Developing a framework to facilitate an improvement culture: the Case of Saudi Arabia

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Abstract. This research explores aspects of organizational culture to facilitate continuous improvement within nonprofit organizations. Research shows that organizational culture plays a significant role in driving organizations and that they benefit from continuous improvement. The nonprofit sector contributes much to the economy and well-being, but is still often neglected; hence, Saudi nonprofit organizations are here the location for building a framework that promotes a culture of continuous improvement. In this qualitative research, grounded theory is the chosen approach. Eighteen interviews in nine organizations yielded data which, when analysed revealed forty emergent factors, classifiable into six initial themes developed by focus group participants. However, synthesising the framework is still in progress.

Keywords. Organizational Culture, Continuous Improvement, Nonprofit Organizations.

1. Introduction

Successful continuous improvement depends on certain cultural factors. The continuous improvement literature reveals that the primary function of continuous improvement in any organization is to improve processes. Continuous improvement also develops services and products by establishing gradual but incremental improvements or developments within an organization. Continuous improvement involves tactics, and the belief that all small changes are significant for organizations (Sila & Ebrahimpour 2003). To specify, the tactics of continuous improvement target the organizational culture, seeking opportunities rather than the possible problems of continuous improvement (A.S. Sohal and M. Terzirovski et al. 2000).

Research reports that organizations can become more competitive by establishing the right culture (Pun 2001). Conversely, not focusing on organizational culture affects the longevity of improvements (Testani & Ramakrishnan 2012). Continuous improvement has the advantages for smaller organizations of not requiring much outlay or huge expertise (Bessant et al. 1994), thus helping nonprofit organizations in particular. Meanwhile, Saudi Arabia has not received much academic attention in the literature, despite its unique situation in this regard (Ovidiu-Iliuta 2014; Givens 2012; Alshammari et al. 2014; Montagu 2010).
2. A literature review

In quantitative research, a literature review is commonly systematic (Holliday 2016). In qualitative research, by contrast, a literature review need not be the same, since its purpose is (Holliday, 2016) to interrogate established knowledge, and sort out positions, ideologies and discourses of knowledge to establish a research position. The present research started with its questions and then looked at the writings that corresponded to them, as follows.

2.1. Organizational Culture

The concept of organizational culture has evolved gradually and now seems to be an important asset for determining several aspects which control the continuous development of organizations (Clark 2012). The main characteristics of organizational culture have been defined as a pattern of guiding principles or shared basic assumptions in an organization (Clark 2012). Sackmann (1991) divided its components, using an iceberg model, into visible, i.e. visible, official and ‘espoused’ and ‘basic’ manifestations. Beliefs on the second level are tacit, commonly held, habitually present and emotionally anchored (Sackmann 1991). Similarly, Schein (2010: 24) argues that culture can be analysed on “three levels: artefacts, espoused beliefs and basic underlying assumptions”, agreeing with Sackmann (1991) that culture has two sides: visible and invisible. Parker’s definition (2000) acknowledges both levels: ‘Patterns of interpretation composed of the meaning associated with various cultural manifestations, such as stories, rituals, formal and informal practices, jargon and physical arrangements” (note the focus on visible aspects). Invisible aspects were emphasized later; Ravasi and Schultz (2006) see it as “a set of shared mental assumptions that guide interpretation and action in organizations by defining appropriate behaviour for various situations”. Schein interprets it holistically, fitting the research context (2010: 18):

The pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration and that have worked well enough to be considered valid and, therefore, to be taught to new members.

Organizational culture mostly entails members moral values, basic assumptions, shared principles, beliefs and ideologies; it incorporates the organization’s vision and mission statements, codes of conduct and aims and objectives (Clark 2012). These are normally its main driving elements more informal than formal. Many experts believe that organizations with a specific organizational culture are more prone to excel in their business plans and daily business operations because the culture guides the organization to attain the established aims and purposes.

Since organizations, whether transnational, multinational corporations or international, began operating internationally and well-known brands located themselves across the globe, research has explored the association between national and organizational culture (Al-Otaibi 2014), arguing for example that national cultures are unlike local cultures (Liker & Hoseus 2008). Yet national cultures pervade organizational cultures (Liker and Hoseus, 2008). Even global companies are situated in sovereign states. Different nations and their national shared values or community values (Common 2008) influence their organizational cultures. In eastern regions, where most countries have an Arabic cultural pattern, the behaviour of organizations is different from the behaviour of other organizations elsewhere.
A widely-cited definition of national culture, though not universally accepted (Jones 2007), is by Hofstede (Bond 2002), who empirically studied 116,000 employees from over fifty-three nations, in the technology and consulting corporation, IBM between 1968 and 1972. He classified these employees along four dimensions: power distance, uncertainty avoidance, individualism/collectivism and masculinity/femininity (Bagchi et al. 2003). Power distance normally determines how far the less fortunate and less powerful citizens or members of society accept and expect power to normally be unequally distributed (Al-Yahya 2009). Uncertainty avoidance measures society’s tolerance for uncertainty and ambiguity, especially how far loving one’s culture controls the future. The dimension of individualism versus collectivism measures how far citizens expect to focus on their and their immediate family’s individual needs, compared to the degree of aid expected from social institutions (Common 2008). Masculinity and femininity is Hofstede’s third cultural dimension, which distributes roles and responsibilities between genders. However, Hofstede’s conclusions do not escape criticism.

2.2. Saudi Arabian Culture

Saudi culture, which of course, affects the nonprofit organizations studied in this research has as its recognised religion Islam, a religion that today has an estimated 1.2 billion adherents (Al Saud 2013). It shapes the mentality and behaviour of the Saudi people and their Arab traditions (Bjerke & AlMeer 1993), pervading Saudi life (Hofstede 1991). Saudi Arabia, the birthplace of Islam, is one of the world’s most religious countries (Shaheen Al Ahwal et al. 2015). Islam promotes a set of moral values and social behaviours in the text of the Qur’an and sayings of the prophet Mohammad, peace be upon him (Kabasakal & Bodur 2002). However, it should be noted that not everything in an Islamic country necessarily represents Islamic values.

2.3. Continuous Improvement Functions

The benefits of continuous improvement are available to all sectors (Fryer et al. 2007). But continuous improvement more helpfully applies to nonprofit organizations, because it is “more valuable at a time when financial budgets are severely constrained” (Cabinet Office of UK Government 2012). Continuous improvement has many benefits: it requires low capital investment (Jha et al., 1996), improves performance (Goh, 2000), improves customer satisfaction (Taylor and Hirst, 2001) and increases employee commitment (Temponi, 2005).

The term ‘continuous improvement’ came from Toyota (Liker & Morgan 2006), which added it to ‘lean’ tools as an aspect of the Toyota Way. Carlson et al. (2001) state that continuous improvement describes processes designed to monitor and improve services to the customer. Bhuiyan and Baghel (2005) find that “continuous improvement initiatives in the past reflected the use of various principles related to work improvement, [and] modern day continuous improvement is associated with organized and comprehensive methodologies”. Continuous improvement importantly complements more radical, step-change forms of innovation (Bessant et al. 1994); Bhuiyan and Baghel (2005) add that “major improvements take place over time … [from] numerous incremental improvements”. From all these definitions, it can be seen that continuous improvement occurs “where all members of the organisation work together on an ongoing basis improving processes and reducing errors to improve overall performance
for the customer” (Fryer et al. 2007). Generally, continuous improvement can be “an umbrella concept for a wide range of tools and techniques to improve manufacturing performance” (Ehie & Sheu 2005). These tools could include Kaizen, lean, six sigma and total quality management (Huq 2005).

2.4. A Conceptual Model

Schein’s model of organizational culture (Schein 2010) was chosen as the model for developing a framework regarding the continuous improvement culture. Schein illustrates the organizational culture at three levels, artefacts, espoused values and basic underlying assumptions (see Figure 1).

![Figure 1: Schein’s model of organizational culture](image)

Artefacts include visible organizational structure and processes; they are readily observed and have multiple cultural meanings. Espoused values include strategies, goals and philosophies; they are observable patterns of meaning. Basic underlying assumptions are taken-for-granted beliefs, perceptions, thoughts and feelings; they are not directly observable but apparent from observing the culture (Lawson & Shen 1998).

This model was chosen mainly for the strong coherence between its three levels, which makes it dynamic and its capacity to embody and represent cultural aspects. This allows change at any level to affect the others and every single factor emerging from data analysis to correspond to one level or more of the three.

2.5. Nonprofit Organizations

The nonprofit sector is “the sum of private, voluntary, nonprofit organizations and associations” (Anheier 2014); nonprofit organizations are vital to economic well-being (National Center for Charitable Statistics 2015). The overlap between the main definitions of nonprofit organizations (Salamon et al. 2000) isolates the following features of such bodies:

- Self-governing.
- Nonprofit-distributing.
- Private and non-governmental in basic structure.
- Voluntary to some meaningful extent.
- Engaging people on the basis of some shared interest or concern.

Nonprofit organizations, philanthropic and centred on social well-being, work to improve the community by providing services which support and enhance community
living. They may be educational, religious or charitable groups serving the common good. Countries have individual charity laws, taxation and regulations, causing charities to vary.

A charity’s reputation with its societies and its donors depends upon its financial stability, which is assessed by charity evaluators who consider how much charities gain from fundraising, sponsorship, revenue from investments and the income generated from the sale of goods and tax refunds (Oakland 2003). Charities must reveal exactly how much they receive from their donors (Rad 2005).

2.6. Nonprofit Organizations in Saudi Arabia

Saudi Arabia’s ministry for most nonprofit organizations is the Ministry of Social Affairs. The two main groups considered are charity associations and charity foundations (Arabia 2012b), more than 700 altogether, including 650 charities (Arabia 2012a) and 89 private foundations (Arabia 2013).

2.7. Key Findings from the Literature

What has been published in this area so far includes little on what aspects of organizational culture encourage continuous improvement within nonprofit organizations, or how they might.

Table 1: Key findings from the literature

<table>
<thead>
<tr>
<th>Aspects</th>
<th>Authors</th>
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<tbody>
<tr>
<td>Organizational culture may be considered to facilitate</td>
<td>(Fu et al. 2015)</td>
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<tr>
<td>continuous improvement</td>
<td>(Ovidiu-Iliuta 2014)</td>
</tr>
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<td></td>
<td>(Testani &amp; Ramakrishnan 2012)</td>
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<td></td>
<td>(Pun 2001)</td>
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<tr>
<td>Continuous improvement has a significant impact on</td>
<td>(Bhuiyan &amp; Baghel 2005)</td>
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<tr>
<td>organizations</td>
<td>(Bessant et al. 2001)</td>
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<td></td>
<td>(Carlson et al. 2001)</td>
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<tr>
<td>Nonprofit organizations are often neglected in the</td>
<td>(Alshammari et al. 2014)</td>
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<tr>
<td>literature</td>
<td>(Givens 2012)</td>
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<td></td>
<td>(Montagu 2010)</td>
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3. Research Methodology

3.1. Philosophical position

This research adopted an interpretive paradigm whereby social reality, a subjective and multiple entity, can be mentally explored (Collis & Hussey 2003). The ontology of this research is constructivist, “where the reality is socially constructed” with interpretivist epistemology (Dahlbom 1992). “Interpretivists believe that reality is multiple and relative” (Hudson & Ozanne 1988). Now, no clear theory exists yet for facilitating a continuous improvement culture in nonprofit organizations in particular. However, some considerations recommend a grounded theory approach for exploring the aspects of organizational culture that affect continuous improvement. This would suggest that an inductive approach should be used, for the theory may evolve as a result of the research. Sackmann (1991) recommends the inductive approach, because of the sparsity of
empirically based knowledge of culture in its ‘organizational context’, which can foster the development of a theory in this context. The theory, then, could be discovered from the data as Glaser and Strauss (1967, p1) developed theirs, calling it ‘grounded theory’, which drives the research. 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 et al. 2011).

3.2. Sampling

Because this research seeks to improve the understanding of complex human issues above generalizable results (Marshall 1996), its rich data sets require no large samples (Starks & Trinidad 2007). Statistical representativeness is not at stake, because the objective is to understand social process (Mays & Pope 1995). Purposive sampling was used, of participants who had experienced the phenomenon under study, to report differing experiences of the phenomenon so as to explore multiple dimensions of the social processes in question (Starks & Trinidad 2007). At first the participants were randomly selected, as an “appropriate method” (Shenton 2004); the subsequent findings led to different people, context and places until saturation point. This suggests ‘theoretical sampling’, which “with grounded theory … is an emergent and ongoing process that evolves as the theory develops from data” (Goulding, 2002: 382). According to Glaser (1978: 36), theoretical sampling is: “the process of data collection for generating theory whereby the analyst jointly collects, codes and analyses the data and decides what data to collect next and where to find it”. Theoretical sampling is a specific type of nonprobability sampling in which the objective of developing theory guides the process of data collection and analysis (Mays & Pope 1995). Theoretical sampling was followed by constant comparison, which requires engaging researchers in data integration “at the same time as the data are collected” (Goulding, 2002: 383).

3.3. Issue-focused investigation

The methodology adopted an issue-focused technique with “a phenomenological orientation, which introduces a specific context that forces respondents to draw on the same stock of knowledge” (Sackmann, 1991). The research process indicated that continuous improvement was an appropriate device to allow interviewees to reflect on, freely and openly, the taken-for-granted aspects of their social settings. The interviewees were asked to give one example (or more) of a continuous improvement story that happened in their organizations. This technique allowed tacit components of culture from the insider’s perspective to be brought to the surface. These tacit components would synthesise the situations that were being explored, determined analytically by collecting and analysing relevant information.

3.4. Interview process

All interviewees agreed to take part, according to Cranfield’s ethical forms. Continuous improvement was chosen as the issue for a study of cultural beliefs. Eighteen unstructured interviews were conducted. They lasted an hour on average and were in Arabic, the interviewees’ main language, and this allowed enough time for such an exploration. Then the transcripts were translated to convey their meaning and spirit from
the source to the target (English); “care … [was] taken to ensure … a meaningful version” (Harbi et al. 2016).

Table 2: statistics of the interviews

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Interviews</th>
<th>Duration (minutes)</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>18</td>
<td>1080</td>
<td>360</td>
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3.5. Data analysis

Coding is the ‘starting point’ for analysing qualitative data (Lofland & Lofland 2006). ‘Open coding’ was used, which “involves the breaking down, conceptualization and categorisation of data” (Goulding, 2002: 383). Data analysis involved coding the transcripts, which demanded careful reading and the use of Nvivo 10 software for Windows™.

3.6. Saturation levels

Forty factors influencing continuous improvement emerged. By the last two interviews, saturation level had been reached. Several authors confirm that fifteen participants can achieve the level of saturation for qualitative research (Bertaux et al. 1981; Strauss & Corbin 2015; Seidman 2013).

Further sources of data, focus groups and observation, were consulted (Sackmann 1991) to achieve triangulation, increase reliability, refine the factors and to improve understanding of them (Schein 2010). The participants of a nonprofit organization contributed four focus groups, which were interviewed once the interview factors were classified. The second focus group was interviewed to categorise the factors into themes, which synthesized an initial model. Observation characterized the entire process of data collection and analysis.

3.7. Inter-rater assessment

The forty factors were assessed for the reliability and accuracy of their coding and analysis (Rashid et al. 2010). A representative sample (22.2%) were recoded and analysed by a second independent rater to assess the obtained factors. The ratio of agreement reached 85%, which indicates a high rate of reliability in the codes and analysis (Gwet 2002).

3.8. Validity

The four main aspects of trustworthiness must be considered when qualitative data are analyzed (Guba & Lincoln 1994): credibility, transferability, dependability and confirmability. To this end (Corley & Gioia 2004), the data were stored on a qualitative data-management program. Next, the research methodology and its context were exhaustively described (Holliday 2016). Third, the findings were revised with peer debriefing. Fourth, experienced qualitative researchers were asked to audit the empirical processes. Samples of data were analysed in cooperation with a researcher (academic) and an employee (industrial). Fifth, the results were submitted to the participants for their
agreement. The resulting data are analysed and validated with observations and group discussions. The findings were confirmed by evidence from observations and discussions.

4. Emergent Framework

The journey of framework synthesis progressed gradually. This process was developed through two phases. First, extracting the forty factors from the interviews, which consumed the most time. Second, refining and categorising the factors into higher level themes by involving the participants during the discussions of focus groups, who developed an initial model shown in Figure 2. However, synthesising the framework is still in progress.

![Figure 2: Emergent factors categorised into higher level themes](image)

5. Conclusion

When the constant comparison was conducted during the data analysis, the factors that emerged were found supported by the literature. This also confirms the research findings.
However, further work needs to be done in order to see how can these themes be achieved in nonprofit organizations and what indicators prove reaching to an improvement culture.

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