

Being at the Leading Edge – How to Give Quest for Excellence a New Meaning

January 31<sup>st</sup>-February 3<sup>rd</sup> 2011, Atlantis, The Palm Dubai, UAE

## Policy and Strategy Roundtable

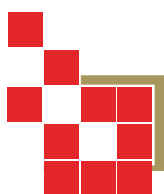
Spreading a Quality Culture to Increase Competitiveness in the Arab World:  
Policies, Strategies and the Way Forward

*Atlantis Hotel, Palm Dubai, January 31<sup>st</sup> - February 3<sup>rd</sup>, 2011*



## Report

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**Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum**

Crown Prince of Dubai,  
President



**H.E. Lieutenant General Dhahi Khalfan Tamim,**

Commander in Chief - of Dubai Police

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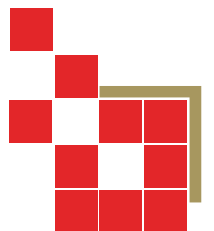
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**Dr Mansoor Al Awar**  
Chancellor

## Foreword

In view of its mission and strategy to create and disseminate knowledge, Hamdan Bin Mohammed e-University (HBMeU) has taken an important initiative to establish an annual Policy and Strategy Roundtable for facilitating dialogue, participation, sharing of useful knowledge and information, and crafting policy recommendations. The Roundtable draws experts from UN agencies, academic institutions, government, media and business organizations, NGOs and consulting organizations to deliberate on a wide array of issues related to socio-economic development in the Arab World. This Roundtable focused on the issue of spreading a quality culture for enhancing competitiveness of the economies of the Arab countries.

The Roundtable provided an outstanding opportunity to present an overview of the progress that has been made in the area of quality management in the Arab World against the backdrop of the Burj Al- Arab Quality Declaration signed in 2004 for improving competitiveness of the Middle East states in the world economy. It was used to guide a policy-oriented discussion and help craft recommendations at the Roundtable focusing on issues pertaining to quality, excellence and competitiveness in the Arab states. It certainly reflected a core component of the strategy of HBMeU to provide knowledge-driven leadership in influencing policy agenda in the Arab states. I hope, this report would be of value to all those interested in the issues related to quality in interaction with competitiveness of nations.

## Executive Summary



This report pertains to the Policy and Strategy Roundtable titled, 'Spreading a Quality Culture to Increase Competitiveness in the Arab World: Policies, Strategies and the Way Forward' organized by HBMeU on 31 January, 2011 at the Atlantis Hotel, Dubai. The Roundtable is an annual event bringing together UN agencies, academics, government policy makers, media organizations and a number of eminent practitioners.

This Roundtable, attended by sixteen eminent participants, focused on quality in interaction with competitiveness of Arab countries. Quality frameworks have existed for several decades. Today, the importance of quality for enhancing competitiveness of nations is generally acknowledged. In the Arab World, however, there is a growing tide of interest in quality as an enabling framework to increase competitiveness. Interestingly, a pressing need has been felt in some Arab countries to create local knowledge about quality and excellence with a view to boosting competitiveness in a global context.

Indeed, quality and excellence initiatives have the potential to enrich culture and welfare of communities. These initiatives are of great importance to all stakeholders. There was a general acknowledgement that the Arab countries have to go a long way in bridging the gap with the industrial countries in terms of competitiveness. Some of the less-developed Arab countries still have a limited participation in the quality enhancement process. However, in oil-rich Arab nations, a gradual shift can be observed away from factor-driven strategies towards innovation-based strategies for improving competitiveness.

The Roundtable produced a series of recommendations. These included developing a Middle East model of quality and excellence, ensuring that national policies and strategies support the regional drive in the direction of competitiveness, improving both educational and research standards, developing new parameters for evaluation and impact assessments, and building international alliances to foster best practice.

A number of promising initiatives on quality and competitiveness were presented and noted. The Roundtable established the basis for an international network to foster a deeper understanding of quality models that can be successfully developed and applied for enhancing international competitiveness of the economies of the Arab Middle East.



**Dr Narimane Hadj-Hamou**

Assistant Chancellor for Learning and Academic Development

## Introduction

Quality is the foundation for competitiveness. It can certainly help improve competitiveness of Arab states in the global economy. Successful application of quality mechanism in the Arab World can of course deliver both hard and soft benefits. However, to gain really significant results, quality must logically connect with the process of enhancing competitiveness of the Arab states.

There are 22 states in the Arab League starting from Morocco and Mauritania in the west, stretching through North Africa and the Levant to the Arabian Gulf in the east. A review of economic indicators of the Arab states suggests that following a relatively healthier performance between 2000-05, growth in these countries shrank during the global economic crisis with average growth rates dropping from 6.1 % in 2008 to 2.2 % in 2009 (WEF,2010). Most Arab countries escaped the crippling effects of the crisis as their economies were not so closely-linked to global markets. Moreover, the buoyant stimulus packages provided by some governments in the Arab countries served to mitigate, to a great extent, the negative effects of the crisis on their economies. However, Kuwait and the UAE experienced negative growth rates in 2009. These economies were expected to recover and put up positive growth rates in 2010 (see table 1).

**Table 1:Selected Economic Indicators for the Arab States**

|                      | GDP (US\$ billion) | Real GDP growth (%) |      |                 | GDP per capita (US\$) | Current account balance (in % of GDP) |
|----------------------|--------------------|---------------------|------|-----------------|-----------------------|---------------------------------------|
|                      | 2009               | 2000-05 average     | 2009 | 2010 (estimate) | 2009                  | 2009                                  |
| Algeria              | 140.8              | 4.5                 | 2.0  | 4.6             | 4,027                 | 0.3                                   |
| Bahrain              | 20.2               | 6.0                 | 2.9  | 3.5             | 19,455                | 4.1                                   |
| Egypt                | 187.9              | 4.0                 | 4.7  | 5.0             | 2,450                 | -2.4                                  |
| Jordan               | 22.9               | 6.0                 | 2.8  | 4.1             | 3,829                 | -5.6                                  |
| Kuwait               | 111.3              | 7.7                 | -2.7 | 3.1             | 31,482                | 25.8                                  |
| Lebanon              | 33.5               | 3.9                 | 9.0  | 6.0             | 8,707                 | -11.1                                 |
| Libya                | 60.3               | 4.3                 | 1.8  | 5.2             | 9,529                 | 16.9                                  |
| Morocco              | 90.8               | 4.4                 | 5.2  | 3.2             | 2,865                 | -5.0                                  |
| Oman                 | 53.4               | 3.5                 | 3.4  | 4.7             | 18,013                | 0.3                                   |
| Qatar                | 83.9               | 9.0                 | 9.0  | 18.5            | 68,872                | 16.4                                  |
| Saudi Arabia         | 369.6              | 4.0                 | 0.1  | 3.7             | 14,486                | 5.5                                   |
| Syria                | 52.5               | 3.5                 | 4.0  | 5.0             | 2,579                 | -4.5                                  |
| Tunisia              | 40.1               | 4.5                 | 3.0  | 4.0             | 3,852                 | -3.4                                  |
| United Arab Emirates | 229.9              | 7.7                 | -0.7 | 1.3             | 46,857                | -3.1                                  |

Source: IMF Data in the Arab World Competitiveness Review 2010, World Economic Forum.

*The Arab Competitiveness Review* (WEF, 2010) suggests that the global economic crisis of 2008 has actually widened the competitiveness gap between GCC member states and the rest of the Arab world. *The Review* points out that Qatar, Saudi Arabia and Kuwait appear to be outperforming other economies at a similar level of development in terms of competitiveness. The UAE and Bahrain are the only economies from within the Arab states that have reached the innovation-driven stage of development because of their diversified economies. Tunisia and Morocco (placed in efficiency-driven category ) outperform Egypt , Algeria and Libya , which have remained in the factor-driven stage of development (Figure 1)

The GCC countries have attained developed country (OECD) levels in terms of institutions, infrastructure, efficiency of goods, labor and financial markets. North Africa outperforms the Levant region in terms of infrastructure, macroeconomic stability, market size and innovation. On the other hand, The Levant region outflanks North Africa in terms of education, efficiency of goods, labor and financial markets, and business sophistication (WEF, 2010)

Figure 1: Pillars of Competitiveness



Source: Based on Global Competitiveness Report 2010-2011

\*The rank is out of 139 countries

In the emerging economic scenario, quality and excellence have become a driving force in several countries of the Arab World for improving economic performance and competing effectively in the global economy. The evolution of quality principles and practice in Japan, USA, and Europe has motivated decision makers in the Arab states to take steps to spread a culture of quality and excellence. Zairi (2002) has identified four major developments in the evolution of quality: the conceptualization and use of quality control in the 1960s and 1970s, the focus on quality assurance in the 1970s and 1980s, the integration of quality into management in the 1980s and 1990s and the emergence of TQM since the 1990s. The years following the quality management and TQM eras witnessed an integrative /synergetic combination of TQM-related concepts with competitiveness. In fact, the basic principles of quality have been used to enhance performance excellence (Zairi, *ibid*).

Admittedly, quality has many variations across countries, industry sectors and organizations (Sun,2000).The Arab states have come to use a variety of quality tools such as basic statistical control tools, inspection, auditing, re-engineering, benchmarking, balanced scorecard, suggestion systems, TQM, ISO certification, excellence models, Six Sigma, Process Management and Improvement or Kaizen, among others. But, the spread of a culture of quality was facilitated, to a very great extent, by the establishment of quality and excellence awards by several governments in the Arab world for best-performing organizations. The UAE has been a leader in designing and proliferating quality, excellence and best practice frameworks for organizations to transform themselves successfully. The educational institutions such as HBMeU have taken timely initiatives to create and disseminate knowledge through specialized academic and professional programs, international conferences, networks, and awards for outstanding contributions in the areas of quality and excellence. The government decrees, the Burj Al Arab Declaration and efforts of educational institutions such as HBMeU and other organizations to improve quality appear to have created a positive impact across organizations in the country.

## Quality and Competitiveness

Granted, there is a rising tide of interest in knowledge relating to quality and excellence in the UAE and indeed elsewhere in the Arab World. An interesting question now is: Does quality connect logically with competitiveness? Is there conclusive evidence? The answer is yes. A wide array of studies show the connection between quality and performance ( Powell 1995; Hendricks and Singhal, 2001; Terziovski and Samson,1999).

There is a popular perception that economic, political, social, technological and legal policies at the macro level can lead to an improvement in competitiveness. Harvard Professor Michael Porter has argued with emphasis that these macro policies are necessary but certainly not sufficient to clinch the issue of competitiveness (Porter, 1985). It is, in fact, the sophistication of company operations and strategy and the character of local competition that have the real potential to deliver competitiveness (see chart 2). An interesting determinant of competitiveness in chart 3 is cluster-building. This is further expounded in chart 3. In order to implement any government policy on quality and competitiveness effectively, it is important to build clusters. The case in point relates to the clusters built up in Dubai Healthcare City, Dubai Media City, and Dubai Festival City, among others. The industrial cities being built up in other GCC countries, most notably Saudi Arabia testify to the value of cluster development.

An important lesson stemming from the competitiveness clusters built up in the UAE and elsewhere in the GCC countries in recent years is that competitiveness is a function of sound macroeconomic policies as well as effective micro-level strategies anchored in quality and excellence frameworks. The economic development policies of the Arab states could be aligned with the cluster development process at the micro level to achieve a sustainable development.

Figure 2: Determinants of Competitiveness





Figure 3: Clusters for Enhancing Competitiveness



The following thematic questions were addressed by the participants in the Roundtable.

### Thematic Question 1

Can competitiveness of Arab countries be enhanced by the significant impact of quality in terms of clearly defined policy agenda, standards and practices?

This question paved way for the following questions that were considered important in the context of the Roundtable.

- ▶ Are the policy initiatives such as Quality and Excellence Awards and application of ISO standards taken by the Arab states enough to enhance competitiveness of their economies? Can you suggest other Quality initiatives to help enhance competitiveness of the Arab economies?
- ▶ Are Arab countries laying out a Quality architecture combining physical, technological, human, financial and managerial resources to compete internationally? What challenges are facing the policymakers in the Arab World to improve the architecture related to quality and excellence?

### Thematic Question 2

How can Arab countries overcome major problems to safeguard the future of their economies and ensure the enablement of quality as a pervasive practice in all walks of life? Please give your suggestions for the following sets of Arab countries (classified by the World Economic Forum as factor-driven, efficiency-driven and innovation-driven economies)

Against the backdrop of this question, the Roundtable addressed the following question.

How can Arab states move forward and develop effective Quality strategies in line with the Burj Al-Arab Declaration and create an impact on competitiveness of Arab economies?

The Roundtable reviewed trends and directions from the past and dabbled into various emerging scenarios. This report is the outcome of a unique Roundtable exercise in information gathering and analysis performed by eminent academics and decision makers with a view to providing useful leads to policy makers in the Arab World.





## Contributions from the Panel

HH Shaikh Khalid Bin Zayed Bin Saqr Al Nahyan (Chair),  
Professor Robert Cole, Professor Khalid Hafeez,  
Professor Alan Brown and Dr. Abdelkader Mazouz

At the outset of the Roundtable deliberations, Professor Khalid introduced the panel and explained that the main purpose of the Roundtable was to discuss the pressing issues and questions related to quality and competitiveness in the Arab World. He highlighted that the Roundtable connected logically with HBMeU's mission and goals to create and disseminate knowledge for socio-economic development. He invited HH Shaikh Khalid Bin Zayed Bin Saqr Al Nahyan, the panel chair to provide expert comments relating to the thematic questions.

The chair appreciated the opportunity to address the key issue of competitiveness facing the economies of the Arab World. He shared with the participants in the Roundtable that almost all nations of the world are in the business of competing with each other to attract foreign direct investment (FDI). The Arab nations, in particular, have been trying to position themselves at the World Economic Forum meetings as attractive destinations for FDI. In this context, quality dimensions are indeed critical.

Following brief comments, the chair invited the internal moderator to provide some background of the topic to be discussed further.

Professor Brown argued that the western countries have improved their competitiveness by using quality models. Indeed, some Asian countries such as Singapore and South Korea have successfully inculcated a culture of quality into their work organizations. He urged the Arab countries to consider the success story of Singapore and adopt its model of quality.

In Singapore, quality has been an important element of the national strategy to improve productivity. The quality movement was led by the government of Singapore nearly 20 years ago, initially by adopting quality circles. It promoted the use of quality circles through a series of conference and workshops. Interestingly, Singapore had a good infrastructure for producing internationally competitive goods and services. The policy makers in that country brought into sharper focus the 'people dimension' of quality to improve competitiveness, Professor Brown explained.

Professor Brown highlighted that government organizations in the UAE could provide leadership by showcasing best practice guidelines. At the enterprise level, he suggested that managers should be encouraged to participate in various awards unveiled by the government to improve quality and



competitiveness. The participation in these awards serves as an important initiative for continuous improvement, self assessment and benchmarking in a structured way.

Professor Brown cited some compelling evidence from Australia to highlight that quality was pushed at the national level and large corporations were encouraged to make use of business excellence model. The government's role was to provide examples of best practice to the organizations, he explained.

Professor Brown advised the practicing managers interested in improving quality and competitiveness to start with the following questions: What can I do? And where do I start? By forming quality user groups, for instance, a company can use quality improvement leads provided in a case study to improve competitiveness. In the UAE context, he suggested that there should be some user groups in the key regional industries such as tourism, health care and construction to drive the process of improving quality and competitiveness.

The second external moderator, Professor Robert Cole highlighted the role of quality as a differentiator. He cited Toyota as an example. Recently, the company experienced dramatic drop in sales when vehicle recalls took place due to quality problems. He provided his perspective on the proliferation of quality awards as follows.

### Role of Awards

He argued with emphasis that while quality awards can be stimulating for quality improvements, they can be problematic also. For instance, excessive use of awards in

Dubai can be a "danger", as it could lead to confusion. The main purpose of any award is to take a firm on the road to quality improvement and real results in a sustainable manner. It is not meant to bring about a change for a limited period only. If an organization transforms itself only for the sake of winning an award (and not for bringing about a cultural transformation), quality objectives may not be achieved in real sense. Examples exist to prove that organizations have improved quality and done well without winning any award/s. On the other hand, there is no guarantee that award-winning organizations will necessarily be able to improve performance in a sustainable manner, he argued.



### The Asian Model

Professor Cole argued that a distinct Asian model of quality has come to exist. This model stems from the experience of 4 Asian countries led by Japan in 1960s. The main emphasis is on process control through Six Sigma. Interestingly, 95 % of the contents of Six Sigma are based on TQC, which was developed in Japan. In the Arab World, firms should adopt the Asian model, he argued. It is an enterprise- level model where companies (a) collaborate with each other,(b) pay annual fees to facilitate their activities,(c) make suggestions for quality improvement, (d) share cooperative experience, and (e) quality is a journey.





## Working Groups

The participants in the Roundtable were divided into three groups in order to tackle the thematic questions.

### Working Group 1

This group unanimously agreed that quality plays a vital role in enhancing competitiveness of organizations in any part of the world. With reference to question 1, it was agreed that quality can be a differentiator in the area of performance. It is necessary but not a sufficient condition in a knowledge-driven economy, it was argued. The group agreed that innovation-driven competitiveness can give rich dividends to the Arab nations.

With reference to question 2, it was argued that quality awards may not always produce the desired results for the organizations. Business leaders in the Arab World were urged to create incentives for promoting a culture of quality and excellence. Policy makers in the Arab World were urged to facilitate technology transfer for enhancing competitiveness.

With reference to question 3, there was virtual unanimity among group members that quality helps generate and increase wealth, thereby leading to economic growth. In the Arab World, however, only UAE and Bahrain have a decent quality architecture, according to the group. In the factor-driven and efficiency-driven economies, quality dimensions must be mapped to increase competitiveness of firms, the

group suggested.

### Working Group 2

This group tried to define competitiveness comprehensively, as it has major repercussions in terms of implementing strategies. The group recommended that (a) competitiveness must be defined and contextualised along with quality, (b) initiatives should be defined at the macro and micro levels, (c) managers should be more outcome-based and demand-driven rather than strategy-driven, (d) quality must be about the ability to deliver the expected outcome to the customer, and (e) quality for competitiveness must be initiated in the Arab World to ensure emergence of best practices and values that can sustain it.

### Working Group 3

This group suggested that the Arab states must initiate a regiocentric and widely-shared culture of quality that leads to sustained improvement in products and services meant for national and international markets. It was also suggested that the Arab states must establish a supranational authority to share best practices for enhancing competitiveness of nations.



## Roundtable Outcomes

### Thematic question 1

There were debates and much discussion among the panel members about the role of well-defined Quality policy, standards and practices in enhancing competitiveness of nations in the Arab World. It was pointed out that policies and laws related to Quality do exist in a large number of Arab countries including the UAE. However, effective multi-media campaigns to spread a culture of quality in all walks of life in the Arab World were hardly there. National seminars, workshops, clinics, and discussions were needed to be organized on a regular basis under the auspices of government departments, according to the participants.

It was suggested that it must be made mandatory for all licensed organizations, at least, to implement well-established frameworks of quality and excellence (e.g. ISO9000, European Excellence Model, and Dubai Quality Award).

Participants from the UAE, in particular, argued that the Quality awards were an effective way to transform organizations for carving competitive advantage.

Also suggestions were made that Management by Objective (MBO) would be an effective way for the organizations in the Arab World to do self-assessment exercises and achieve the avowed objectives relating to Quality.

The participants argued that initiatives such as Excellence Awards and application of ISO standards were not enough to improve competitiveness of Arab economies. Some participants pointed out that the stakeholders in business organizations were only interested in the bottom line; they were not really interested in the processes leading to the bottom line. It was argued by a participant that local rules and regulations must be streamlined in the area of quality of life.

The participants agreed generally that some Arab states were laying out Quality architecture combining physical, technological, human, financial and managerial resources to compete internationally. However, they have to go a long way in catching up with the newly industrializing economies of Asia including Singapore, South Korea, and Malaysia.



It was suggested that a bottom-up approach was needed to improve quality. This kind of approach would allow the establishment of a mechanism whereby junior staff could contribute ideas in the process of quality management. Western educated workforce in the Arab World, it was argued had the potential to change the culture of quality in the Middle East.

### Thematic question 2

For **factor-driven economies**, it was suggested that basic education would have to be enriched with some quality and excellence-related courses. It was suggested that human resources must be educated and trained to transform the factor-driven economies into efficiency-driven economies. It was argued with emphasis that macro-level policies were needed to help diversify factor-driven economies into service-oriented economies anchored in a framework of service quality excellence.

For **efficiency-driven economies**, it was suggested to have synergy between macro and micro-level policies. Some participants argued for the creation of clusters in the Arab economies. For instance, it was argued that the healthcare sector of an Arab country could compete effectively in the international arena if hospitals, pharmacies, research labs, technology and delivery systems are all clustered to create a synergistic advantage.

For **innovation-driven economies** including the UAE, it was suggested to invest heavily in hi-tech education for developing human resources necessary to enhance competitiveness. Innovations at the micro level must be recognized and rewarded by the governments and institutions of higher learning.

The discussants appreciated the pioneering role played by HBMeU, particularly in the Quality arena. The Burj Al-Arab Declaration, according to the participants, was an important manifestation of HBMeU's mission and strategy to chart strategic directions for decision makers in the Arab World. Against the backdrop of the Burj Al-Arab Declaration, one strategy for the Arab states to move forward, according to the discussants, would be to create closer or supply-chain type policy linkages between and among various sectors of the economy.







## Quality and Competitiveness in the Arab World

### Participants' Responses to Key Questions

Based on a review of literature and trends related to quality and competitiveness in the Arab World, it was decided to develop a list of questions that appeared to influence policy. During an initial phase of the exercise, five distinguished professionals in the area of quality were invited to form a focus group. They were briefed about the purpose of the focus group meeting at Hamdan Bin Mohammed e-University. The guidelines developed by Morgan (1988) were used during the focus group discussions. The discussions were moderated by the Dean of e-School of Business and Quality Management. A rather exhaustive list of constructs on quality in interaction with competitiveness based on a review of literature was revealed to the participants in the focus group. They were asked to select and assess the variables they felt were important when assessing their influence on policy. Ten anchor questions were selected as they were unanimously mentioned by the focus group as of critical importance in the context of the Policy and Strategy Roundtable. A 5-point Likert scale, with A representing 'strongly agree', B representing 'agree', C representing 'neutral', D representing 'disagree' and E representing 'strongly disagree' was used to measure responses.

These questions were addressed to the participants in the Roundtable through an electronic voting device. The responses are presented in Figures 4 through 13. Some interesting conclusions can be drawn from the responses. For instance, the Arab economies have demonstrated a tendency to compete at the regional level (Figure 5). It has implications for policy. In order to improve competitiveness, the Arab economies, particularly those with buoyant economic indicators, have to adopt geocentric strategies. The World Economic Forum pointed out in its report (WEF, 2010) that the 2008 financial crisis adversely affected the competitiveness

of a large number of Arab economies. However, the responses from the participants in the Roundtable suggest that the Arab economies, in general, have warded off the potentially wanton effects of the crisis and emerged competitive in the post-crisis era (Figure 4). The participants in the Roundtable strongly agreed with the statement that quality and excellence models can of course help increase the competitiveness of the Arab economies (Figure 6). The argument put forth by Professors Cole and Brown for designing a quality model based on Asia-Pacific experiences was validated by the participants in the Roundtable. Against popular perception, it emerged through the responses that policy makers in the Arab World did not fully understand the impact of quality on competitiveness (Figure 7). The responses to the statement in Figure 8 lent support to the responses presented in Figure 7. In other words, the responses suggest that there were no clearly defined quality policy agenda at the macro level in the Arab countries. Responses presented in Figure 9 suggest that significant quality policy initiatives do not exist in all the Arab states. Of course, some countries including the GCC countries do have significant quality policy initiatives. The respondents thought that shortage of finance was not a major challenge facing competitiveness of Arab states (Figure 10). A majority of respondents agreed with the statement that shortage of skilled human resources was a major challenge facing competitiveness of Arab states (Figure 11). This point was emphasized by participants in the group discussions. The penultimate figure indicates that a majority of respondents agreed with the statement that lack of technology was a major challenge facing competitiveness of Arab economies. Figure 13 indicates that a majority of respondents strongly agreed with the statement that government policy makers have to promote a culture of quality in the Arab World.

Figure 4. Compared to the recessionary situation in 2008, Arab World economies are more competitive now

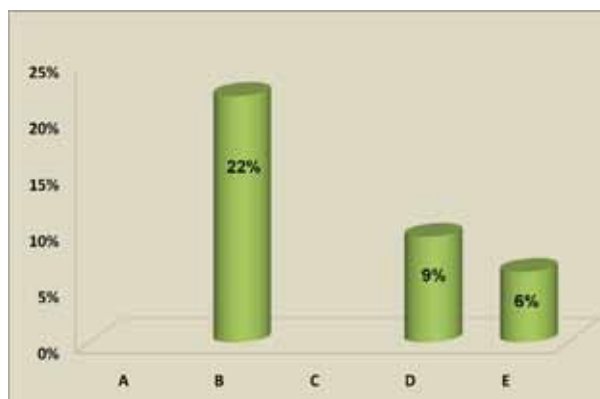


Figure 5. The Arab economies tend to compete at the regional level rather than the international level

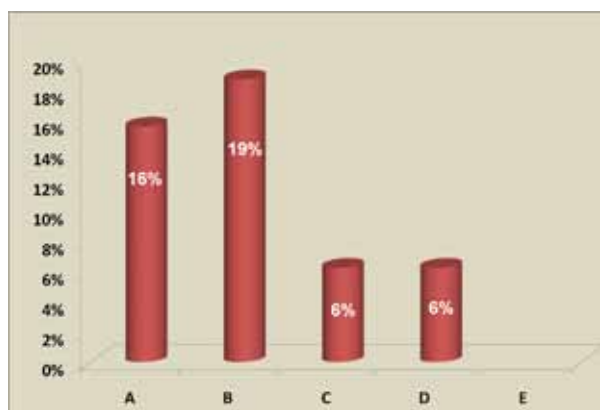


Figure 6. Quality and excellence models surely can increase the competitiveness of Arab economies

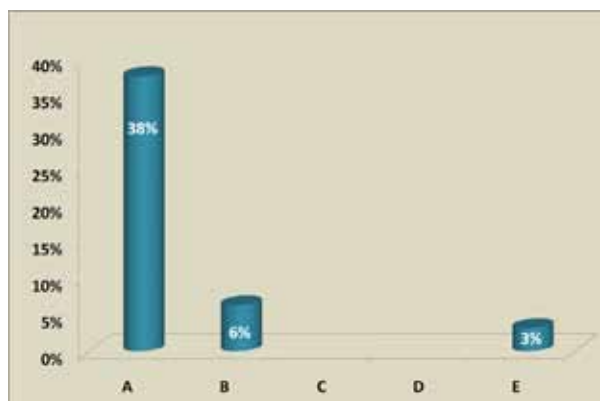


Figure 7. The Arab policy makers fully understand the impact of quality on competitiveness

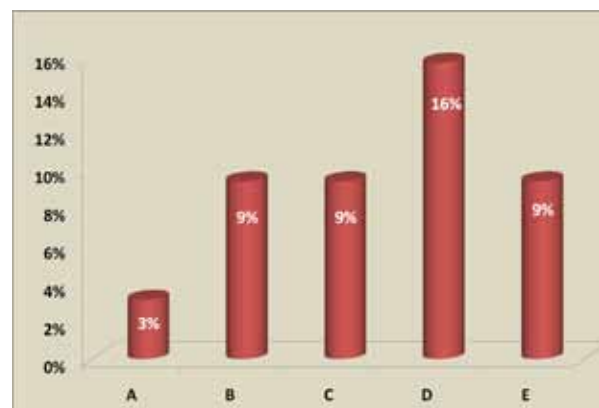


Figure 8. Arab economies have clearly defined quality policy agenda, quality standards and practices at the macro level

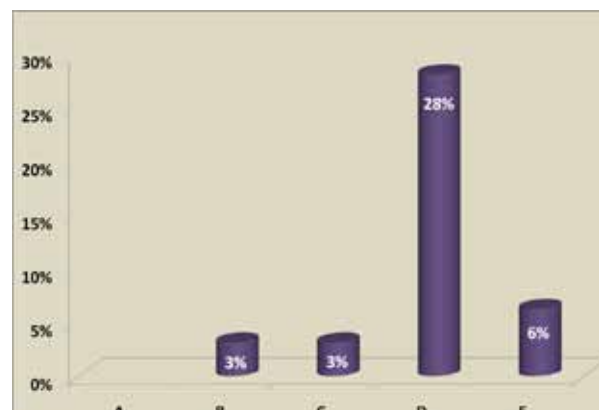


Figure 9. There are significant quality initiatives in the Arab World at the governmental level to enhance competitiveness

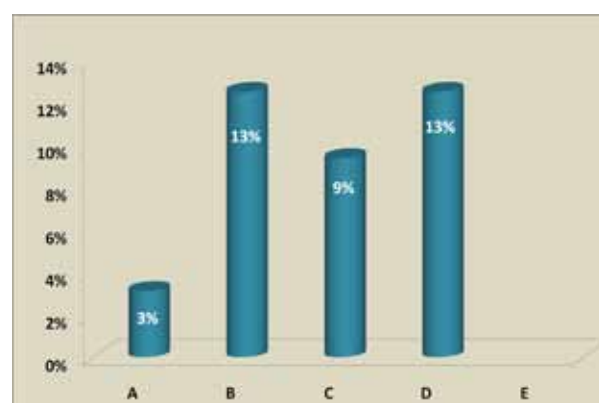


Figure 10. Shortage of finance is a major challenge facing competitiveness of Arab economies

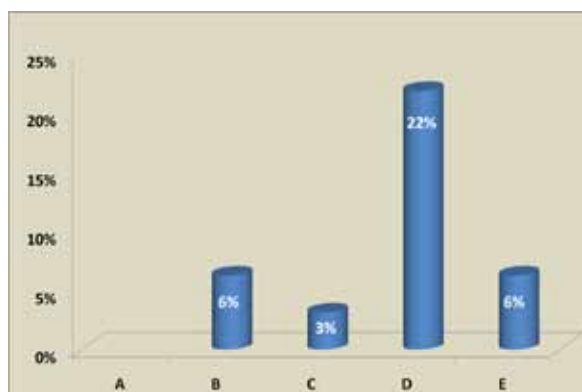


Figure 12. Lack of technology is a major challenge faced by Arab economies to enhance competitiveness

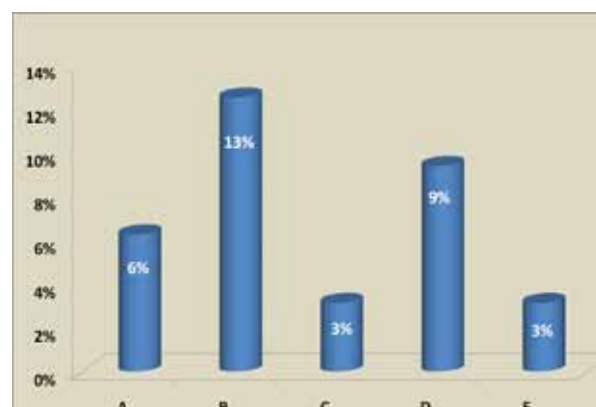


Figure 11. Shortage of skilled human resources is a major challenge facing competitiveness of Arab economies

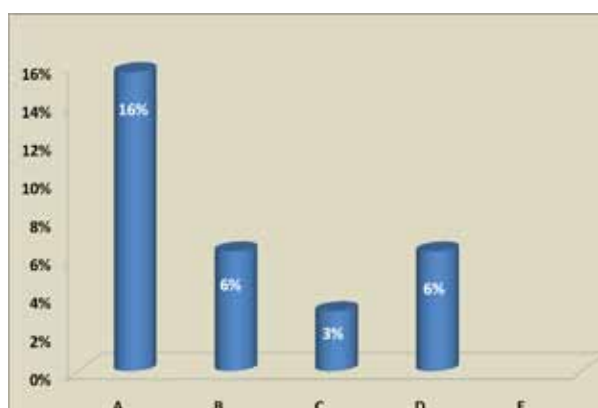


Figure 13. A culture of quality in the Arab World needs to be promoted by government policy makers



## The Way Forward

Despite progress in the areas of quality and excellence, the Arab states have to go long way in attaining their avowed objectives of socio-economic development. They are likely to adopt quality frameworks such as ISO 9000, business excellence models, TQM, quality management frameworks, and highly specialized tools such as Six Sigma, Quality Circles, CRM, balanced scorecard, benchmarking, KPIs, process mapping and process improvement depending upon the availability of resources and their strategic objectives.

However, real-world policy issues are going to span several of these frameworks. For instance, the need for innovations to sustain competitiveness will most probably require an integrated approach to design and implement quality and excellence models (Brown, 2002). This kind of approach will have to include within its orbit broader issues relating to environment, culture, quality of life, corporate social responsibility and governance, and human capital.

The quality movement is ‘fundamentally a way of using language and ideas to mobilize actions that are often talked about but not as frequently implemented. It provides people with a model, social support, and powerful language – and the evidence is that it works’ Pfeffer (1994). This brilliant quote simply suggests that quality is going to encompass every aspect of life. It is in fact, a great intervention mechanism to bring about a qualitative change in any society.

Finally, the Arab states must make unfailing efforts to spread the notions of quality and excellence by

- ▶ Launching a national campaign to foster Quality entrepreneurship and supporting economic development
- ▶ Strengthening corporate governance based on quality principles
- ▶ Introducing best practices in terms of operational efficiency by utilizing information technology
- ▶ Inculcating a culture of learning and innovation
- ▶ Upgrading human resources
- ▶ Creating more focused clusters, and
- ▶ Creating tighter linkages between and among economic sectors.

The bottom line is that quality models are not carved in stone. Quality dimensions are changing. Those Arab states that embrace the change will improve competitiveness.

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