CHAPTER 1 : INTRODUCTION

1.1 OVERVIEW OF THE STUDY
Most organizations and the people in them face uncertainty, change and huge pressures. Among the factors affective them are: higher customer demand for quality and value for money; increasing levels of technology; intensifying competition on a global scale; growing ecological awareness; higher expectations of work; demographic changes; continual changes in ownership and financial restructuring; changing political interventions; and more recently, war and recession (Nixon, 1992, pp. 33-45). When we look back, many recent changes were not predicted, and perhaps they could not have been. Some of the pressures are largely benign; others can have oppressive effects. However, in the long-term it seems that the forces of economic necessity conspire with new values and higher aspirations to bring improvement both world-wide and in the workplace (Naisbitt and Aburdence, 1985, as cited in Nixon, 1992, pp. 33-45). It is and if we are being forces to progress and learn, albeit with difficulty. It is both exciting and, at times, daunting.

A new culture is needed in organizations. It is as if people are fighting a war on two fronts. On the one hand they are trying to respond appropriately to the challenges described above; on the other they are handicapped by inappropriate and irrational behaviour within the organization – often worse when the challenges are greatest.

In order for the International Islamic University, Malaysia (IIUM), to surmount the challenges of the new millennium and to achieve the goal of comprehensive excellence which the university has set, the employees have to be prepared to change, to adopt to better working culture; the one that reflects the true meaning of the name of the university. The new culture must put the university at par with the best practices in the world
and makes its outlook truly internationally as well as 'ummatic' in every sense of word.

1.2 RESEARCH TITLE
The title of this study is "Institutionalizing Quality Culture Change at International Islamic University, Malaysia (IIUM)".

In their efforts to remain afloat and to be at a higher position in the sea of relentless competition, the IIUM has implemented a 'Quality Culture Change' (QCC) programme.

Achieving ISO 9002:94 in October 2002, was the start of the new era in changing quality culture in IIUM. Now, since the intervention, that is the QCC, has been implemented and is effective, proven by the implementation of ISO 9002:94, the study is directed at institutionalizing the change – making it a permanent part of the IIUM's normal functioning. The literature on 'institutionalization' will be dealt later in Chapter 2.

Quality Culture Change here can also be interpreted as Quality Control Circles (QCC) or some literature like to call it as Quality Control Cycles (QCC). No matter what we are going to call it, it is still 'QCC' and the concepts are the same, to improve the quality in the organization.

According to Chin, Patri, Pun, Yeung and Poon (1996, pp. 20-25), QCC is a form of group activity directed towards quality improvement. A typical circle is a voluntary group of six to eight employees from the same work area. Although some circles meet on company time with support from management, circles usually meet after office hours to solve problems related to their routine work activities and environment. Circles are one means of providing employees with the opportunity to solve problems, and implement and monitor their solutions. The QCC approach has been very
effective in Japan and increasingly is used outside Japan because of three main success factors (JUSE [Japanese Union of Scientists and Engineers], 1980, as cited in Chin et. al, 1996, pp. 20-25):

i. Workers like talking about their work
ii. Workers are interested in their work and want to contribute
iii. Workers welcome the opportunity to use their own skills and experience to identify and solve the problems they have to live with that nobody seems to care about.

The end result of QCC is a quality improvement process leading people to 'do it the right way the first time' (Lo, 1997, pp. 336-343). An example of process improvement using the Deming's 'plan, do, check, act' (PDCA) cycle was reported at the Marshall Space Flight Centre (Watson, 1996, as cited in Lo, 1997, pp. 336-343) in Alabama, USA. Average processing time was reduced by more than 60 percent.

According to HCI Services, the concept of the PDCA Cycle was originally developed by Walter Shewhart, the pioneering statistician, who developed statistical process control in the Bell Laboratories in the US during the 1930s. It is often referred to as 'the Shewhart Cycle'. It was taken up and promoted very effectively from the 1950s onwards by the famous Quality Management authority, W. Edwards Deming, and is consequently known by many as 'the Deming Wheel'. Below is the meaning of each Cycle:

- **Plan** to improve operations first by finding out what things are going wrong (that is identify the problems faced), and come up with ideas for solving these problems. (Plan a change, aimed at improvement)
- **Do** changes designed to solve the problems on a small or experimental scale first. This minimizes disruption to routine activity while testing whether the changes will work or not. (Execute the change)
• **Check** whether the small scale or experimental changes are achieving the desired result or not. Also, continuously Check nominated key activities (regardless of any experimentation going on) to ensure that the organization knows what the quality of the output is at all times to identify any new problems when they crop up. (Study the results; did it work)

• **Act** to implement changes on a larger scale if the experiment is successful. This means making the changes a routine part of your activity. Also Act to involve other persons (other departments, suppliers or customers) affected by the changes and whose cooperation the organization needs to implement them on a larger scale, or those who may simply benefit from what the organization has learned (it may, of course, already have involved these people in the Do or trial stage). At this stage, it means institutionalize the change, abandon or do it again.

The diagram below lists the tools and techniques, which can be used to complete each stage of the PDCA Cycle.
1.3 OBJECTIVES OF THE STUDY
1.3.1 To investigate factors affecting employees in QCC programme
1.3.2 To analyze the effectiveness of QCC implementation in IIUM
1.3.3 To provide feasible and necessary corrective actions for the IIUM on the institutionalization of QCC

1.4 SIGNIFICANCE OF THE STUDY
The QCC programme was organized to improve the quality of IIUM's services and to reinforce positive values among its employees. Therefore, this study is mainly focused on whether the intervention is perceived as being in harmony with the organization's managerial philosophy, strategy
and structure; its current environment and technology; and other changes taking place.

Secondly, to evaluate whether there is an internal support to guide the change process. Leaders establish unity of purpose and direction of the organization, therefore, they should create and maintain the internal environment in which people can become fully involved in achieving the organization’s objectives.

Institutionalization reflects degrees of persistence of an intervention. The variables or dimensions indicate the extent of an intervention’s persistence. These five indicators, (knowledge, performance, preferences, normative consensus and value consensus), will be used to assess the level institutionalization of the organizational development intervention.

Lastly, in consistent with the argument of Omar, Mohd. Yusof (2002), this research will measure the performance of sections or divisions in the form of a comparison between actual performance and a prior expectation from the HQ, rather than using an absolute financial scale. This is because in a business group, individual division’s contribution cannot be evaluated merely by its own financial statement due to performance ambiguity resulted from divisional resource sharing or skill transfers.

1.5 SCOPE OF THE STUDY
Since the study is on IIUM’s ‘Quality Culture Change’ programme, the survey will be conducted on IIUM’s employees. Questionnaires will be distributed to 320 employees in Gombak and Petaling Jaya campuses. A convenience random sampling approach is used where both, academicians and administrative staff will involve.
1.6 ORGANISATION OF THE STUDY

The report is organized into five chapters. First chapter is the introduction that highlights the general phenomena and issues and justification for the study. Specifically, the chapter presents the overview of the study, research title, objectives of the study, significance of the study, the scope of the study, background of the organization selected and the main issue discussed for the study.

Chapter two outlines and reviews the related and relevant past empirical studies and recent findings in the area. Chapter three discusses the research methodology in details as well as the type of data analysis used in the study. It consists descriptions on the framework used for this study, research hypotheses, selection of measurement, sampling design, data collection procedure and data analysis technique.

Chapter four provides the details of the summary statistics of respondents, analysis of measures and testing of the hypotheses.

The recommendations are concluded in the final chapter. It contains the summary of the research results, suggestions for additional research and implications of the study to the IIUM in particular and to those involved in the area in general.

1.7 BACKGROUND OF THE ORGANISATION

The establishment of the International Islamic University Malaysia (IIUM) was first proposed by the Honourable Prime Minister of Malaysia, Dato' Seri Dr. Mahathir Mohammad, who provided the initial concept, scope and philosophy of the University. The Honourable Prime Minister announced his idea at Al-Ain, U.E.A., during his official state visit to the country in January 1982. A short concept paper was prepared in February 1982, which formed the basis for the preparation of a project proposal document,
which contained details of the concept, scope, philosophy, academic structure of the University. This document was prepared by the Ministry of Education, Malaysia, through consultation committees, involving local Malaysian Universities, government departments and some prominent individuals. The document was ready in August 1982, and subsequently approved by the Malaysian Cabinet.

An amendment bill of the ‘Universities and University Colleges Act 1971 (Laws of Malaysia)’ was passed through Parliament, and was then given the Royal Assent in February 1983. This amendment allowed the International Islamic University to be established outside the restrictions of the Rules and Regulations of the ‘Universities and University College Act 1971’ and to become international in nature with international co-sponsorship and with ownership by a Board of Governors.

In this respect, the International Islamic University has been established to integrate Islamic educational values onto daily Muslim life, so that the energy from reawakening of the Muslim world may be channeled towards peace, harmony and progress. By reviving this tradition of integrating religious values into social life, Muslims will contribute an alternative approach towards solving the human crisis of conflicting values in striving for progress and development.

A draft constitution of the University in the form of a ‘Memorandum of Association and Articles of Association’ was completed in April 1983. On May 10, 1983, the University was officially registered under the name of ‘International Islamic University, Malaysia’ under the above Act. With this embodiment, a provisional Board of Governors consisting of representatives of the original subscribers as members was formed. This Board of Governors provided authority for a task force to recruit staff and enter into contract for the physical preparation of a temporary campus to
establish a University. The old Muslim College Malaya complex in Petaling Jaya, which had to undergo substantial renovations, was taken as temporary campus. Strong support from the organization of Islamic Conference led to the signing of agreements of co-sponsorship, through exchange of diplomatic notes, between the Government of Malaysia and:

1. The Government of the Republic of the Maldives
   (on May 5, 1983)

2. The Organisation of Islamic Conference
   (on May 6, 1983)

3. The Government of the Islamic Republic of Bangladesh
   (on May 6, 1983)

4. The Government of the People's Republic of Pakistan
   (on May 12, 1983)

5. The Government of the Republic of Turkey
   (on May 13, 1983)

6. The Government of the Arab Republic of Egypt
   (on February 7, 1984)

7. The Socialist People's Libyan Arab Jamahiriya
   (on March 27, 1984)

8. The Government of the Kingdom of Saudi Arabia
   (on August 8, 1985)

These treaties were necessary requirements to meet the provisions of the 1982 Amendment of the Universities and University Colleges Act 1971.

On May 20, 1983, the University obtained its Establishment Order from H.M. The King of Malaysia and henceforth the University was able to function legally.

The International Islamic University registered its first group of students on July 16, 1983; and on July 18, 1983, the University began its first
academic programme, offering courses leading to Bachelor degrees in Law, Economics and Business Administration. It was one and a half year after the idea of the University was first proposed in January 1982 by the Honourable Prime Minister of Malaysia. Up till now, the university has become one of the leading international institutions which consists of increasing number of faculties (known as ‘Kulliyyahs’) and other departments, as shown in Appendix 1.

The University carries a vision of becoming a leading international center of educational excellence, which seeks to restore the dynamic and progressive role of the Muslim Ummah in all branches of knowledge and its mission is known as ‘III CE or TRIPLE ICE’, which stands for Integration, Islamization, Internationalization and Comprehensive Excellence.

In a competitive business or job situation, quality and excellence are no longer a choice but have become a prerequisite, which ultimately ensure the survival of any business entity. Quality and excellence are two factors, which point towards a set of values demanded by society in view of the constantly changing technological world. Quality focuses on excellent products or services that fulfill or exceed our expectations. Therefore, quality in general means services or products, which have attained a certain level of standard that is considered as excellent by users at that moment of time. Excellence, on the other hand, refers to the attainment of a high degree or highest degree of good qualities.

The Muslim Ummah will be able to create a culture of quality and excellence if we are able to embody the spirit and values of Islam into our work culture. The concept of excellence has always been emphasized in the teachings of Islam. In fact, man is regarded as a creation of the highest quality and is called ‘ahsani taqwim’ (the best of creation); the
Muslim Ummah is regarded as *khayra ummah* (the best of ummah) while the successful mu'min and most pious amongst them in the eyes of Allah SWT is the one with the highest quality of *tagwa (atqakum)*.

Realizing that they have the best qualities to create a Quality Culture in the University, the Quality Culture was launched in August-September 2000 (different dates were set for each campuses). Starting from that point, they will organize a Quality Day in every year. The first Quality Day was realized on April 13, 2002 in Gombak campus. It is a day to emphasize the importance of quality culture and to reinforce positive values. This is an event that creates awareness in employees and helps to remind them to incorporate these values in their work. It is also one of the steps taken by the University to ensure better quality standards and to recognize those who have achieved quality in their work and services.

The slogan is and has always been **Quality Culture – The Key to Comprehensive Excellence** and in the year 2002 the focus is on *Istiqamah*. Istiqamah means to follow the straight path, to remain firm in one’s principles and not to give up when faced with difficulties or hardships. It compels one to mean what one says and to perform deeds that will benefit all. Those who have Istiqamah, Allah has promised them great rewards and blessings in the world and in the hereafter (*Surah Fussilat 41: 31-35*)

1.8 **QUALITY CULTURE AND MS ISO 9002:94**

The concern for total Quality Culture has made the university embark on the implementation of the ISO 9002 in the teaching and learning process – their core business. Please refer to **Appendix 2** for the relationship between Quality Culture and MS ISO 9002:94.
In early 2000, the Malaysian Cabinet decided that all Government Agencies are to be certified with ISO 9002:94 by March 2002. This is to ensure a continuous improvement in the quality of services. The task of achieving this objective was given to Unit Pemodenan Tadbiran dan Perancangan Pengurusan Malaysia (MAMPU). SIRIM was appointed by MAMPU to be the consultant for IIUM for the process of achieving the ISO Certification. The full cost of the whole process will be paid for by MAMPU.

The ISO 9000 series is a set of standards for quality management and quality assurance systems developed by the International Standards Organization. They provide a framework for quality systems development in all types of industries, including service organizations. The ISO is a worldwide federation of national bodies (ISO member bodies) in which the work of preparing International Standards is carried out through ISO technical committees. In Malaysia, the standard is recognized as the MS ISO 9000, which is issued by SIRIM.

The model to be adopted at IIUM is MS ISO 9002:1994, which specifies quality system requirements for use as amended by the Public Services Department Malaysia. Please refer to Appendix 3 for the preparations that had been done in order to be compliance with ISO 9002:94 and future plans. IIUM achieved the ISO 9002:94 Certification on 8 October 2002. The advisory body for the whole programme (QCC and ISO) is the Quality Assurance Unit. Please refer to Appendix 4 for the history of Quality Assurance Unit.