI administrators for improvement rather than short term planning for the survival of HEIs (Abd Rahman Ahmad et. al., 2012; Nur Anisah, 2012; Zainal Abidin et. al., 2010).

In understanding the sustainability concept, it is a concept that previously focused on and within the facet of environmental studies of HEIs. It formerly existed as a major part of scientific studies on HEIs. Meanwhile, there is injustice towards other courses in HEIs which is observed by the environmental concern that associates the sustainability concept with other educational subjects in HEIs. Based on this, sustainability is described as living and working in ways that do not jeopardize the future of social, economic and natural resources of the society (Sadler, 2003). In this regard, educational institutions are tested on what a “sustainable” university might look like by gaining awareness about sustainability and integration into HEIs (Moore, 2005).

Building on the insights, different definitions and interpretations pertaining to sustainability of higher education institutions (SHEI) has triggered the authors and researchers to base their writing on this new phenomenon, while the HEI administrators are also now pursuing sustainability through quality approaches towards SHEIs (Chamila, and Chandana, 2016; Djordjevic & Cotton, 2011; Noor Azman et al., 2006).

To identify the level of HEI’s administrator awareness and integration of sustainability in HEIs, a qualitative research was carried out by Wright (2010) which involved 29 Canadian universities’ presidents and vice-presidents whose institutions are among the signatories to the Talloires declaration on sustainability. The finding from this research shows that the majority of participants were well aware of the sustainable development but familiarity to sustainability concept in the organizational climate of the HEIs required further attention for future achievement in HEIs (Wright, 2010).

Besides that, another study discovered that sustainability concept is well supported and completely visible in universities in Sweden. There was a new amendment to the Act of 1992:1434-1 Chapter 5 on higher education (Act on HE, 2006) that encouraged all higher educational institutions to integrate this concept as a new task into HEI activities. It was assigned that:

Institutions of higher education shall promote sustainable development in their activities meaning that present and future generations will be assured a healthy and good environment, economic and social welfare and justice (Axelsson et al., 2008).

In regards to this, it could be claimed that sustainability is one of the concepts available especially in the premises of higher citadel of learning where standard and quality are required. However, the majority of HEI leaders are now engaging in SHEIs through the notion of quality management initiative which seems is adopted from the business sector for the achievement of sustainable future in HEIs (Rumane, 2011). It is believed that SHEIs could be achieved through quality management initiatives and quality effectiveness in organizational climate for SMHEIs.

This notion is consistent with the intent of this present study which enables the inclusion of various constructs by implementing the adopted questionnaire of Sustainability Assessment Questionnaires (SAQ, 2009) based on several literature by Kaplan and Norton (2004); Wright (2010); Emmanuel and Adams (2011); Velasquez et al., (2005); Johnson and Scholes (1993); Lasisi and Hairuddin (2012); Jeswani and Dave (2012) and Peña-Suárez (2013) to investigate the effects of organizational quality management initiatives which of three exogenous variables (QAI, LSPI, and BSCI) with mediating factor of OC that seek the perception of top administrators of selected public universities in Malaysia on the SMHEI (dependent variable).

Conclusively, the study has hypothesized a model that would be a guide in this study in order to understand the effects of organizational quality management and the mediating factor of organizational climate on the SMHEI. The study would contribute to SHEIs in Malaysia. It would assist the Malaysian Ministry of Higher Education in identifying the major factor towards SHEIs. It would be an adjustment for HEI administrators in concentrating on quality. This study results aid in HEI customer improvement as well as updating the private and public universities' stakeholders towards the sustainability of MHEI. Thus, it contributes to the knowledge of research on sustainability by coming up with the approach, theory, strategy, model development as it tests for additional underlying constructs and authenticate the developed model for SMHEI.

1.2 STATEMENT OF THE PROBLEM

Organizational quality management initiative is a reforming strategy towards sustainability of Malaysian educational and public labour institutions. The literature has established that sustainability of higher education institutions is facing inconsistent direction (Velazquez et al., 2005). Meanwhile, the literature stresses that “when quality improves sustainability increases” (Waheed et al., 2011: 359).

There is an indication that huge amounts of Ringgit Malaysia are being spent on improving the quality of MHEI by the Malaysian government (EPU, 2006-2010). The expenditure on education increases from time-to-time. The operational and developmental expenditure allocated on the quality of HEIs increased by RM3,976,080,350.06 in year 2010 when compared to the allocations in 2007 (see Table 1.1 below).