

THE IMPACT OF QUALITY MANAGEMENT PRACTICES ON ORGANIZATIONAL PERFORMANCE AT HIGHER EDUCATIONAL INSTITUTIONS

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Abstract: The standard of Indonesian higher education is not well recognized globally. There are several loopholes which decreases the performance of these higher educational institutions. To expedite the organizational performance, it is needed to increase the quality of education. Therefore, primary aim of this research is to review the role of quality management practices (QMPs) in organizational performance. Additionally, the role of human oriented element and work environment were also examined. Data were gathered from the Indonesian universities. The respondents of the research were based on the educational staff of these universities such as lecturers, assistant professor, associate professors and professors. By applying the area cluster sampling, 400 survey questionnaires were utilized for data collection. Partial least square was used to analyse the collected data. It is found that QMPs have significant positive role in organizational performance. Additionally, human oriented element and work environment as moderating variable enhance the positive relationship between QMPs and organizational performance among Indonesian higher educational institutions.

Keywords: Quality management, organizational performance, higher education, satisfaction, work environment

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Introduction

High level of education is one of the major sectors of every nation (Meléndez Carballido, Paronyan, Alfaro Matos, & Santillán Molina, 2019). The internationalization of education remains as main challenge faced by tertiary institution systems around the world. Derived from the growth of international education and conclusion of Government budgetary allocation, public higher education institutions as well as private institutions are focused on commercial competition enforced by economic effects (Kagaari, Munene, & Mpeera Ntayi, 2010).

Indonesian government has started the quality rebellion and applied different QMPs initiatives comparable with TQM, ISO 9000 series, 5S, and Customer Charter as a source to enhance quality. In brief, QMPs was formalized by the Indonesian government through the guidelines on schemes for quality advancement in the state. However, after many years the organizational performance of the

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Indonesian higher education institutions still obtained many complaints that show the inability of this sector in delivering their quality of services. As it is evident that Indonesian higher education facing various issues and challenges (Choy, 2019). Thus, significant efforts are required to enhance the quality of higher education in Indonesia.

Surprisingly, Gadenne and Sharma (2009) provide evidences that QMPs does not fully cover certain human-oriented issues (e.g. employee welfare, and satisfaction). Understanding the human-oriented elements such as satisfaction therefore it is very essential as it is linked with absolute positive and negative organizational performance, and other related issues such as turnover, lateness, absenteeism, and intention to leave (Wreder, Gustavsson, & Klefsjö, 2008). Several researches have been conducted to estimate the effects of QMPs on human-oriented elements, including job satisfaction. Job satisfaction and employee satisfaction are key importance for education institutions (Hussain, Rizwan, Nawaz, & ul Hameed, 2013). Although the numbers of studies on the effect of human-oriented elements in QMPs are varied and still growing, the issue of the interrelationship between QMPs, the human-oriented factors and organizational performance has not been fully searched. Therefore, primary goal of this research is to determine the role of QMPs in organizational performance. Further, the sub-objectives are as under;

1. To examine the moderating role of human oriented elements.
2. To examine the moderating role of work environment.

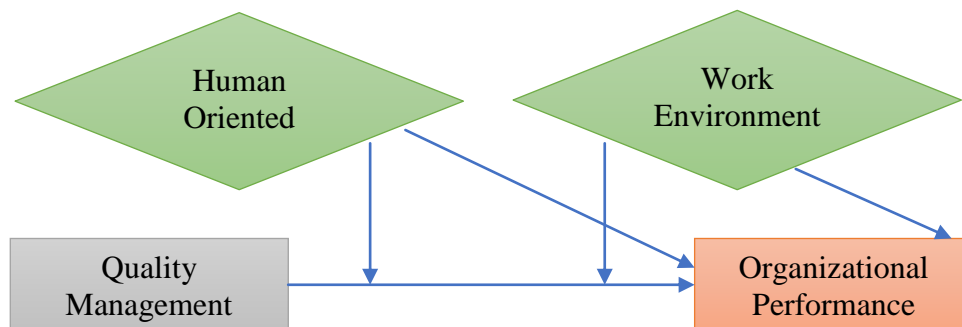


Figure 1. Theoretical framework

Literature Review

Prior to the issues of globalization, liberalization, and sustainability, studies on quality management practices (QMPs) in the higher education institutions have got attention due to demand for excellence. In fact, the QMPs currently applied in higher education institutions originally came from manufacturing. Due to this reason, the consensus among the previous scholars on usefulness of QMPs in education is still not achieved (Mehralizadeh & Safaeemoghaddam, 2010).

Currently, the compatibility of QMPs in higher education is questionable and remaining as unresolved issues. The debate of trait involves a diversity of opinions, the guidance of the diverse people, things as well as the way it determined through various angles. The link of QMPs and organizational achievement is an imperative matter to assess. Setting out the precise role of QMPs in organizational achievement is problematic based on the reason that it covers numerous areas and wide subjects. As Thiagaragan, Zairi, and Dale (2001) stated that overlooking QMPs matter is equal to lack of achievement, as well as the good strategy in a highly competitive environment which is important for organizational performance.

Therefore, among the educational institutions, quality management has significant role. Decrease in the education quality shows negative effect on organizational performance. Significant quality level among the institutions generally based on the quality of education, infrastructure, capability of staff, good working environment and other significant facilities related to the education. These quality features attract the customers and increases the service quality which effect positively on organizational performance.

H1. Quality management practices has positive effect on organizational performance.

Comprehensive review on the research, it has been found that human-oriented (HOE) elements are the most critical variable (Douglas, McClelland, & Davies, 2008; Sayeda, Rajendran, & Sai Lokachari, 2010). That is, human-oriented elements as assessed by satisfaction, commitment, and loyalty, presents the most beneficial judgement of elements intensity (Nilsson, Johnson, & Gustafsson, 2001), and achieving organizational performance is the aim of the QMPs initiative. Within the field of human-oriented elements literature, focus in this study has changed for organizational constructs because human oriented elements are not solely related to intrapersonal (individual) constructs. Moreover, direct relationships examined in the previous scholars have raised inconsistent outcomes (Heras Saizarbitoria, Arana Landín, & Casadesús Fa, 2006; Wilkinson & Dale, 2002; Yasin, Alavi, Kunt, & Zimmerer, 2004; Hariharasudan & Kot, 2018). The usual exercise on direct relationship to predict organizational performance neglects the significance of moderating impact on the connection of QMPs and organizational performance (Sila & Ebrahimpour, 2005).

H2. Human-oriented elements have positive effect on organizational performance.

H3. Human-oriented elements moderates the relationship between quality management practices and organizational performance.

Working environment (WE) is one of the wide-ranging terms and it describes all surroundings during working in various organizations. Physical working environment in organizations is include various elements. For instance, employee work tools and air, noise as well as light. However, employee working environment also comprises the psychological features of how work is organised as well as employee wellbeing at work. In case of higher educational institutions,

work environment is based on place of teaching, department political environment, relationship with students and teachers, facilities for teaching, noise at teaching place and equipment's required for teaching. Moreover, poor working environment such as long working hours, less time availability for social activities and work family conflict take us to the worker job stress (Collie et al, 2012; Jung and Shin, 2014) and decreases the organization performance.

H4. Work environment has positive effect on organizational performance.

H5. Work environment moderates the relationship between quality management practices and organizational performance.

Research Methodology

This research preferred quantitative study method. By using cross-sectional research design, survey questionnaire was applied to gather the data. Krejcie and Morgan (1970) instructions were applied for sample size extraction. By applying the area cluster sampling, 400 survey questionnaires were used for data collection. Four hundred (400) questionnaires were distributed among which two hundred and twelve (212) valid responses were received. Partial least square (PLS) was utilized to analyse the collected data. Area cluster sampling is applied because it has significant role to cover the wide spread population (Altaf, Hameed, Nadeem, & Arfan, 2019). A scale is an instrument through that people are notable as to how they vary from each other on the parameters of interest to the research. One more significant feature that essential to be highlighted when establishing a survey questionnaire is building an assessment scale (Krosnick, 1999). Accordingly, optimum length of an assessment scale is 5 to 7 points. Seven-point Likert scale gives more depth; however, many options confuse the respondent. However, five point scale provide originality by decreasing the frustration (UL Hameed, Nisar, Abbas, Waqas, & Meo, 2019). Thus, five-point scale was used in this study.

Data Analysis and Findings

Data analysis and findings of this study is based on statistical software namely, Partial Least Square (PLS). PLS generally work on Structural Equation Modelling (SEM). PLS-SEM is recommended for primary data by various studies (J. F. Hair, Ringle, & Sarstedt, 2013; Henseler, Ringle, & Sinkovics, 2009). This study followed PLS-SEM from previous studies (W. Hameed & Naveed, 2019; W. U. Hameed, Basheer, Iqbal, Anwar, & Ahmad, 2018; Henseler et al., 2009). Figure 1 shows the confirmatory factor analysis (CFA). Table 2 shows the results of CFA which indicates that all the value of composite reliability (CR), alpha and average variance extracted (AVE) is above 0.7, 0.7 and 0.5, respectively (J. Hair, Hollingsworth, Randolph, & Chong, 2017). Factor loadings is also above 0.7 for all items (J. Hair et al., 2017). Finally, discriminant validity was confirmed by using AVE square root which is highlighted in Table 2.

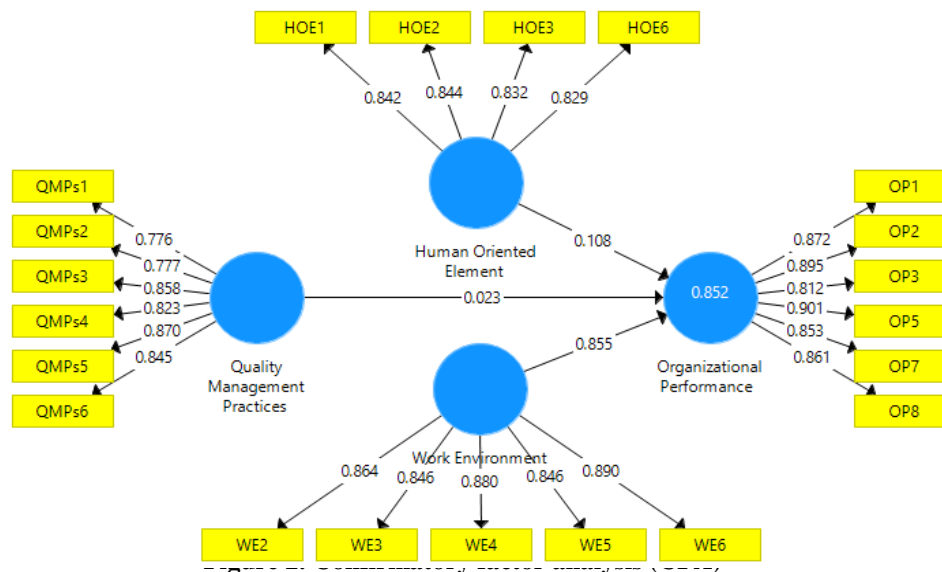


Table 1. Reliability and Validity

	Alpha	rho_A	CR	AVE
HOE	0.86	0.879	0.903	0.7
OP	0.933	0.935	0.947	0.75
QMP	0.906	0.914	0.928	0.682
WE	0.916	0.917	0.937	0.749

Table 2. Discriminant Validity

	HOE	OP	QMP	WE
HOE	0.837			
OP	0.55	0.866		
QMP	0.689	0.416	0.826	
WE	0.499	0.817	0.373	0.866

After confirmatory factor analysis (CFA), PLS-bootstrapping was performed to check the relationship between QMPs, human orientated element, work environment and organizational performance. T-value 1.96 was considered a minimum significant level. It is noticed that all the relationships have t-value higher than 1.96. Therefore, all the hypotheses (H1, H2, H4) are support by the results of this study. It indicates that QMPs, human orientated element and work environment has positive effect on organizational performance.

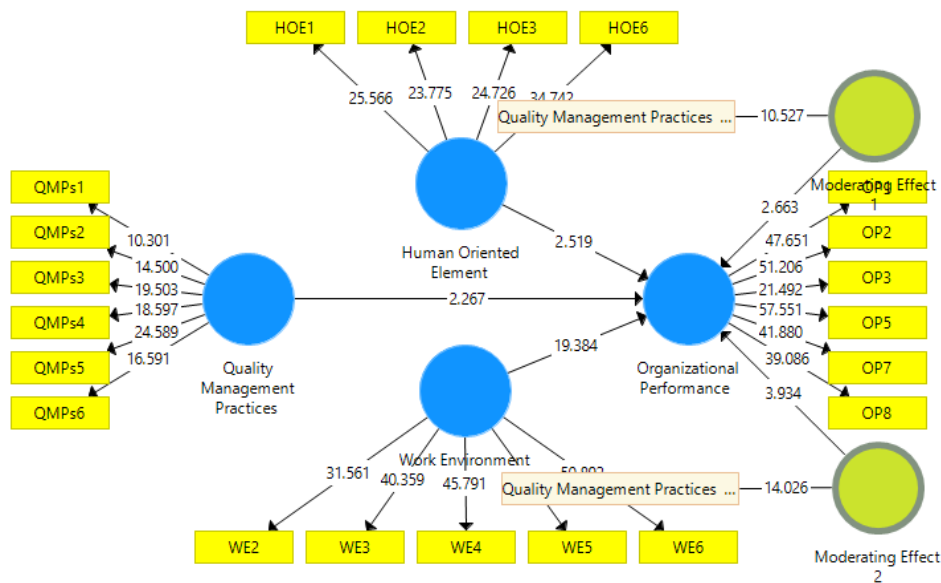


Figure 3. PLS-Bootstrapping

Table 4. Results

	(O)	(M)	SD	T Statistics	P Values
HOE -> OP	0.083	0.086	0.033	2.519	0.011
Moderating Effect 1 -> OP	0.025	0.024	0.01	2.663	0.009
Moderating Effect 2 -> OP	0.027	0.029	0.007	3.934	0
QMP -> OP	0.012	0.011	0.005	2.267	0.023
WE -> OP	0.836	0.832	0.043	19.384	0

Table 4 also shows the moderation effect of human orientated element and work environment between QMPs and organizational performance. It is noticed that both moderation impact is significant as the t-value is above 1.96. These results supported H3 and H5. Moreover, R-Square value is given in Figure 2 which is 0.852. It means that QMPs, human orientated element and work environment are awaited to bring 85.2% change in organizational performance. This change is substantial as mentioned by Chin (1998). In addition, Figure 4 shows that human orientated element as a moderating variable enhance the positive connection between QMPs and organizational performance. Furthermore, Figure 5 shows that work environment as a moderating variable enhance the positive connection between QMPs and organizational performance.



Figure 4. Human orientated element as a moderation



Figure 5. Work environment as a moderation

Conclusion

The aim of this research was to examine the role of quality management practices in organizational performance. In addition, the role of human oriented element and work environment was also examined. Respondents of the study was based on the educational staff of universities in Indonesia. Data were analysed by using Partial Least Square (PLS).

It is found that QMPs have significant positive role in organizational performance. Better QMPs significantly improves the organizational performance. Along with the QMPs, human oriented element and work environment also has positive role to enhance organizational performance among Indonesian higher educational institutions. It is found that both human oriented element and work environment enhances the positive relationship between QMPs and organizational performance. Therefore, along with QMPs, Indonesian universities should also promote human oriented element and work environment. A positive work environment provides significant contribution to improve performance. Human oriented element (satisfaction) also shows vital role. A satisfied employee always put maximum efforts to enhance the performance to achieve organization objectives. However, unsatisfied employees may lead to the decrease in the organizational performance. Unsuitable work environment has the ability to decrease performance. Additionally, human oriented element and work environment as moderating variable enhance the positive connection between QMPs and organizational performance among Indonesian higher educational institutions. Hence, Indonesian higher educational institutions should improve QMPs, human oriented element and supportive work environment to boost the organizational performance.

Current study suggested to the policy implementers that they provide more focus on the QMP that enhance the performance of the organization especially they must put their extreme intentions towards the human oriented element and work environment that increase the nexus among the QMP and firm performance. This study has few limitations and future directions. This study has only one predictor and two moderator and further study may add more predictors and mediation in their investigation. Moreover cross country analysis can also be added in their research by the prospective researchers.

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WPLYW PRAKTYK ZARZĄDZANIA JAKOŚCIĄ NA WYNIKI ORGANIZACYJNE W SZKOŁACH WYŻSZYCH

Streszczenie: Standard indonezyjskiego szkolnictwa wyższego nie jest uznawany na całym świecie. Istnieje kilka luk, które zmniejszają wydajność tych szkół wyższych. Aby przyspieszyć działanie organizacji, konieczne jest podniesienie jakości edukacji. Dlatego głównym celem tych badań prezentowanych w tym artykule jest przegląd roli praktyk zarządzania jakością (QMP) w wydajności organizacji. Dodatkowo zbadano rolę elementu zorientowanego na człowieka i środowisko pracy. Dane zebrano z indonezyjskich uniwersytetów. Respondentami badań byli pracownicy dydaktyczni tych uniwersytetów, tacy jak wykładowcy, adiunkci, profesorowie nadzwyczajni i profesorowie. Dzięki zastosowaniu próbkowania klastra obszarowego do gromadzenia danych wykorzystano 400 kwestionariuszy ankiet. Do analizy zebranych danych użyto częściowego najmniejszego kwadratu. Stwierdzono, że QMP odgrywają znaczącą pozytywną rolę w wydajności organizacji. Ponadto element zorientowany na człowieka i środowisko pracy jako zmienna moderująca wzmacniają pozytywny związek między QMP a wynikami organizacyjnymi wśród indonezyjskich szkół wyższych.

Słowa kluczowe: zarządzanie jakością, wydajność organizacyjna, szkolnictwo wyższe, satysfakcja, środowisko pracy.

质量管理实践对高校组织绩效的影响

摘要:印度尼西亚的高等教育标准尚未在全球范围内得到公认。存在一些漏洞, 这些漏洞会降低这些高等教育机构的绩效。为了加快组织绩效, 需要提高教育质量。因此, 本研究的主要目的是回顾质量管理实践(QMP)在组织绩效中的作用。此外, 还检查了以人为本的元素和工作环境的作用。数据来自印尼大学。研究的受访者基于这些大学的教育人员, 例如讲师, 助理教授, 副教授和教授。通过应用区域抽样, 使用了400个调查问卷进行数据收集。偏最小二乘用于分析收集的数据。发现质量管理计划在组织绩效中具有重要的积极作用。此外, 以人为本的要素和工作环境作为调节变量增强了印度尼西亚高等教育机构中的质量管理计划与组织绩效之间的积极关系。

关键词:质量管理, 组织绩效, 高等教育, 满意度, 工作环境。