Success factors to facilitate continuous improvement culture within Saudi non-profit organizations

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Abstract

This paper explores the organizational and cultural factors facilitate a continuous improvement in Saudi non-profit organizations. Several researchers have shown that organizational culture has a significant impact on an organization. The literature shows that the nonprofit sector is often neglected. There is a similar lack of empirical research on this topic explicit to Saudi Arabia Grounded theory was used to explore factors from the literature and empirical data. Nine factors were extracted from the literature. Nineteen factors emerged from seventeen interviews conducted in the non-profit sector in Saudi Arabia.

Keywords: Organizational culture, continuous improvement, nonprofit organizations.

Introduction

The success of continuous improvement (CI) practice is dependent upon certain critical success factors. A review of the continuous improvement literature reveals that the primary function of continuous improvement in any organization is to improve processes. CI also develops services and products by establishing gradual but incremental improvements or developments within a business. Continuous improvement is all about tactics, and the anchor for CI is the belief that any additional small changes will result in significant developments in an organization (Sila and Ebrahimpour, 2003). The specifics or the tactics of CI aim at changing the organization culture from an ordinary one towards an improved culture. The improved culture focuses on the improvement opportunities rather than problems that may arise during the continuous improvement process (A.S. Sohal and M. Terziovski, 2000). Some success factors enhance these improvement opportunities.

Motivations

It has been reported in the literature that an organization can become more competitive by establishing the right culture (Pun, 2001). Several studies have shown that a lack of focus on organizational culture affects achieving and sustaining improvement results (Testani and Ramakrishnan, 2012). To this end, continuous improvement offers a

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number of advantages: it does not require high budget or advanced experiences and thus does not present complicated requirements to smaller organizations (Bessant et al., 1994). Scholars also confirm that although the situation in Saudi Arabia is different from other countries, it has not received particular attention in the literature (Alshammari et al., 2014; Givens, 2012; Montagu, 2010; Ovidiu-Iliuta, 2014).

Continuous improvement concept

The term, continuous improvement, has been inherited from Toyota (Liker and Morgan, 2006). Liker and Morgan (2006) highlight that "what companies need to be told over and over is that lean tools represent only one aspect of the broader philosophy of the Toyota Way". Carlson et al. (2001) argue that continuous improvement (CI) describes processes designed to monitor and improve services to the customer. Bhuiyan and Baghel (2005) state that "CI initiatives in the past reflected the use of various principles related to work improvement, modern day CI is associated with organized and comprehensive methodologies". Continuous improvement (CI) is an important complement to more radical, step-change forms of innovation (Bessant et al., 1994), with Bhuiyan and Baghel (2005) further asserting that "major improvements take place over times a result of numerous incremental improvements".

Non-profit organizations

The non-profit sector is "the sum of private, voluntary, non-profit organizations and associations" (Anheier, 2014). Although many different definitions have been given to describe non-profit organizations, there is an overlap between their main components. According to Salamon et al. (2000) most scholars who have written about non-profit organizations agree on five vital "features"; these indicate that non-profit organizations are:

1. Self-governing
2. Non-profit-distributing
3. Private and non-governmental in basic structure
4. Voluntary to some meaningful extent
5. Engaging people on the basis of some shared interest or concern

Saudi Arabian Culture

Saudi Arabia is the cradle of Islam, a religion that today has an estimated 1.2 billion adherents (Al Faisal bin Abdul Aziz Al Saud, 2013). Islam is the recognised religion throughout Saudi Arabia; it shapes the mentality and behaviour of the Saudi people in addition to Arab traditions (Bjerke and AlMeer, 1993), and plays a large role in the people's lives (Hofstede, 1991). Saudi Arabia is one of the most religious countries in the world and is the birthplace of Islam (Shaheen Al Ahwal et al., 2015). Islam promotes a set of moral values and behaviours in society through the scripts of the Quran and sayings of the prophet Mohammad, peace be upon him (Kabasakal and Bodur, 2002).

The Critical Success Factors Continuous Improvement

According to Temponi & Cecilia (2005), critical success factors (CSFs) are the factors that ensure a competitive performance for the organization if they are satisfactory. CSFs are not goals; they are the processes and the actions that the management of an organization can control to achieve its objectives. It is important to know that CSFs depend on a combination of mission and vision, it is not a static process. Critical

success factors are not the ways of evaluating the success of a project, but are the means of managing the project. CSFs emphasize how a company will gain a competitive edge (Tsang and Antony, 2001). Critical success factors are the activities that must be coordinated by the management for an organization to achieve success. An organization must clearly define their CSFs to reduce costs and to increase the success rate of its programs. This definition also assists an organization to overcome any disillusionment in the continuous improvement initiatives.

1. Effective Leadership

Effective leadership is the number one critical success factor for CI efforts and plans in an organization. Leaders must support CI initiatives if the improvement process is to have any chance of being a success. Again, the senior management must put things in practice rather than just talking about it. This factor proposes that the process of CI will only be successful when leaders head the organization to "walk the talk" (Üstüner and Coşkun, 2004). The management must show behaviours that are supportive of the CI process and these behaviours should only be the ones that the leaders wish their staff and other employees to emulate. The changes occurring in an organization cascade down from the guidance and support of its leaders. In corporations where the management does not support the efforts of the CI initiative, then the team in charge of implementing the action is seen to be working on a string of isolated efforts.

2. Proactive Team

This success factor implies that the organization must work as a team to implement the CI initiative. The team should not be just an ordinary team, but should be a team that takes the approach of preventing the fire rather than fighting the fire; it is proactive, rather than reactive. Again, no person, company or even a team can focus on implementing change if in any way they do not have the capacity to bring about change. The issues that require fixing in a company are the root causes of "fires" which ultimately withdraw and block managers' plans for solving the unchecked issues present in an organization (Bhuiyan and Baghel, 2005). The management should lead the team in working smarter to support the CI initiatives rather than working harder. Working more intelligently towards CI effort implies that the administration heads the organization to approach CI initiatives tactfully and objectively. Some companies get it all wrong; they reward and recognise those managers and employees who caused the problems (Boer et al., 2000). This culture and practice derail the progress of CI; they withdraw the motivation of staff that helps in providing solutions to widespread issues affecting CI.

3. Constancy of Purpose

This factor is one that focuses on bold and unrelenting initiatives for CI. Dr. W. Edwards Deming (2008) includes resolution of purpose in his 14 point list for factors that promote continual improvement of services and products to society. This effort is valuable for maintaining and sustaining natural developments in the long term. The momentum of change needs to be kept and anything that can halt the efforts of change needs to be eliminated as it can cripple the incremental CI initiative (Goh, 2000). The success of continuous improvement activities does not solely depend on management actions. It is a practice that focuses on the long-term and that has to penetrate all activities undertaken in a company. Continual developments are not a

“flavour of the month” and can prove very unpopular with both management and employees.

4. Long-Term Focus

Most managers lack a long-term mindset. They focus on their monthly and quarterly targets. This action makes it difficult for them to prioritise improvements that will only lead to a change in the long-term. Continuous improvement is as much about actions as it is about mindset. A company needs to lay out strategic plans for the work they are doing. This focus will allow them to have a long-term mindset which makes them understand that the company’s position changes for better in the long-term (Huq, 2005). Therefore, organizational leaders should not tolerate anything that derails the performance of improvements as this will affect their success in the future. A company achieves its long-term goals when it meets all its financial goals and when it has the power of delivering outstanding services and products to its customer. Most organizations fail to recognize that the hint for successful continual improvement activities is in the name. CI is a process and, therefore, an organization should indicate opportunities that can lead to growth, make and measure improvement and also evaluate the progress. A long-term mindset is like an investment for the future (Hyland and Mellor, 2000). Organizations must understand that the efforts they make to improve their situation will be rewarded in the future. This action happens when they achieve their financial, performance and provision and promotion of outstanding products or services objectives.

5. Customer Management

An organization that achieves its long-term goals is one that manages its clients effectively. A company does this by providing quality and outstanding services and products to their clientele. When customers are happy and satisfied with these products and services they will stay with the organization (Karuppusami and Gandhinathan, 2006). A company must also devise plans for handling customers' complaints or any dissatisfaction that might arise. An efficient customer management process is one that ensures that the customers are happy all the time to be associated with an organization and are satisfied with their products.

6. Communication

Communication is a key CSF in every organization. The management must communicate to all its stakeholders regularly on the actions they intend to take. A company that has constant communication has no confusion because every individual is aware of their expectations and they work hard to fulfill their expectations. When all efforts are integrated, an organization will achieve its success (Khoo and Tan, 2002). Similarly, the process of continuous improvements must be followed by clear communication on what the management is doing and how their actions will make the organization achieve its long-term goals.

7. Teamwork

Teams strive to achieve a common goal. The activities of the CI process should be distributed evenly to work groups. Each work group is dismissed or redefined only after fulfilling their goals. Work groups have shared values. Organizations that embrace teamwork often achieve their goals efficiently and faster than in organizations where individual effort and contribution is preferred. Teamwork also enhances organizational learning (Leseure, Bauer and Birdi, 2004).

8. Employee Empowerment

An organization can empower its employees through training, development, motivation and encouraging employee participation. Training and development ensure that employees are prepared and are ready to take on the broader tasks or activities of the CI initiative. Reward systems, on the other hand, work to motivate employees with rewards like pay rises, praise and recognition (Martichenko, 2004). Motivated employees have high job satisfaction and morale, and they work hard to achieve the goals of the CI process. Employee participation enables the management to consider the views of their employees and any other issue. This practice is meant to ensure that the organization works as an integrated force which focuses on the achievement of the objectives of the continual improvement activity.

9. Ongoing Evaluation and Monitoring

It is critical that an organization continuously evaluates and monitors its progress towards fulfillment of its long-term goals. A long-term mindset is a prerequisite for this CSF. One way of evaluating the progress is by establishing control mechanisms. These control mechanisms ensure that standardised outcomes of the CI process are in place, these results are then compared with the results of the improvement process. A company can achieve its CI goals in the future, but the control mechanisms act as a benchmark which enables the organization to remain on the right track (Fryer, Antony and Douglas, 2007).

Literature Summary

The literature shows that the nonprofit sector is often neglected (Alshammari et al., 2014). In addition, the literature confirms that culture plays a major role in driving organizations (Fu et al., 2015; Ovidiu-Iliuta, 2014; Pun, 2001; Testani and Ramakrishnan, 2012). Continuous improvement is an effective organizational concept, and it is guided by culture (Ahmed et al., 1999; Bessant, Caffyn et al., 2001; Bhuiyan and Baghel, 2005; Carlson et al. , 2001). The main indicator from the literature is that there is a lack of research on the influence of culture on nonprofit organizations; there is a similar lack of empirical research on this topic explicit to Saudi Arabia (Givens, 2012; Montagu, 2010). As a result, there appears to be little literature on the organizational culture aspects that facilitate continuous improvement, especially in the nonprofit sector.

Methodology

The context of this paper has some reasons that suggest a grounded theory approach be followed to explore the aspects of organizational culture that affect continuous improvement. The cornerstone is that no clear theory exists yet for enhancing the continuous improvement culture in nonprofit organizations in particular. This would suggest that an inductive approach should be used, which highlights that the theory may evolve as a result of the research. The theory could be discovered from data, in a way that developed by Glaser & Strauss (1967, p1) and they call it: 'grounded theory'. Therefore, grounded theory drives the research to achieve that. It is also described as a set of methods that “consist of systematic, yet flexible guidelines for collecting and analysing qualitative data to construct theories ‘grounded’ in the data themselves” (Charmaz, 2014; Faisal, Rahman and Azam, 2011).

Seventeen issue-focused interviews from eight Saudi non-profit organizations were performed and subsequently analysed qualitatively. Nineteen factors were emerged

initially to influence continuous improvement. Continuous improvement was chosen as the issue for a study of cultural beliefs. "Issue focus enables comparisons, because it introduces a specific context that forces respondents to draw on the same stack of knowledge" (Sackmann, 1991, p304). All interviewers have agreed to be participating, according to Cranfield ethical forms.

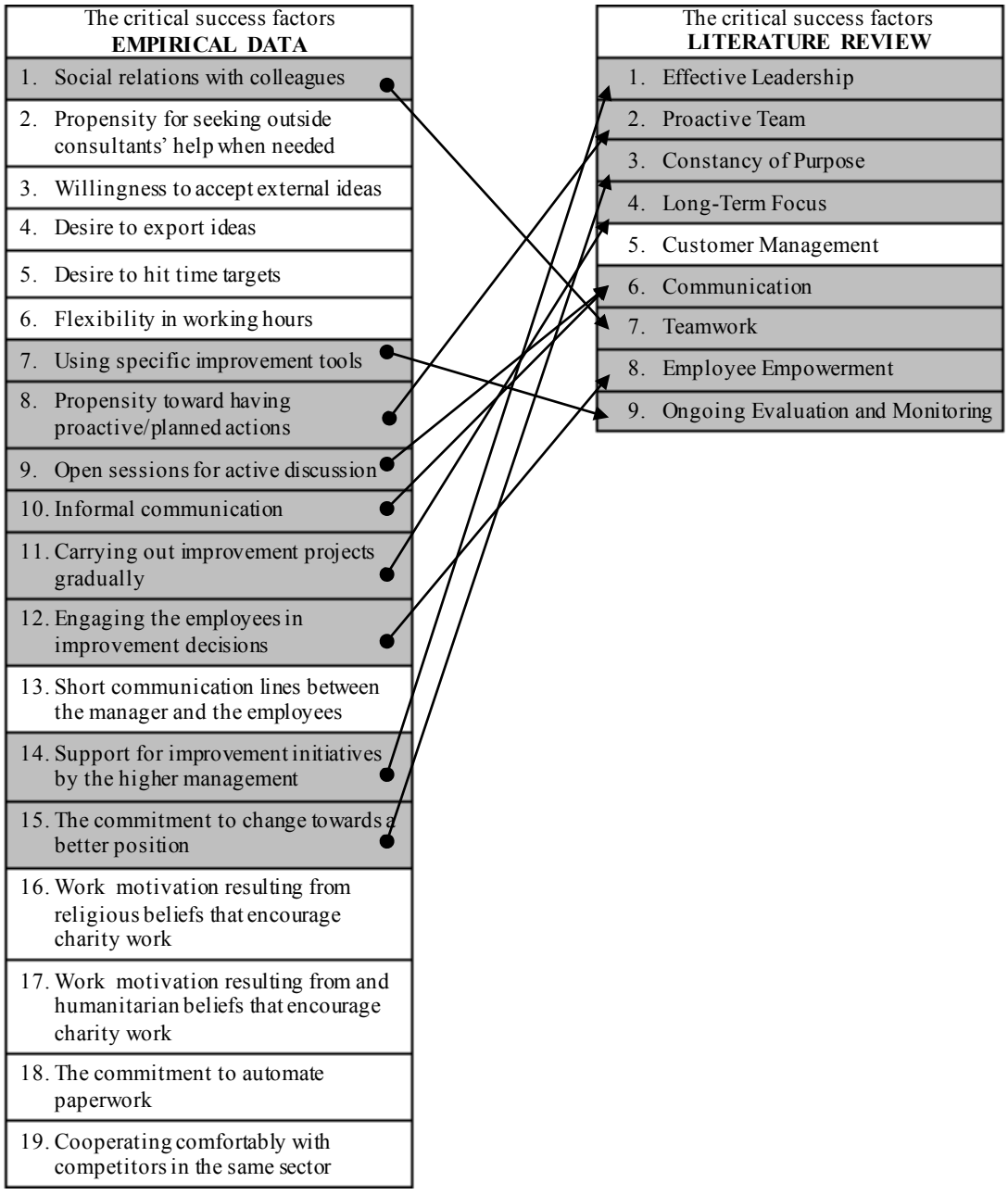

Figure 1 - The Critical Success Factors of Continuous Improvement in the Non- Profit Sector

The Critical Success Factors of Continuous Improvement in the Non- Profit Sector

Non-profit organizations are charity organizations that work to improve the life of the community by providing services that support and enhance community living. Non-profit organizations are centered on social well-being and philanthropic goals. They can either be educational, religious or charity groups that serve the common good.

Operations of charity vary between countries because of different charity laws, taxation and regulation. Charitable organizations are assessed regarding their financial stability. Charity evaluators measure the financial stability of non- profit organizations by considering the amount of money from fundraising, sponsorship, and revenue from investments (Oakland, 2003). They also check the income generated from the sale of goods and tax refunds. The outcome of these evaluations can impact on a charity's reputation with its societies and its donors. It is imperative that these associations reveal the correct information of the proceeds they receive from their donors (Rad, 2005). Non- profit organizations are centered on corporate philanthropy. Continuous improvement in charity organizations is critical as it enhances their operations. CI can also make donors donate more money in societies that have proved that they only serve to promote social well-being. Charity organizations have different quality improvement teams, examples of such teams are operations teams, divisions teams, programme teams and special action teams (Rungasamy, Antony and Ghosh, 2002).

Conclusion

The analysis shows that there is an intersection between the factors from the literature and the factors from the empirical data. However, there were some factors from the literature have not appeared yet in the data analysis. Moreover, some factors from data analysis were not discovered yet in the literature. This can be justified by the characteristics of the non-profit context. Furthermore, the national culture and its sophistication plays a major role that leads the uniqueness of this context too. Nonetheless, all these factors worth to obtain further investigation to achieve a rigours interpretation, which could contribute to the knowledge.

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