HUMAN ASPECTS OF QUALITY PRACTICES AND GOVERNANCE ON THE PERFORMANCE OF REVENUE COLLECTION AGENCIES IN MALAYSIA

RAMLAH HAJI MUKHTAR

GSM 2013 12
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BY

RAMLAH HAJI MUKHTAR

Thesis Submitted to the Graduate School of Management, Universiti Putra Malaysia, in Fulfillment of the Requirements for the Degree of Doctor of Philosophy

November 2013
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DEDICATION

This thesis is dedicated to my loving husband Roslan who showed unquenchable interest in this study and demonstrated his unwavering love, understanding and support on this PhD journey while providing for four wonderful children: Muhammad Aizuddin, Hurin Nazahah, Hurin Nabilah, and Muhammad Zharfan. His undivided support was often articulated in smiles, an occasional pat on the back, and the reassuring words “don’t give up, you can make it”. As my beloved family, they have motivated and inspired me to do this research and celebrated with me every successful milestones achieved on this journey.

I also wanted to dedicate this study to my beloved mother Derenah who always pray “doa” for my success in this journey. Finally, I would be remised if I did not mention my elder sister Hendon, my good friend who assured me that with hard work, a strong passion for achieving one’s dream and a firm faith in Allah The Almighty, all other things are possible.
Abstract of the thesis presented to the Senate of Universiti Putra Malaysia in fulfillment of the requirements for the degree of Doctor of Philosophy

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By

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November 2013

Chair : Associate Professor Dr. Noor Azman Ali
Faculty : Graduate School of Management, UPM

Quality management initiatives are widely implemented as tools for performance improvement in many organizations including service organizations. Yet, failures are associated with their implementations whereby not all quality management initiatives give desired improvement in performance. Current knowledge is also limited in providing insights on the significance of quality governance as a factor for enhancing performance. This study aims to investigate the potential effect of quality governance for successful implementation of quality management initiatives in public service sector, integrated with the impact of HR infrastructure quality practices on organizational performance.
A proposed research framework and hypotheses are tested using primary data through cross-sectional survey from a sample of 315 managers in the revenue collection agencies in Malaysian public service sector. The results derived from structural equation modelling (SEM) testing evidently indicate the associations of quality governance with HR infrastructure quality practices and organizational performance. The findings of this study also prove that the hypothesized model attested the significance of quality governance as a factor for performance improvement and its significant role as a mediating factor in the relationship between HR infrastructure quality practices and organizational performance.

Top management commitment was found to be the key HR infrastructure quality practice to ensure the existence of quality governance for better performance. Employee empowerment, employee training, and customer focus are also significant for enhancing quality governance to improve organizational performance. The findings further suggest that performance improvement is realizable whenever customer focused practices are emphasized. Consequently, the public revenue collection agencies should be aware of the importance of having effective HR infrastructure quality practices, especially the ones which are more customer focused, to promote quality governance in enhancing organizational performance.

This study also advances the understanding on the importance of quality governance in relation to human factors in the quality management research. Particularly, this study suggests that future research efforts should be extended in taking up the issues related to quality governance to provide better perspectives in quality management research in different sectors or other contexts.
Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

AMALAN KUALITI BERKAITAN MANUSIA DAN TADBIR URUS KE ATAS PRESTASI AGENSI PEMUNGUT CUKAI DI MALAYSIA

Oleh

RAMLAH HAJI MUKHTAR

November 2013

Pengerusi: Profesor Madya Dr. Noor Azman Ali
Fakulti: Sekolah Pengajian Siswazah Pengurusan, UPM

Inisiatif pengurusan kualiti telah dilaksanakan secara meluas sebagai alat untuk peningkatan prestasi oleh pelbagai organisasi termasuk organisasi perkhidmatan. Namun kegagalan telah dikaitkan dengan pelaksanaan inisiatif ini di mana tidak semua inisiatif pengurusan kualiti telah memberikan hasil yang diharapkan dalam prestasi. Pengetahuan semasa juga adalah terhad dalam menyediakan pandangan mengenai kepentingan tadbir urus kualiti sebagai suatu faktor untuk peningkatan prestasi. Kajian ini adalah bertujuan untuk menyiaskan potensi kesan tadbir urus kualiti untuk kejayaan pelaksanaan inisiatif pengurusan kualiti dalam sektor awam melalui integrasi dengan impak amalan kualiti berkaitan manusia ke atas prestasi organisasi.
Satu cadangan rangka kajian dan hipotesis telah diuji menggunakan data primer daripada 315 sampel pengurus di agensi pungutan hasil awam Malaysia melalui kajiselidik keratan rentas. Keputusan yang diperolehi daripada ujian Model Persamaan Struktur (SEM) telah membuktikan perkaitan tadbir urus kualiti dengan amalan kualiti infrastruktur berkaitan manusia dan prestasi organisasi. Hasil kajian ini juga membuktikan model yang dihipotesiskan telah mengesahkan kepentingan tadbir urus kualiti sebagai faktor untuk peningkatan prestasi dan peranan pentingnya sebagai faktor pengantara dalam hubungan antara amalan kualiti infrastruktur berkaitan manusia dan prestasi organisasi.

Komitmen pengurusan atasan didapati merupakan amalan kualiti utama bagi memastikan kewujudan tadbir urus kualiti untuk prestasi yang lebih baik. Perkasaan pekerja, latihan pekerja, dan tumpuan pelanggan juga signifikan untuk meningkatkan tadbir urus kualiti dalam peningkatan prestasi organisasi. Hasil kajian ini juga mencadangkan bahawa peningkatan prestasi dapat direalisasikan apabila amalan kualiti berfokuskan pelanggan ditekankan. Oleh itu, agensi pemungut hasil awam mestilah sedar tentang kepentingan mempunyai amalan kualiti infrastruktur berkaitan manusia, terutamanya amalan kualiti yang berfokuskan pelanggan, untuk menggalakkan tadbir urus kualiti dalam meningkatkan prestasi organisasi.

Kajian ini juga meningkatkan pemahaman tentang pentingnya tadbir urus kualiti dalam hubungannya dengan faktor manusia dalam penyelidikan pengurusan kualiti. Terutamanya, kajian ini memberi cadangan bahawa usaha-usaha penyelidikan perlu diperluaskan pada masa hadapan dengan mengambilkira isu-isu berkaitan tadbir urus kualiti untuk mendapat perspektif yang lebih baik dalam penyelidikan pengurusan kualiti dalam sektor aau konteks yang berbeza.
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“In the name of Allah, the Merciful, the Beneficent”

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Finally, I would like to thank all my colleagues, friends, and everyone who helped me directly and indirectly in realizing this journey to be a success.
APPROVAL

I certify that a Thesis Examination Committee has met on 22 November 2013 to conduct the final examination of Ramlah Hj Mukhtar on her thesis entitled "Human Aspects of Quality Practices and Governance on The Performance of Revenue Collection Agencies in Malaysia" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1988. The Committee recommends that the student be awarded the Doctor of Philosophy degree.

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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
<td></td>
</tr>
<tr>
<td>PCB</td>
<td>Public Complaint Bureau</td>
<td></td>
</tr>
<tr>
<td>PICMET</td>
<td>Portland International Center for Management of Engineering and Technology</td>
<td></td>
</tr>
<tr>
<td>QCC</td>
<td>Quality Control Circle</td>
<td></td>
</tr>
<tr>
<td>QM</td>
<td>Quality Management</td>
<td></td>
</tr>
<tr>
<td>QMP</td>
<td>Quality Management Practices</td>
<td></td>
</tr>
<tr>
<td>SQS-Nordic</td>
<td>Software Quality System Nordic</td>
<td></td>
</tr>
<tr>
<td>SEM</td>
<td>Structural Equation Modeling</td>
<td></td>
</tr>
<tr>
<td>TQM</td>
<td>Total Quality Management</td>
<td></td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
<td></td>
</tr>
<tr>
<td>UNESCAP</td>
<td>United Nations Economic and Social Commission for Asia and the Pacific</td>
<td></td>
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</table>
CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter presents the background of this study, the purpose of this study, the problem statement, the research questions and objectives, and sets out the justifications for this study. This research is conducted to investigate the potential effect of quality governance in ensuring the successful implementation of quality initiative for high quality performance in the context of public revenue collection agencies in Malaysia. This research also intends to examine the extent of the relationship between human-related (HR) infrastructure quality practices, quality governance, and organizational performance. At the same time the extent of quality governance that exists in the public service organization will be examined. Finally, the organization of the whole thesis is presented at the end of this chapter.

1.1 Background of Study

Traditionally, the implementation of quality management (QM) is initiated by the private sector for better performance to compete competitively in a dynamic global economy. Later, it is adopted and adapted by the public sector with the aim of enhancing the performance of public services (Agus, 2001; Fryer, Antony, & Douglas, 2007; Yaacob, 2010). The QM initiatives gained importance because they provided the means to improve the quality of products or services delivered by public organizations such as hospitals, schools, and governmental institutions (Holschbach, 2013; Uyar, 2008). The public service organizations
implemented these initiatives to enhance the quality of their services to meet customer expectations (Feldheim, 2007). In this study, the quality initiatives refer to QM programs, quality certifications, quality award models, and other methods or methodologies to improve quality in services.

Studies showed that most of the QM initiatives implemented in the private and public service sectors aimed for some specific reasons which include improving quality service, improving competitive advantage, streamlining working practices, improving productivity, reducing costs, supporting organizational change, and enhancing organizational performance (Salaheldin, 2009; Samat, Ramayah, & Yusoff, 2009; Wilkinson, McCabe, & Knights, 1996). Well known literature on quality argued that quality initiatives will not only improve company performance but also the employees’ working life quality (Dawson & Palmer, 1995). However, the ending point of implementing quality initiatives is to fulfill the customers’ requirements and expectations to satisfy their needs (Uyar, 2008).

The significance of QM initiatives in the public sector has become topical in discourses pertaining to their implementations which produced mixed results either successes or failures (Fryer, Antony, & Douglas, 2007). Some organizations achieve successes in their quality initiatives while others fail to achieve expected improvement in the performance (Behara & Gundersen, 2001). Few researchers argued that quality programs failed because they lack human concern in implementing QM activities (Dwyer, 2002). Despite studies produced evidence that total quality management (TQM) has positive impact on performance in both public or private sectors (Agus, 2004; Agus & Hassan, 2000; Cherkasky, 1992; Opara, 1996; Schaffer & Thomson, 1992), there have also been studies that highlighted QM pitfalls or failures due to many reasons including lack of top management commitment, inadequate
appropriate training and education, insufficient resources provided, lack of perspective measurement of quality improvement, resistance of the workforce, use of fear and intimidation to control the workforce, and failure to change organizational philosophy (Kanji, 1996; Liu, 1998; Mukhtar & Ali, 2011).

This development in the literature led to an ongoing research on the potential quality practices that can give expected impact on performance in different contexts. This is because different studies found different factors that influence successful implementation of the QM initiatives (Soltani, Lai, & Phillips, 2008). Some studies revealed that the success of QM critically depends on practices associated with human-related (HR) infrastructure quality practices (soft factors) such as leadership and people management (Abdullah, Uli, & Tari, 2009; Gotzamani & Tsiotras, 2001; Nair, 2006; Powell, 1995; Samson & Terziovski, 1999). However, other studies showed that core quality practices (hard factors) such as process management had positive impact on performance (Abdullah & Tari, 2012).

On the other hand, some studies indicated that both categories of quality practices were essential to give expected effects on performance (Rahman & Bullock, 2005). Studies, particularly in the public service organizations, identified the critical quality practices for improving performance include management commitment, customer oriented, employee involvement, continuous improvement, communication, and people management (Agus, 2004; Antony, Leung, Knowles, & Gosh, 2002; Fryer et al., 2007; Salaheldin, 2009; Samat et al., 2009; Seetharaman, Sreenivasan, & Boon, 2006), which are mostly related to HR infrastructure quality practices.

Numerous researchers studied the impact of quality management practices (QMP) on performance and found mixed results. Apparently, they have direct effects as well as indirect
effects (Abdullah & Tari, 2012; Nair, 2006; Naor, Goldstein, Linderman, & Schroeder, 2008; Sousa & Voss, 2002). The inconsistency of the relationships between QMP and performance were highlighted in many studies (Talib, Rahman, & Qureshi, 2013). Thus, this indicates that there has been a lack of conclusive evidence on the effects of quality practices on performance (Wu, Zhang, & Schroeder, 2011), and further research is required to obtain better understanding by focusing on human factors. In addition, the mixed findings on the success or failures of QM in enhancing performance implied that this study needs to look into this phenomenon from different perspectives by incorporating governance issues with quality issues. With regard to this, Siddiquee (2007) suggested that proper governance of quality initiatives or programs for improving the quality of services and overall performance is extremely significant to ensure the success of their implementations.

Quality governance has long been discussed by practitioners as critical for delivering quality and achievement of organizational objectives and strategies (Heatley, 2009). It was also proposed that looking into quality governance as a process of decision-making in QM initiative implementation, to align practices with organizational goals, by which QMP are controlled, monitored, or directed towards achieving quality objectives in terms of enhancing quality performance that meets customer expectations (Mukhtar & Ali, 2011), is a worthy endeavor as the public service organizations are facing an increasing demand for accountability and better efficiency (Coates, 2004; Monitor, 2010). The quality governance based on the guiding principles of good governance for quality is much needed and timely as governance issues have become great concerns in public sector. Thus, it is proposed that the implementation of QM initiatives would successfully give desired impact on performance if
the human factors and quality governance issues are considered together to drive improvement in performance (Heatley, 2009; Gutierrez, 2006; Monitor, 2010).

1.2 Quality Management Initiatives in Malaysian Public Service Sector

Organizations worldwide have one way or another implemented QM initiatives and reforms in their efforts to enhance and improve the quality of products or services for better performance over time. In today’s dynamic environment, more than ever the survival of organizations in the global competition is depending on their capability to produce products or services with the quality that satisfy customers’ needs and requirements (Ugboro & Obeng, 2000). This is specifically true for the public service sectors, where delivery of quality services that meets the demand and expectations of public or other stakeholders are extremely critical to show their reliability and accountability (Mukhtar & Ali, 2011; Siddiquee, 2002) to stay relevant in the global economy.

As elsewhere, Malaysian government has traditionally embarked on various reform programs and QM initiatives to improve the quality of public service and overall performance to be a more effective, efficient, and customer driven emphasizing the importance of quality, accountability, and customer focused (Siddiquee, 2002, 2006; Siddiquee, 2010; Siddiquee & Mohamed, 2007). Numerous quality initiatives that are expected to assist government in institutionalizing quality culture towards service excellence are implemented. They include TQM, quality control circles, quality assurance unit, strategic planning, counter service, client’s charter, ISO 9000, benchmarking (Siddiquee, 2006) and 5S (MAMPU, 2012b). In line with these efforts, the Malaysian Administrative Modernization and Management Planning Unit (MAMPU), the responsible government agency to formulate quality policy for public
sector has provided 27 development administrative circulars (DACs) detailing guidelines on how to manage various quality initiatives to enhance efficiency and effectiveness of the public sector (Commonwealth Secretariat, 2004; MAMPU, 2012a). The guidelines are provided to guide the government officers to carry out their duties and responsibilities in an efficient, effective, and responsible manner. The involvement of employees from all levels is encouraged through the quality control circle, currently known as innovative and creative circles, giving opportunity to employees to initiate innovative and creative ideas for quality service enhancement programs (MAMPU, 2012b).

Achieving high quality performance is the aim of every organization including public service organizations in Malaysia. Malaysian Government Transformation Program (GTP) 2010 stated that “the past two decades have witnessed ever-increasing public demands for improvements in the quality of public services”. The government has made its commitment in ensuring “performance now” dimension of the GTP by reinforcing and intensifying the existing quality initiatives like star ratings, quality award, and structured feedback system; for improving the efficiency and quality of service delivery. Thus, this implies that to be in line with the government transformation agenda, the public service organization has to continuously embark on various transformation programs that can successfully improve performance, especially through QM initiatives in order to achieve an efficient, reliable, transparent, and responsive public services. The organization needs to properly govern the implementation of the initiatives to ensure the success of the QM initiatives in enhancing performance.
1.3 Problem Statement

In the public sector, the drive to improve performance is ever increasing that they have to give the best value of their service with the limited fund that they have, along with the pressure for increasing their accountability and transparency as the government runs its functions using public money (Economic Planning Unit, 2010). Therefore, the public service sector needs to successfully deploy quality initiatives to improve performance and failures in QM initiatives cannot be tolerated. Malaysia has embarked on quality initiatives for more than twenty years. Yet, despite all the concerted efforts, the Malaysian public service sector has ever been receiving much complaints and criticisms with an increasing number of complaints from the public (Public Complaints Bureau, 2014). The efforts turned out to be less effective in bringing about desired improvements and required level of satisfying customers’ needs and expectations (Siddiquee, 2006; 2010). This indicates the dissatisfaction of the public with the quality of services provided and overall service performance of the public sector, particularly the revenue collection agencies reported to have continuous highest complaints (Public Complaints Bureau, 2014; GTP, 2010).

The overall statistics is depicted in Table 1.1. The public complaints pertaining specifically to unsatisfactory service quality and delays or nonresponsive actions have always been more than 50% of the total complaints received every year (Public Complaints Bureau, 2014). This indicates that the public service performance has not been meeting the expectation of public or their customers. This also reflects that the organizations are still unable to deliver the quality expected by the public at large although numerous quality initiatives have been implemented. This also implies that although QM is known as a strategic tool for performance
improvement and customer satisfaction, the statistics showed that the quality initiatives have not given the desired effects on the organizational performance.

This issue gives an implication that the accountability of public service sectors in Malaysia is yet questionable. The issues of governance and customer satisfaction emphasized in the national plan showing the great concerns of having a transparent and accountable public service that is up to the expectation of the public at large (Economic Planning Unit, 2010). Hence, governance of quality initiative implementation is required to successfully achieve organizational goals in improving performance through monitoring of QMP that promote quality governance for performance enhancement (Mukhtar & Ali, 2011; Siddiquee, 2007).

Thus, it is timely for this research to study on QMP in a different context, which pertains to the relevant practices contributing to the success of quality initiatives implementation, particularly in the Malaysian public revenue collection agencies.

Table 1.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Total complaints</th>
<th>Complaints on unsatisfactory &amp; nonaction/delay services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2769</td>
<td>1443</td>
</tr>
<tr>
<td>2002</td>
<td>3452</td>
<td>1711</td>
</tr>
<tr>
<td>2003</td>
<td>3199</td>
<td>1715</td>
</tr>
<tr>
<td>2004</td>
<td>2786</td>
<td>1397</td>
</tr>
<tr>
<td>2005</td>
<td>2707</td>
<td>1285</td>
</tr>
<tr>
<td>2006</td>
<td>3397</td>
<td>1869</td>
</tr>
<tr>
<td>2007</td>
<td>2941</td>
<td>1749</td>
</tr>
<tr>
<td>2008</td>
<td>4059</td>
<td>2256</td>
</tr>
<tr>
<td>2009</td>
<td>12,683</td>
<td>6550</td>
</tr>
<tr>
<td>2010</td>
<td>14,700</td>
<td>8945</td>
</tr>
<tr>
<td>2011</td>
<td>13,361</td>
<td>8412</td>
</tr>
<tr>
<td>2012</td>
<td>12,582</td>
<td>7719</td>
</tr>
<tr>
<td>2013</td>
<td>9,879</td>
<td>7319</td>
</tr>
</tbody>
</table>

Note. Adapted from Public Complaints Bureau (PCB), Statistics, 2001-2014.
Although previous studies showed that the human factors in QM play an important role in the process of realizing the quality initiatives to achieve improvement in performance, studies on this imperative factor have not been exhaustive especially in the public service sector (Abdullah, Uli, & Tari, 2008; Agus, 2001; Ali, Mahat, & Mohamed, 2007; Eng & Yusof, 2003; Fryer et al., 2007; Idris, McEwan, & Belavendram, 1996). Moreover, the extent of significance of the human factors in relation to governance issues for performance has been limitedly explored in QM research even though quality governance is expected to help reduce the risk of failures in any initiative (Henard & Mitterle, 2009; Heatley, 2009). Hence, it is significant for the organization to have a clear understanding on the role of quality governance and its potential effects on performance especially in relation to HR infrastructure quality practices which are deemed important for the success of the initiatives (Gotzamani & Tsiotras, 2001). Thus, this study looks into these issues concerning the dissatisfactory service performance faced by the Malaysian public service sector from the perspectives of QM and quality governance.

Furthermore, literature shows that the quality practices impact on performance is not always significant and plenty of studies show mixed findings on the effects of quality practices especially the HR infrastructure quality practices on different performance like business performance, operating performance, and quality performance (Abdullah & Tari, 2012; Nair, 2006; Sousa & Voss, 2002). Previous research also revealed that the impact of the HR infrastructure quality practices on performance is not always direct (Abdullah & Tari, 2012; Nair, 2006; Sousa & Voss, 2002). Their indirect relationships were suggested by some scholars but without common agreement among researchers (Nair, 2006). Although evidence shows that the relationships are neither consistently direct, nor indirect (Nair, 2006; Rahman &
Bullock, 2005; Sousa & Voss, 2002; Talib, Rahman & Qureshi, 2012), the mediation effect of the relationship has been understudied. Thus, it is suggested that further study should be conducted to further investigate the importance of the HR infrastructure quality practices in achieving better performance as well as the direction of the relationships that may prove to be mediated by other factors than technical factors (Sousa & Voss, 2002; Zu, 2009). This requires further clarification by investigating the possible mediating factors that may affect the relationships. This research will fill this void by investigating the mediating factor, quality governance, that is essential to give better effects on performance in the relationships between the HR infrastructure quality practices and performance. The mediating effect of quality governance proposed in this study is hardly researched in the existing QM literature.

This study integrates the governance and quality issues by proposing that the HR infrastructure quality practices can be translated into quality governance, which ultimately results in better performance in an organization. This study highlights quality governance as a mediator in the relationship and contributes new views to the knowledge in the field of QM and governance on the role of quality governance for performance improvement, which has been overlooked. This is supported in the review by Sousa and Voss (2002) that there has been few academic research connecting quality governance and QM. In their review, Sousa and Voss (2002) provided a comprehensive literature review of the QM literature. However, they did not identify any paper that relates QM to quality governance. Hence, the link between QM and quality governance is not fully developed in concrete terms.

Previous studies have investigated and discussed on the potential factors that contributed to the QM initiatives failures. Among them were those associated with lack of transparency in quality related information, lack of monitoring, conflict of interest among
stakeholders, lack of clarity about organizational objectives, and resentment and resistance from employees (Ali, Zairi, & Mahat, 2008; Fryer et al., 2007; Nwabueze & Kanji, 1997). It has been suggested that the problems relating to monitoring, alignment of organizational objectives, diverse stakeholders demand, transparency and employee commitment can be explained by good governance (Filatotchev & Nakajima, 2010). It is therefore crucial for the current study to look into governance issues with human issues that lie beneath business issues (Supangco, 2006), which have not been excessively explored in previous studies to enrich the knowledge in QM research.

Studies showed that there is a positive relationship between elements of quality governance and organizational performance (financial or nonfinancial) (Bhagat & Bolton, 2008; Heinrich & Lynn, 2000; Lynn, 2004). However, these studies rarely researched on the impact of quality governance in the implementation of quality initiatives for enhancing organizational performance (Mukhtar & Ali, 2011). Therefore, this study shall empirically investigate the importance of quality governance as a critical factor for successfully implementing quality initiatives to achieve high quality service performance.

Meanwhile, studies in the public sector pertaining to governance are mostly related to political, economic, development, and social growth of a nation (Ahrens & Meurers, 2002; Kaufmann, Kraay, & Zoido, 1999), and most of them were conducted along the macrolevel continuum. Furthermore, studies on the quality governance in quality initiatives implementation for performance enhancement in the public organization at the microlevel are few and scanty. Studies on governance have not widely considered elements of quality governance for better quality performance in implementing quality initiatives, especially in the public sectors. Thus, this study will be important to provide empirical evidence on the
relationship which could give new knowledge to the governance literature on quality governance from a different perspective.

Studies on quality governance focus more on conceptual and theoretical aspects because it is a new concept and it is very subjective. There is hardly any empirical research conducted to explore the relevant measures, indicators, and determinants of the quality governance. The concept has been discussed literally to highlight the importance of quality governance in enhancing performance from different perspectives (Ellin, 2006; Heatley, 2009; Henard & Mitterle, 2009). Thus, there is a need of filling this gap in the knowledge to further develop the concept in examining the measures, indicators, and determinants of quality governance in relation to the HR infrastructure quality practices that will enhance the knowledge in governance and QM.

Furthermore, perhaps due to the relative newness of this concept, even though it may potentially advance QM research and practice in numerous ways, the understanding on the role quality governance plays in enhancing performance through QM has been limited. This study is based on the premise that implicitly, quality governance can significantly influence the success of the implementation of quality initiatives for better performance through better alignment with organizational objectives and goals (Mukhtar & Ali, 2011). Thus, in acknowledging the potential role of quality governance in enhancing performance, this study fills this void in the literature by examining the relationship between HR infrastructure quality practices, quality governance, and organizational performance. Specifically, this study aims to investigate how the quality governance mediates the effects of the HR infrastructure quality practices on organizational performance.
Responding to the gaps in the literature, this study is significant to fill the gaps in the relevant literatures and it will contribute to the knowledge in governance and QM. Consideration of the potential mediating effect of the quality governance has not been given much attention in previous studies. Thus, this study offers a framework suggesting the significance of quality governance as the mediating factor in enabling the HR infrastructure quality practices to drive the success of quality initiatives to effectively improve the public service performance. This study develops and tests an integrated framework, which explores the relationships between the HR infrastructure quality practices, quality governance, and organizational performance that have been scarcely researched. Hence, this study will bridge the gap not only in the QM and governance literatures, but also in the practical aspects of public service performance for service excellence. It will give a new understanding on the quality governance for successful implementation of quality initiatives towards superior performance of any organization, particularly the public service sector.

1.4 Research Questions

Based on the problem statement highlighted in this study, four research questions are derived to find out the significance of quality governance in driving the effects of HR infrastructure quality practices on public service performance. The research questions are as follows:

RQ1: How are HR infrastructure quality practices and organizational performance related?
RQ2: How are HR infrastructure quality practices and quality governance related?

RQ3: What is the HR infrastructure quality practice that influences quality governance the most?

RQ4: How are quality governance and organizational performance related?

RQ5: How does quality governance affect the relationship between HR infrastructure quality practices and organizational performance as a potential mediating factor?

1.5 Objectives of Study

Generally the objective of this study is to investigate the potential effects of quality governance in QM initiatives implementations. Furthermore, it seeks to examine how quality governance as a mediator affects the relationship between the HR infrastructure quality practices and public service performance in the context of revenue collection agencies in Malaysia.

This study also has specific research objectives in an effort to further understand the relationships:

RO1: to examine the relationship between HR infrastructure quality practices and organizational performance;
RO2: to investigate the relationship between HR infrastructure quality practices and quality governance;

RO3: to determine which factor of HR infrastructure quality practices influences quality governance the most

RO4: to investigate the relationship between quality governance and organizational performance;

RO5: to determine the mediating effect of quality governance on the relationship between HR infrastructure quality practices and organizational performance.

1.6 Significance of Study

This study is significant for an enhancement in the knowledge as well as in practical world. The findings of this study will give significant knowledge to academician and practitioners on quality governance in relation to QM.

The integration of quality and governance issues is hardly explored in previous research and this study provides some new findings on the potential influence of quality governance, in assisting an organization to enhance performance by implementing QM initiatives. The validated framework in this study provides better insights to researchers on the potential different views in explaining the relations of HR infrastructure quality practices, quality governance, and organizational performance; by using stewardship theory, stakeholder theory, system theory, resource based view (RBV), and dynamic capability theory, which were not exhaustively utilized in QM research.
The new concept of quality governance and its importance will provide new perspectives for enhancing knowledge in QM and governance. Particularly, this study provides a new understanding on the significance of quality governance for performance enhancement in public sector, which has not been widely explored in the extant literature. Further development of the quality governance concept provides a better understanding of the concept in relation to human factors that will assist academicians to advance the future research in different sectors or contexts.

This study provides a better insight on the relationship of HR infrastructure quality practices, quality governance, and public service performance in Malaysia which is not widely explored in the previous researches. In examining the relationship of the quality governance from QM perspectives, this study provides a different view on how quality governance is promoted in public service organizations implementing QM. Linking two developed fields of studies, which are QM and governance enhances the knowledge in which the integration of QM and quality governance is a new attempt to tackle both quality and governance issues in a framework. This study suggests that the properly governed HR infrastructure quality practices will lead to effective alignment of quality governance with organizational goals to achieve targeted performance.

The findings on the mediating effects of quality governance suggest interesting implications for quality theory and practices. They also provide avenues for future research in governance and QM for further clarification of the theory in different context and scope. This study hopes to give a better understanding of the quality governance that will motivate future researchers to investigate further the theory in different scopes of service organizations to contribute to the development of QM and governance theories.
This study is expected to offer a clearer picture of the key to successful implementation of QM initiatives for better performance. By getting a better insight on the potential influence of quality governance in enhancing the effects of HR Infrastructure quality practices for performance improvement, managers will be able to develop robust and effective programs for performance enhancement. This study is also expected to educate the practitioners on the significance of quality governance to reduce the risk of failures in their efforts to enhance performance.

1.7 Organization of Thesis

This study aims to investigate the impact of quality governance on the implementation of quality initiatives in the public sector. It will address the research questions that would enhance further understanding on the relationships between HR infrastructure quality practices, quality governance, and their influence on the public service performance. The first chapter 1 provides the background of the study, the research problems, and the purpose of the study. Chapter 2 provides a comprehensive literature review relating to QM, governance, good governance, quality governance, and public service performance including the relevant theories, concepts, reviews of past empirical studies, and conceptual framework. Chapter 3 provides a research framework and hypotheses based on the theoretical and conceptual findings in the chapter 2. Chapter 4 addresses the research methodology that is used in the research process, explains the research design, population and sample used, the survey instrument, and discusses the techniques employed in data analysis. Chapter 5 provides the details of the research results and findings which pertain to the descriptive statistics, SEM analysis results, and results on hypotheses. Chapter 6 provides detail discussions on the
research findings. Finally, chapter 7 provides a comprehensive conclusion and implication of the study pertaining to contributions of this study, limitation of this study, and potential directions for future research. The organization of this thesis is illustrated in Figure 1.1.

Figure 1.1. The organizational structure of the thesis
1.8 Chapter Summary

This introduction chapter covers discussion on the background of the study, the problem statement, research questions, research objectives, significance of the study, and the organization of the thesis. This chapter describes a general picture of the research work to guide readers about this particular study. The next chapter 2 covers literature reviews on the conceptual studies on the subject matters relevant to QM, governance, and quality governance. This chapter also discusses previous empirical works on the quality, QM, governance, and good governance to give detailed findings on the relationships among the concepts of interests.
REFERENCES


