The Role of Integrated Management Strategy in Improving the Productivity of workers: A study on Jordan Investment and Finance Bank

Mohammad Almahairah, Mohammad Abdel Qader, Mohammad Abu Qulah

Department of Business Administration, Al-Isra University, Amman, Jordan

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ABSTRACT

Organizations apply various management strategies to systematically achieve the needs of their stakeholders. As the number of management strategies are mushrooming, the need has arisen to integrate them into one holistic management system that addresses various stakeholder requirements in an integrated manner. However, the dynamics of the integration process are not yet fully understood and research has yet to establish how the integration of management strategies gives rise to the productivity of workers. This paper explores the contents of the literature and reviews on integrated management strategy for a better understanding of the content, context and the process of integrated management strategy, discusses about the key strategies in integrated management strategy design and implementation and briefs on the critical success factors in integrated management strategy implementation. This research is based on Jordan Investment and Finance Bank as a case; it reveals that integration system able to improve the productivity of workers.

1.1 Introduction

The modern definition of quality extends beyond products/ services specifications to encompass the requirements of a variety of stakeholders. Stakeholder requirements vary from ensuring employees’ health and safety, sustainability, customer satisfaction, and transparency in organizational affairs to execution of business processes in a socially responsible manner. To meet stakeholder requirements in a systematic manner, organizations employ certain management systems (MSS) such as quality, environment, health and safety, and social accountability. The International Organization for Standardization (ISO) has developed standards for some of these MSSs such as ISO 9000 for quality management, ISO 14000 for environmental management, and the ISO 10001, 10002, 10003 series for customer satisfaction complaint systems. These standards are in wide use and are sought by customers (Wilkinson and Dale 2001). Future development is warranted because past studies: 1) omit a systematic consideration of the integration process based on empirical data and 2) lack a focus on how

Corresponding author.
E-mail addresses: mohammad_qullah@yahoo.com
Department of Business Administration, Al-Isra University, Amman, Jordan

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integration brings about organizational changes and how organizations can manage the integration process to maximize benefits. The purpose of this research is to understand the dynamics of integration of MSs as a first step for effective management of integration and its outcomes. It thus focuses on the social, technical, and behavioral changes that accompany integration and lead to operational performance improvement and outputs.

1.2 Integrated Management System (IMS)
An Integrated Management System (IMS) is a complete framework that combines all aspects of an organization’s systems, processes, and any standards that the business follows such as ISO 9001 or ISO 14001. This combined system allows a business to meet all of its obligations, addressing all elements of the management system as a whole rather than looking at the individual standards and their requirements separately.

A successful IMS will reduce the duplication of effort often encountered when running multiple management systems. For example, if a business is running ISO 9001, ISO 14001 and ISO 45001 this may result in the duplication of the processes needed for performing internal audits or recording non-conformities as all three standards require businesses to put measures in place for these actions. An IMS allows these processes to be combined so that they simultaneously cover all standards-specific requirements.

The introduction of the EMAS III (2009) also favored the integration of MSS. The organizations’ interests in adopting the new management standards like ISO 26000 (2010) (Guidance on Social Responsibility), SA 8000 (2008) (CSR) and ISO 31000 (2009) (Risk Management) also brought forward the idea of IMS. Many researchers have advocated for Integration of Management Systems including Bernardo et al. (2009), Hines (2002), Karapetrovic (2010), Labodova (2004), Mackau (2003), Molina-Azorin et al. (2008), Simon et al. (2012a), Von Ahsen and Funck (2001), Wilkinson and Dale (2002) and Zeng et al. (2011) as IMS enhances the organization’s ability to adopt to changing business environment and facilitates sustainable development. However, the topic is still to a wide extent unexplored.

1.3 Jordan Investment and Finance Bank
On November 28th, 1982, Jordan Investment and Finance Bank (INVESTBANK) started its activities as a financial company under the name Jordan Investment and Finance Company with an authorized capital of JD6 million in which half was paid on the opening of its Initial Public Offering (IPO) while the rest was paid within a year of granting the final license.

A group of founders headed by the late Nizar Abdul Rahim Jardaneh set the first foundation stone for this financial institution which contributes to the development of the Jordanian financial industry. The aim was to provide the required financing to the economic sectors in order to enrich their achievements and increase opportunities of economic and social development in Jordan.

Founders aimed at being compatible with the economic growth requirements as well as achieving a good return for the shareholders, supporting national savings, and using resources to sustain financial activities.

On September 1st, 1989, according to the new regulations of the CBJ, a new era for the company was achieved when it was transformed into an investment bank – a vision of Nizar Jardaneh, the founders, and members of the Board.

This transition paved the way for the bank to overcome its previous challenges. The bank increased and expanded its line of products and services, now able to attract current deposits and issue cheque books for clients for the first time. This meant that it became
almost similar to other commercial banks but without the ability to offer Revolving Credit Facilities or facilities for traditional commercial activities among others. This obstacle was a driver to take the necessary actions to transform the bank into a commercial bank marking a milestone in its journey.

A quick glance at the results of Invest bank since its launch showed the exceptional development in its activities according to the first annual report in 1983 compared to its 27th in 2009.

According to the first annual report (1983), the total balance sheet reached JD20.5 million, while total deposits were JD14.7 million, net credit facilities reached JD8.7 million, net income JD1.5 million, total net profit reached JD0.511 million, shareholders’ equity reached JD3.2 million, and net capital was JD6 million (JD4.5 million when licensed as a bank). The bank had a total number of 25 employees and one branch.

The 2009 annual report indicates that the bank’s total balance sheet was JD667 million, the customers’ deposits JD477.6 million, net direct credit facilities JD315.3 million, net income around JD24 million, total net profits JD7.2 million, shareholders’ equity JD93.2 million, paid up capital JD70 million (the paid up capital was raised in 2010 to reach JD77.5 million), 273 employees, and eleven branches. New additions also included three subsidiaries owned by the bank; Mawared for Brokerage, Al Imdad, and a leasing company. This is a quick idea of the success accomplished by the bank since its establishment until today.

In the meantime and following the rapid developments, the bank, under the leadership of the founder Nizar Jardaneh, supported by the Board of Directors and the General Manager, realized that the region was moving toward inter-economic activities and other global ventures.

The cooperation between Jordan and Palestine was very significant which encouraged the initiative to establish Al Quds Bank for Development and Investment as an affiliate bank in Palestine. It commenced its operations at its headquarters in Gaza City on January 18, 1997. It later relocated its operations to Ramallah in 1999 and correspondingly opened new branches in the Gaza Strip and the West Bank.

Throughout the years, the bank was characterized by its steady management through its various Board of Directors, which commenced with Nizar Jardaneh and Basel Jardanah as well as Vice Presidents Khalid Abu Al-Saoud and the late Shafiq Farhan Jumean. Today, it is chaired by Bisher Jardaneh and Vice Chairman Ayman Jumean respectively.

The bank continues in updating and developing its products and services through its new corporate image, which reveals the determination to move ahead in its successful journey to meet the expectations of its clients, shareholders and society. Invest bank is looking forward to serving the Jordanian business community, supporting economic innovation, and attracting foreign investments by providing a complete range of banking products and services within a friendly environment; leveraging the latest technologies and capacity building.

2.0 Literature Review
There is no definite mention of what constitutes an IMS or what should be the elements of IMS. Karapetrovic and Jonker addressed IMS as “a System of Systems”. An IMS is as composite of interdependent processes that operate harmoniously, share the same pool of human, material, information, infrastructure and financial resources and are all aimed towards fulfillment of set goals to the satisfaction of the stakeholders (Karapetrovic and Jonker, 2003). IMS is the organizational structure, resources and procedures used to plan, monitor and control project quality, safety and environment (Griffith, 1999).

The four guiding principles (elements) put forth by Hardjono et al. (1995) can be applied for process of IMS implementation. The four elements “Direction, Consistency, Coherence, and Feedback” considered together form the basis of a holistic approach for organizing the IMS implementation in the organization. ‘Direction’ denotes the organization’s preference for the change and the preselected aims (here it means the organizations intention to integrate and implement the desired MSS/sector specific standards). ‘Consistency’ focuses on the vertical translation (vertical fit) of the organizations preference for change and common aims into objectives and strategies.
Fresner and Engelhardt (2004), Holdsworth (2003), Karapetrovic and Jonker (2003), Matias and Coelho (2002) and McDonald et al. (2003) have clearly emphasized the need for a tailor-made IMS in their publications. Based on this fundamental principle, it is clear that in practice, there is a need for a strategy of IMS design and implementation. The following section, thus, presents a description of the different strategies that have been employed to implement IMS.

The most important aspect of IMS research is to identify and understand the critical factors that influence the integration of MSS and implementation of single IMS.

This includes the factors that favor integration (motives) and facilitate the IMS implementation (benefits) as well as the factors that prevent (impediments) organizations from implementing IMS. Review of past researches revealed the fact that only little effort is applied in this aspect of study and very few isolated research works were conducted in Australia (Zutshi and Sohal, 2005), China (Zeng et al., 2007), Denmark (Jorgensen et al., 2006; Jorgensen, 2008), England (Douglas and Glen, 2000) and Italy (Salomone, 2008) that seek to make out the factors influencing the IMS implementation in various context.

Zeng et al.’s (2010) study in China explored empirically the motivations and benefits obtained in implementing an IMS for organizations; their study revealed that the main motivations for implementing IMS are: to satisfy customer’s requirements, to respond to government’s appeal and to cope with stress from competitors.

The noticeable benefits obtained are: to simplify certification process, decrease management costs and decrease paper work. In Zeng et al. (2011) two more benefits pointed out are: decreased complexity of internal management and facilitation of continuous improvement.

The Survey on Indian Experience on IMS by Khanna et al. (2009) documented that the critical success factors for implementation of IMS are: focus on stakeholders, management commitment, provision of resources, training, process control and documentation structure and continual improvement. The findings indicated that the benefits of IMS include improvement of image of the company, reduction in documentation, reduction in time required for implementation, synergy between MSS, reduction in audits.

A study on IMS in South Africa by Shalini Singh (2011) disclosed that IMS can be adopted by manufacturing and service type organizations in any country as a springboard to promote business excellence because of its advantages such as reduction in the duplication of work, facilitation of the auditing process, encouragement of teamwork, skills development, risk assessment and continuous improvement. Some factors that affect the integration are organizations structure, platform, training of employees, less cross functional communication and lack of expertise and support.

Research in Italy by Salomone (2008) identified the potentials for the integration starting from an analysis of common aspects in terms of real motivations (company image, costs saving, productivity improvement, etc.), obstacles (unclear regulations, lack of financial support, etc.), driving forces (possibility to win a new market, constant improvement) and external pressure from various stakeholders that organizations face when implementing each management system. Zeng et al. (2007) stated that the major problems for organizations to operate multiple parallel management systems included: causing complexity of internal management, lowering management efficiency, incurring cultural incompatibility, causing employee hostility, and increasing management costs. They analyzed internal and external factors that affected the implementation of an IMS.

The internal factors include: human resources, organizational structure, company culture, and understanding and perception. The external factors consist of: technical guidance, certification bodies, stakeholders and customers, and institutional environment.

3.0 Objectives of the Study
The main objective of the study is to find the effect of integrated management strategy in developing the output of the workers.

The specific objectives are:

a. To find the right management strategies that can boost up workers.
b. To find the ways that can help to integrate different management strategies.
c. To find all impacts of different management strategies on Jordan Investment and Finance Bank.

4.0 Methodology of the Study
A method has been designed to meet the objectives of the study. For this purpose a questionnaire has been adapted from three different research studies [1. Salman Khalid et al (2011), 2. Uma Shankar et al (2010) and 3. Khaled Al-Hashash et al (2008)] and circulated in 5 different cities of Jordan (Amman, Jerash, Aqaba, Madaba and Irbid). This questionnaire consists of two different parts. The first part is showing respondents personal data such as gender, job type, salary, age, qualification and the second part asked respondent to rate their satisfaction level to their bank from “strongly agree” to “strongly disagree” on such variables which lead to build strong relationship with customers such as Occupational health & safety, Internal audit, Institutional management system, Working environment, location and infrastructure etc. This questionnaire was given to 500 different respondents out of which 351 questionnaires were returned. Most of these responses were conducted myself and rest through the help of friends and family.

4.1 Research Model

![Research Model Diagram]

\[ POW = f (IMS, OHS, WE, L, I, IA) \]

Here,
- \(POW\) = Productivity of workers
- \(IMS\) = Institutional management system
- \(OHS\) = Occupational health & safety
- \(WE\) = Working environment

5.0 Findings
5.1 Background of Respondents
The first part of this questionnaire was designed to collect personal information of respondents such as their gender, job type, salary, age, qualification and the investigation shows that 65% of the respondents are male and 35% are female of which, 42% of the respondents are satisfied over their salary and 58% are not. 72.6% respondents are from age group 25 – 28 years, 16.9% are from age group 29 – 33 years, 5.7% are from age group 34 – 41 years, 1.7% is from age group 42 – 50 years and 3.1% are from age group 51+ years. In terms of qualification only 17% are graduate, 76.2% have done post graduate, 4.4% respondents have done double post graduate, 1.6% are doctorate and 0.6% respondents are post doctorate.
### 5.2 Mean Std. Deviation of Each Question

<table>
<thead>
<tr>
<th>Question</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you enjoy our company’s culture?</td>
<td>350</td>
<td>1.00</td>
<td>5.00</td>
<td>1.8195</td>
<td>1.10592</td>
</tr>
<tr>
<td>Do you feel connected to your coworkers?</td>
<td>351</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0514</td>
<td>0.93188</td>
</tr>
<tr>
<td>How open to change are we as an organization?</td>
<td>348</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1519</td>
<td>1.06262</td>
</tr>
<tr>
<td>Do your managers value your feedback?</td>
<td>348</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2000</td>
<td>1.07325</td>
</tr>
<tr>
<td>Do you feel valued for your contributions?</td>
<td>350</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2659</td>
<td>1.19120</td>
</tr>
<tr>
<td>Do your superiors communicate company news effectively and in a timely manner?</td>
<td>349</td>
<td>1.00</td>
<td>5.00</td>
<td>2.3642</td>
<td>1.19917</td>
</tr>
<tr>
<td>Does management seem invested in the success of the team?</td>
<td>344</td>
<td>1.00</td>
<td>5.00</td>
<td>1.8971</td>
<td>1.05480</td>
</tr>
<tr>
<td>How transparent do you feel the management is?</td>
<td>345</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1810</td>
<td>1.05415</td>
</tr>
<tr>
<td>Do you think that work is distributed evenly across your team?</td>
<td>350</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1821</td>
<td>1.12357</td>
</tr>
<tr>
<td>Do you find your work meaningful?</td>
<td>352</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1368</td>
<td>1.14072</td>
</tr>
<tr>
<td>Does our company offer adequate opportunities for promotions and career development?</td>
<td>351</td>
<td>1.00</td>
<td>5.00</td>
<td>1.9484</td>
<td>1.00440</td>
</tr>
<tr>
<td>Does our company give you the tools and technologies you need to do your job well?</td>
<td>348</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1686</td>
<td>1.11473</td>
</tr>
<tr>
<td>Do you feel as though your job responsibilities are clearly defined?</td>
<td>347</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2486</td>
<td>1.25921</td>
</tr>
<tr>
<td>Do you feel like your job utilizes your skills and abilities as much as it could?</td>
<td>349</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0460</td>
<td>1.14543</td>
</tr>
<tr>
<td>How happy are you at work?</td>
<td>347</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0259</td>
<td>1.14169</td>
</tr>
<tr>
<td>How happy are you at health &amp; safety system of your organization.</td>
<td>347</td>
<td>1.00</td>
<td>5.00</td>
<td>2.1326</td>
<td>1.09751</td>
</tr>
<tr>
<td>Do your organization run internal audit in every year?</td>
<td>351</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2393</td>
<td>1.19718</td>
</tr>
<tr>
<td>Do you feel any problem regarding the location of your organization?</td>
<td>350</td>
<td>1.00</td>
<td>5.00</td>
<td>2.0543</td>
<td>1.19511</td>
</tr>
</tbody>
</table>
5.3 Result Analysis

<table>
<thead>
<tr>
<th>INSTITUTIONAL MANAGEMENT SYSTEM</th>
<th>Related with productivity</th>
<th>Not Related</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>81%</td>
<td>19%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OCCUPATIONAL HEALTH &amp; SAFETY</th>
<th>Related with productivity</th>
<th>Not Related</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WORKING ENVIRONMENT</th>
<th>Related with productivity</th>
<th>Not Related</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68%</td>
<td>32%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>Related with productivity</th>
<th>Not Related</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>44%</td>
<td>56%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTERNAL AUDIT</th>
<th>Related with productivity</th>
<th>Not Related</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43%</td>
<td>57%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INFRASTRUCTURE</th>
<th>Related with productivity</th>
<th>Not Related</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Final Model:

POW = f (IMS, OHS, WE, I)

Here,

POW= Productivity of workers
IMS= Institutional management system
OHS= Occupational health & safety
WE= Working environment
I= Infrastructure

6.0 Conclusion

Above analysis shows that the Productivity of workers depends on Institutional management system, Occupational health & safety, Working environment and Infrastructure of the organization. Jordan Investment and Finance Bank follows the both upper link and lower link connection method to communicate with employees. This the most important part of their management system and this system integrate the other management systems or strategies. Though we have run our operation over just one organization but this result is relevant and may apply to other organizations too. We think, this study will help to guide other banks to set their strategies to achieve the best output from the employees.

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