

Factors Affecting Organizational Effectiveness: A Proposed Framework for Brunei's Public Sector

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ABSTRACT

This study aims to propose a conceptual framework of organizational effectiveness for Brunei's public sector. This study proposed knowledge sharing as a potential mediator for the relationship between organizational factors (organizational climate, structure and leadership) and organizational effectiveness. This study also proposed ICT as a potential moderator for the relationship between organizational factors and knowledge sharing. This study will help public sector managers to understand organizational effectiveness from a different perspective. Propositions of knowledge sharing as a potential mediator and ICT support as a potential moderator will provide public sector managers with guidance to ensure sustainable organizational effectiveness.

KEYWORDS

Brunei, Information and Communication Technology, Knowledge Sharing, Organizational Climate, Organizational Effectiveness, Organizational Leadership, Organizational Structure

INTRODUCTION

Today's global economic growth can be characterized by the speed of innovation, dynamic technological advancement, shorter product life-cycles and higher rate of new product development (Islam et al., 2011). Organizations need to reconfigure themselves on an ongoing basis to keep up with these trends to achieve sustainable organizational effectiveness (Mohrman & Lawler, 2014). In simple term, Organizational effectiveness is the extent to which an organization realizes its goals (Daft, 2010). In other words, an organization's objective achieving ability is known as organizational effectiveness. Though existing literature attempted to explain organizational effectiveness through different contexts or characteristics, still there is no single formula for achieving optimum organizational effectiveness (Zheng et al., 2010). A lack of understanding still prevails regarding the influencing factors and the intervening mechanisms to explain organizational effectiveness comprehensively. This becomes more severe when it comes to understanding the organizational effectiveness in the public sector because it is assumed that same performance will be shown in the public sector as in the private sector, disregarding

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the immense differences between them (Parhizgari & Gilbert, 2004). For example, one significant difference between them is that the private sector aims mainly for profit, whereas, the public sector aims mainly for social benefit (Mihaui et al., 2010). Therefore, factors influencing organizational effectiveness may vary in the public sector compared to the private sector. Hence, there is a gap in the literature towards understanding these influencing factors of organizational effectiveness in the public sector. To fill this gap, this study turns to the knowledge-based view of the organization to understand organizational effectiveness in a better way.

Over the last few decades, the global economy is considered to be a knowledge-based economy (Dess et al., 2013). The knowledge-based view of the organization considers knowledge to be the key resource for the organization that creates competitive advantage (Grant, 1996). Though this view mostly concentrates on private sectors, however, there is evidence that the public sector organizations can also be characterized as knowledge-intensive organizations (Willem & Buelens, 2007) because they often develop and provide knowledge as their primary activity (Luen & Al-Hawamdeh, 2001). If public organizations deal in knowledge, then effective knowledge sharing could be the vital element for organizational effectiveness. Usually, public sector managers determine and implement public policies and carry out critical government responsibilities which impact on the public service delivery system. Therefore, it is strategically important to capture the knowledge and competencies of departing employees and transfer to junior employees to ensure efficient public service delivery (Tangaraja et al., 2015). Hence, this study assumes that knowledge sharing among organizational employees could be one of the key factors which would create sustainable organizational effectiveness for the public sector organizations specifically in the context of Brunei Darussalam.

Located in the Borneo Island in Southeast Asia, Brunei Darussalam is a small Sultanate and its government system can be explained as a combination of Weberian bureaucracy and a traditional monarchic system (Islam et al., 2015a). Since its independence in 1984, the government of Brunei has started to diversify its economic sector on a priority basis to decrease its heavy dependence on the oil and gas industry (Farhana, 2013). With its 44,800 employees in 13 Ministries, Brunei has a good size of public sector serving its 400,000 citizens (Islam et al., 2015a). In the absence of a vibrant private sector, the public sector is the dominating entity in this country as most of the organizations are from the public sector (Yapa, 2014). Their managers are responsible for implementing public policies on behalf of the government. Moreover, the government has declared a plan to diversify its economy recently. To boost its economic growth, it has introduced an innovative program in several sectors such as Islamic banking & finance, halal food and tourism, information technology, food production and so forth. To successfully materialize the government's plan, Brunei's public sector organizations must ensure their effectiveness in the long run. The effectiveness of the public sector represents the image of the government towards the public. If the public sector manages to perform effectively, then this will help to maintain the public's trust in the government and strengthen the relationship between the government and their citizens.

However, studies regarding organizational effectiveness and knowledge sharing are rare in the context of Brunei's public sector. Though few studies regarding knowledge sharing in the public sector of a neighboring country Malaysia has been done in the last decade, nonetheless, the context of Brunei is different and under-researched area. Hence, this study aims to propose a conceptual framework of organizational effectiveness for Brunei's public sector. This study assumes that in this knowledge-based economic era, by nurturing appropriate organizational factors (such as climate, structure, leadership and information and communication technology), knowledge sharing can be achieved which will, in turn, lead to organizational effectiveness in Brunei's public sector. Though the organizational factors such as climate, structure, leadership and information and communication technology (ICT) are commonly studied factors in relation to knowledge sharing in the private sector, however, studies regarding the integrated effect of these factors on organizational effectiveness in the public sector is rare or very hard to find. According to the studies of Liebowitz and Chen (2004), Taylor and Wright (2004), Amayah (2013), Yusof et al. (2012), Gorry (2008), Liao et al. (2011)

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