



## International Journal of Organizational Analysis

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### Article information:

To cite this document:

Meerna Mroueh, André de Waal, (2017) "Applicability of the HPO framework in non-profit organizations: The case of the Emirates Insurance Association", International Journal of Organizational Analysis, Vol. 25 Issue: 3, pp.468-484, <https://doi.org/10.1108/IJOA-12-2015-0958>

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# Applicability of the HPO framework in non-profit organizations

## The case of the Emirates Insurance Association

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Received 13 December 2015  
Revised 8 February 2016  
15 June 2016  
17 October 2016  
Accepted 17 November 2016

### Abstract

**Purpose** – Associations perform an important role in developing a profession, by organizing professionals into a community in which relevant information and knowledge are shared, ideas expanded, contacts with other like-minded professionals made, a code of ethics established and appropriate practices for members identified. For an association to be effective, it has to perform at the highest quality level. However, no studies can be found in the academic literature on how to create high-performing associations. This paper aims to apply the high-performance organization (HPO) Framework within the Emirates Insurance Association (EIA) to evaluate its current strength and identify possible improvements that need to be implemented for EIA to achieve high performance.

**Design/methodology/approach** – In this article, the HPO Framework – which has been used and validated in many contexts, including non-profit organizations (NPOs) – is applied within the EIA to evaluate its current strength and, thereby, identify possible improvements that need to be implemented for EIA to achieve high performance.

**Findings** – The research results showed that the HPO Framework – when adapted to the circumstances of an association – is able to accurately evaluate the situation within that association and yield targeted recommendations to improve its performance.

**Originality/value** – This research fills a lacuna in the current literature on how to improve the performance of associations; it can, therefore, function as a foundation for further academic research into high performance in associations and possibly other types of NPOs. Moreover, the research results help managers of associations and NPOs in their quest for high performance by offering tangible improvement suggestions.

**Keywords** Performance, United Arab Emirates, Insurance industry, Professional associations, High-performance organizations

**Paper type** Research paper

### Introduction

According to Johnson (2010), innovation emerges from creating environments where people's ideas can connect, as individuals grow smarter when they are connected. Therefore, organizations should create environments and information networks that allow small ideas to connect and, thereby, be developed into bigger ideas. In support of this view, Lubit (2001) argued that a group-working environment leads to knowledge sharing, which, in turn, leads to new insights and innovations; therefore, teams are more capable than individuals of



developing creative solutions to problems. In this respect, Pemberton (1994) observed that no single practitioner can develop and enlarge the status of their chosen profession by acting alone; therefore, professionals should organize themselves into and act as a community to see beyond narrow self-interest. One way to create such a community, in which relevant information and knowledge can be shared, ideas can be expanded upon and contacts with other like-minded professionals made, is the professional association (Fisher, 1997; Gruen *et al.*, 2000; Markova *et al.*, 2013). Professional associations can also channel the use of knowledge for the public good, in addition to establishing a code of ethics and shaping appropriate practices for their members (Bruhn, 2001).

The United Arab Emirates (UAE) is becoming a leading international business center in the Gulf Cooperation Council (GCC) region. The 2015 Ease-of-Doing Business Index ranked the UAE 22nd globally, climbing three places from 2014, and the UAE is recognized as a top-ten improver (Deloitte, 2015). The UAE is offering business-friendly policies and, thus, encouraging global organizations to expand their businesses across the Middle East. Supported by the government – and in collaboration with the Dubai Chamber of Commerce and Industry, the Dubai Department of Tourism and Commerce Marketing and the Dubai World Trade Centre – the Dubai Association Center (DAC) was established. The DAC supports professional business associations in expanding their activities in the region and helps them to form membership-based communities or establish regional representative offices to support their member organizations in conducting business in the UAE (Dubai Chamber of Commerce, 2015). One of these associations is the Emirates Insurance Association (EIA), established by the UAE Ministry of Economy in 1988, of which all insurance companies operating in the UAE have to be members. The main purpose of the EIA is to streamline knowledge-sharing in an industry that has been growing over the past decade due to population and disposable income rises (Alpen Capital, 2013). However, like many industries in the GCC region, insurance companies must do their utmost to improve their performance as they face increasing penetration – often through acquisitions – of international insurance companies in the market. Simultaneously, regional insurers have been growing in scale and expertise over recent years and have also become fierce competitors. Faced by these developments, the EIA has an important role to perform in supporting its member companies in acquiring knowledge to achieve high performance. To do this effectively, the association itself has to perform at the highest quality level (Barnett, 2013). Unfortunately, to the knowledge of the authors, no studies can be found in the academic literature on how to create high-performing associations.

A possible way forward is to apply the high-performance organization (HPO) Framework (de Waal, 2012) – which has been used and validated in many contexts, including the UAE (de Waal *et al.*, 2014; de Waal and Frijns, 2014) and non-profit organizations (NPOs) (de Waal, 2012) – within the EIA to evaluate its current strength and possible improvements needed to achieve high performance. This article describes a research study into the applicability of the HPO Framework for improving the EIA's performance in a sustainable way. Our research question is as follows:

*RQ1.* Can the HPO Framework be a suitable tool to evaluate the performance of an association and give recommendations for its improvement that will be accepted by the association?

The research results should fill a lacuna in the current literature on how to improve the performance of associations; they can, therefore, function as a foundation for further academic research into high performance in associations and possibly other types of NPOs.

Concomitantly, the study's results can potentially help managers of associations and NPOs in their quest for high performance by offering tangible improvement suggestions. We have chosen to use the HPO Framework in our research as this framework – in contrast to well-known improvement models, such as EFQM, Six Sigma, Balanced Scorecards, Performance Pyramid and Great Places to Work – is a holistic framework that considers all facets of organizational life and has been scientifically developed and validated. The aforementioned improvement models were developed to improve specifically operational and tactical management of the organization (Nørreklit, 2000; Neely *et al.*, 2004; Ehrlich, 2008; Benavent and Canet-Giner, 2011; Fursule *et al.*, 2012). Moreover, they were not scientifically based and validated (Nørreklit, 2000; Fulmer *et al.*, 2003; Gomez *et al.*, 2011; Tariq and Khan, 2011; Aized, 2012). This limits their applicability for holistically evaluating and subsequently improving an organization.

The remainder of this article is structured as follows. The next section briefly describes the concept of an association, followed by descriptions of the HPO Framework and the case company. Subsequently, the research approach and research results are discussed. The article ends with a conclusion, the research limitations and opportunities for future research.

### Literature review of the concept of the association

Watkins (1999) suggests that professionals can be distinguished from other worker categories by the possession of specialized skills, the requirement for intellectual and practical training and the maintenance of the profession's integrity through a professional body or association. In the ancient Greco-Roman world, professional associations were formed of artisans or manual laborers and comprised 15 to 100 members (Ascough, 2002). Today, association membership is seen as an integral aspect of being a professional (Rubin, 2000; Henczel, 2014) and members count on their associations to represent their professional interests (Winter, 1988). Pemberton (1994) and Fisher (1997) recognize several main tasks for an association:

- as a profession is founded upon a substantial body of theory and knowledge that must be continuously tested, revised and expanded, the association should support research that feeds the theoretical knowledge base of the profession;
- members should be encouraged by their association to follow the new or revalidated knowledge that results from research efforts in the field; and
- the association should regularly gather its members at social functions so they can interact.

In addition, Winter (1988), Rubin (2000) and Gazley (2014) consider professional associations to be institutions that enforce educational standards, accredit professionals and provide continuous education by distributing professional information through various publications.

According to Koehler (2006), the primary activity of professional associations is to create a variety of venues where issues reflecting the philosophy of practice and acceptable professional behavior can be discussed. The association forms a focal point for like-minded professionals to share experiences, exchange topics of common professional interest and reinforce their professional identities. In a professional association, ideas are also generated that enable professionals to better serve society (Pemberton, 1994; Bailey and Rupp, 2006; Taylor and Yang, 2015). Furthermore, professional associations often control entry into and maintain standards of the profession (Noordegraaf, 2011). Markova *et al.* (2013) view membership of a professional association to be a unique relationship that both offers opportunities for professionals to define their identity and, simultaneously, constitutes a

source of tangible professional benefits. Thus, the membership of an association can advance the careers of professionals through conferences, workshops and other learning opportunities. In summary, professional associations exist to help their members to become more effective and knowledgeable in their professional capacity, to provide them with a professional identity and to offer them opportunities to advance their professional careers.

Despite their relevance to the professions, many associations are struggling to remain viable. In general, their memberships are declining at a rate of between 7 and 10 per cent per annum and professionals are leaving (or choosing not to join) due to costs and competition from other associations. In addition, professional associations are suffering from several weaknesses, such as not responding adequately to members' changing needs and assuming too strongly that their services will remain wholly relevant (Wilson, 1997; Gruen *et al.*, 2000; Chen, 2004; Gruenberg, 2015). Therefore, associations have to identify and subsequently satisfy the major needs of their members, explore ways to raise potential members' awareness of the services the association offers and encourage existing members to participate actively in the association's work. However, Manville and Broad (2013) identified a lack of systemized performance monitoring in associations, which means that they are not sufficiently aware of their performance in the aforementioned activities.

### Literature overview of the HPO Framework

The objective of this research into HPOs was to identify the factors that affect the sustainable high performance of an organization. The research was conducted in two phases. The first phase involved collecting studies on high performance and excellence. To be included in the research, the studies had to meet one or more of the following criteria:

- be aimed specifically at identifying HPO factors or best practices;
- consist of either a survey with a sufficiently large number of respondents for its results to be potentially assumed to be (fairly) generic, or of in-depth case studies of several companies, so its results are at least valid for more than one organization;
- employ triangulation by using more than one research method; or
- include written documentation containing an account and justification of the research method, research approach and selection of the research population; a well-described analysis; and retraceable results and conclusions allowing assessment of the quality of the research methods.

Having identified 290 studies that fulfilled all or some of these four criteria, the identification process of the HPO characteristics continued as follows. First, elements were extracted from each of the publications that the authors of these studies regarded as essential for high performance. These elements were then entered into a matrix. Because different authors used different terminologies in their publications, similar elements were placed in groups of common factors and each group – later to be termed “characteristic” – was given an appropriate description. Subsequently, the aforementioned matrix was constructed for each factor listing a number of characteristics. In total, 189 characteristics were identified. The next step was to calculate the “weighted importance”, i.e. the number of times a characteristic occurred in the individual categories, for each of the characteristics. Finally, the characteristics with a weighted importance of at least 6 per cent were chosen as the characteristics that potentially comprise an HPO: in total, there were 54 characteristics.

In Phase 2 of the HPO research, the 54 potential HPO characteristics were incorporated in a questionnaire that was distributed during lectures and workshops delivered to managers by the authors in many global locations. The questionnaire respondents were asked to

indicate how well their organization performed on each of the various HPO characteristics – on a scale from 1 (very poor) to 10 (excellent) – and also how their company’s results compared to those of its peer group. Two types of competitive performance were calculated (Matear *et al.*, 2004):

- (1) relative performance (RP) versus competitors:

$$RP = 1 - ([RPT - RPW] / RPT)$$

in which RPT = total number of competitors and RPW = number of competitors with worse performance; and

- (2) general historic performance (HP) of the company over the past five years compared to its complete peer group (possible answers: “worse”, “the same” or “better”).

These subjective measures of organizational performance are accepted indicators of real performance (Dawes, 1999; Heap and Bolton, 2004; Jing and Avery, 2008). The questionnaire yielded 2,015 responses from approximately 1,470 profit, non-profit and government organizations. With a correlation analysis and a factor analysis, 35 characteristics with both a significant and a strong correlation with organizational performance were extracted, identified and categorized into five factors. The factor scales showed acceptable reliability (Hair *et al.*, 1998) with Cronbach alpha close to or above 0.70. These five factors and their accompanying 35 characteristics show a direct and positive relationship with the competitive performance of the organization. These factors have, since 2007, been validated for many countries, based on data collected worldwide from approximately 3,000 organizations, both profit and non-profit. Therefore, it is important to note that, in essence, they remain unchanged regardless of the type of organization being diagnosed, the type of industry involved or the country in which the organization is based.

The HPO factors are described below (see Tables I-V for the characteristics that are most important for the EIA):

- *HPO Factor 1: Management Quality.* HPO managers focus on encouraging belief and trust from their employees in them. They value loyalty and live with integrity; they treat their employees respectfully and maintain individual relationships with them.

**Table I.**  
High scores of the EIA

HPO factor	HPO characteristic	Score
Long-term orientation	The association maintains good and long-term relationships with all stakeholders.	7.7
Long-term orientation	The association is aims to service its members as best as possible.	7.3
Long-term orientation	The management of the association has been with the association for a long time.	7.6
Long-term orientation	New management is promoted from within the association.	6.8
Long-term orientation	The association is a secure workplace for its members.	7.0

**Table II.**  
Characteristics to be strengthened to achieve better continuous improvement

HPO factor	Characteristic	Score
Continuous improvement	The association’s processes are continuously improved.	6.2
Continuous improvement	The association’s processes are continuously simplified.	6.4
Continuous improvement	The association’s processes are continuously aligned.	6.3

HPO managers are highly committed to the organization and have a strong set of ethics and standards. They are supportive and help employees in achieving results and also hold them accountable for these results. HPO managers are role models for the rest of the organization.

- *HPO Factor 2: Openness and Action Orientation.* HPO managers value the opinions of employees and always involve them in important business and organizational processes. Making mistakes and taking risks are always encouraged in an HPO, as these are considered valuable opportunities to learn, to develop new ideas and to exchange knowledge in pursuit of collective improvement.
- *HPO Factor 3: Long-Term Orientation.* For an HPO, long-term commitment is more important than short-term gain. Stakeholders of the organization benefit from this long-term orientation and are assured that the organization is maintaining mutually beneficial long-term relationships with them. HPO managers are committed to the organization and new positions are filled from within the organization. An HPO is a

HPO factor	HPO characteristic	Score	
Continuous improvement	The association continuously innovates its core competencies.	5.9	<b>Table III.</b> Characteristics to be strengthened to achieve more innovation
Continuous improvement	The association continuously innovates its products, processes and services.	6.3	
Openness and action orientation	The management of the association allows members to make mistakes.	5.9	

HPO factor	HPO characteristic	Score	
Openness and action orientation	The management of the association frequently engages in dialogue with members.	6.5	<b>Table IV.</b> Characteristics to be strengthened to achieve more member involvement
Openness and action orientation	The association's members spend much time on communication, knowledge exchange, and learning.	6.4	
Openness and action orientation	The association's members are always involved in important processes.	6.3	

HPO factor	HPO characteristic	Score	
Openness and action orientation	The association is performance driven	6.1	<b>Table V.</b> Characteristics to be strengthened to increase performance drive of the association
Quality of management	The management of the association applies fast decision making	6.3	
Quality of management	The management of the association applies fast action taking	6.4	
Quality of management	The management of the association coaches members to achieve better results	5.8	
Quality of management	The management of the association focuses on achieving results	6.4	
Quality of management	The management of the association is decisive with members that do not participate in the association's activities	6.0	

secure and safe workplace where people feel free to contribute to the best of their ability.

- *HPO Factor 4: Continuous Improvement and Renewal.* An HPO has a unique strategy that makes the organization stand out in its sector. It is responsive to market developments by continuously innovating its products and services, thus creating new sources of competitive advantage. An HPO ensures that core competencies are retained in-house and non-core competencies are outsourced.
- *HPO Factor 5: Employee Quality.* HPO employees are flexible and resilient, as they are trained (formally and on-the-job) and encouraged to achieve extraordinary results. As a team, they are diverse and, therefore, complementary, enabling them to deal with all types of issues and generate sufficient alternative ideas for improvement.

An organization can evaluate its HPO status by conducting an HPO Diagnosis. The HPO Diagnosis starts with an HPO awareness workshop for management and other interested parties. During this workshop, the people become acquainted with the HPO Framework, the HPO Diagnosis and the possible HPO transformation process. During the actual HPO Diagnosis, management and employees complete the HPO Questionnaire comprising questions based on the 35 HPO characteristics. The individual scores are converted to average scores on the HPO factors for the complete organization. These average scores indicate for which HPO factors and HPO characteristics the company needs to implement improvements to become an HPO.

The HPO Diagnosis has been conducted in both profit, non-profit and government sectors. Below are examples from each type of sector (all derived from [de Waal, 2012](#)):

- *Longfellow Benefits (the USA):* The average HPO score for Longfellow was 8.7, a score that exceeds the threshold of 8.5 required to qualify as an HPO. Although the organization was classified as an HPO, two attention points were formulated from the HPO Diagnosis to enable Longfellow Benefits to retain that status. The first was to “create a vision for the future of Longfellow”; the second was to “strengthen the quality of the process management”.
- *Ministry of Local Governance and Social Affairs (Rwanda):* The average HPO score for the Ministry was 7.5, indicating a well-performing organization, but not yet an HPO. The HPO Diagnosis yielded three improvement suggestions: “improve the Ministry’s improvement process”, “improve the Ministry’s appraisal process” and “improve knowledge sharing between the various departments of the Ministry”.
- *Palestine Polytechnics University (Palestine):* The average HPO score at the university was 6.8, indicating a performance level similar to that of other Middle Eastern Universities. According to the HPO Diagnosis, the university needed to consider two issues. The first one was “to improve the performance management process, with adequate communication throughout the university”. The second improvement area was “to redefine and sharpen the mission and strategy of the university, which would lead to better performance driven behavior in the organization”.

The last two examples show that the HPO Questionnaire and the HPO factors can be seamlessly applied in government and non-profit sectors, thus confirming their suitability to use in this article’s case study. In addition to the above case studies, it should be noted that the HPO Diagnosis has been performed in organizations over a time period of at least two years, demonstrating improvements over that period in both the HPO score and the organization’s performance. An example is the case of Nabil Bank



(based in Nepal), where the score of 6.8 diagnosed in 2007 increased to 7.1 in 2008. This increase in the average HPO score indicated not only improvement of the organization's HPO factors, but also an actual improvement in organizational performance, helping the bank to achieve the top position among its peers (de Waal and Frijns, 2011).

### The case company

The EIA is headquartered in Abu Dhabi, the UAE, and has 99 members comprising 59 insurance companies and 40 insurance brokers based in the UAE. The EIA has an executive board of 14 members – 12 represent the insurance companies and two represent the brokers and loss adjusters – that is obliged to meet quarterly. The Secretary-General of the association, the finance and administration director and three employees work closely with the board to maintain policies and budgets. As the association itself is only a small organization, its main activities are performed by the following seven committees constituted by association members:

- (1) the higher technical committee;
- (2) the technical committee of agents (brokers and loss adjusters);
- (3) the motor and legal committee;
- (4) the life-Takaful and health committee;
- (5) the marine committee;
- (6) the non-marine committee; and
- (7) the reinsurance committee.

The higher technical committee is the most influential as it is responsible for advising on solutions for problems that might occur in daily insurance activities on behalf of the industry.

The EIA aims to achieve several objectives. It wants to develop cooperation among association members in all insurance-related subjects; for instance, by suggesting unified insurance form samples and presenting these to the concerned government authorities for implementation and establishing proper terms to grant discounts and special prices to agents according to the rules. The association also works to guarantee appropriate representation of the interests of all members and defend their rights so that confidence and trust in the insurance field prevail, by looking after the insurers' interests and finding adequate solutions to problems that may arise for insurers. This includes establishing agreements and terms that facilitate resolving problems and disputes among its members; working to spread insurance awareness among the population of the UAE and representing the insurance market in international insurance conferences worldwide. In addition, the EIA fosters exchange of ideas and experiences to benefit all members: this involves coordinating the exchange of information in all fields of interest to all the members and stakeholders in the insurance sector, establishing an institute to qualify and train employees in the insurance sector and working to improve the quality level of the sector's personnel by conducting and participating in symposiums and specialized studies. Examples of subjects that have been studied include:

- the technical background related to prices and compensations, in addition to the terms and conditions related to the different kinds and branches of insurance;
- the factors that affect the insurance market in the country and that suggest proper solutions for possible issues;
- ways to prevent and reduce losses in different insurance branches; and
- the possibility of establishing insurance and re-insurance centers in the country.

The EIA also prepares statistics and issues bulletins about the insurance market. Moreover, it provides educational opportunities for its members, such as through sponsoring and managing conferences and seminars. At least four conferences are held annually: the Clyde & Co conference in February, the Health Insurance Conference in May, the annual Gulf Insurance Forum in October and the Reinsurance Conference in November. At these conferences, the association addresses issues of relevance to the market and invites members to participate in the debates that form an important part of the insurance companies' operations. In addition, the EIA manages and sponsors sports tournaments: for instance, a football tournament is held annually in November involving teams composed from the staff of insurance companies; the EIA also issues a magazine at least twice annually.

Like other associations, the EIA is facing a lack of interest from its members. Cooperation of members is not high and the resulting shortage of funds is posing increasing difficulties for the EIA. As the association currently lacks a procedure to assess its financial and operational performances, it was unclear to the executive board how the EIA's performance could be evaluated and subsequently improved to enable the association to become more relevant to its members. The EIA became aware of the HPO Framework from this paper's lead author who was living in the UAE, preparing a Doctor of Business Administration (DBA) thesis on the applicability of the HPO Framework in Takaful Insurance companies in the UAE. The Chairman of EIA showed interest in the concept and enquired regarding the possibility of evaluating his association through the HPO Diagnosis. As the Chairman stated during an interview the authors conducted with him:

The HPO diagnosis will give us an overview and understanding of where we are at. Nowadays we are facing problems with the cooperation of the members, their mutual knowledge sharing, and their commitment to regularly attend meetings of their committees. Such a mentality reduces the effectiveness of the association and can be a contributing factor to a failing continuity of the EIA. We believe that the HPO diagnosis will bring out these and other problems and thereby give us the bigger picture. We are looking forward to shape members' attitude in a positive way with the results of the HPO Diagnosis, which will lead us to shape not only the association's but also the industry's future. We care about our members and we are willing to do our best to satisfy them so they can focus on what is best for the insurance industry.

Although the HPO Framework has been tested quite extensively in organizations, it had not previously been applied in professional associations. Thus, the Chairman's request offered the possibility to validate the framework in such a professional association.

### **Research approach and results**

The HPO Diagnosis at the EIA was conducted in three stages during the period from the last quarter of 2014 to the first quarter of 2015. In Stage 1, the HPO questionnaire was customized to adapt it to the activities, circumstances and structure of the association, and was translated from English into Arabic. The structure and 35 statements of the original HPO questionnaire were left intact to avoid jeopardizing its validity. The main changes were in the wording of the statements. For example, "the organization" was replaced by "the association" and "employees" was replaced by "association members". The questionnaire was discussed with the EIA's Chairman and its Secretary-General to ensure it was intelligible and easy to complete. After the approval of the questionnaire, it was distributed by e-mail in Stage 2, accompanied by a memo from the Chairman, to the members of the association with a request to participate in the research. Of the 99 members of the association, 42 completed the questionnaire: a response rate of 42.4 per cent. The HPO scores were calculated, averaged and represented in a graph indicating the EIA's HPO score relative to

the average HPO score of a UAE organization (Figure 1). Also during Stage 2, interviews were conducted with 13 members and the Chairman of the association. These interviews were audio-recorded and later transcribed for analysis purposes. In Stage 3, feedback was given to the Chairman, Secretary-General and Finance Director during a presentation in which the authors discussed the results of the HPO Diagnosis and suggested possible improvements to the EIA. The presentation was video-recorded in its entirety for reference purposes of both EIA and the authors. Stage 3 concluded with writing this article and obtaining approval for its publication from the EIA Chairman.

The EIA's HPO score, compared to the average HPO score of a UAE organization as collected in the HPO database of the HPO Center, is presented in Figure 1. To be an HPO, an organization needs to have an average score of at least 8.5 on each HPO factor (de Waal, 2012). The graph also shows which factors need to be improved to boost the association's performance.

The association scores an HPO average of 6.7, whereas the average score of UAE organizations is 7.5, which is 0.8 higher. This result is not surprising because, as outlined above, associations are wrestling with less interest and involvement from members, fewer financial funds and no clear improvement guidelines; unfortunately, the EIA does not seem to be an exception in this respect. Comparing the shapes of the lines in Figure 1 indicates that the EIA seems to be a typical UAE organization as the graphs are basically the same, but with lower HPO scores for the EIA. In the remainder of this section, the strong points of the association are first discussed, after which the main attention points are reviewed. For each point, the relevant HPO characteristics and their average scores, as calculated from the individual scores of the respondents to the HPO Questionnaire, are given.

*EIA's strengths*

The highest scores of the association for the HPO characteristics all fall within the HPO factor "long-term orientation" (Table I).

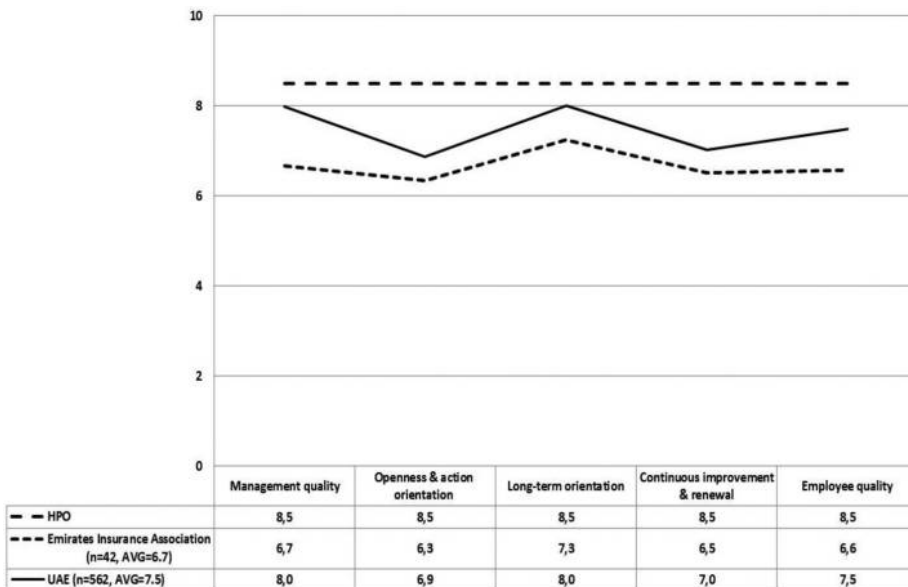


Figure 1.  
HPO scores of EIA  
versus average scores  
of UAE organizations

There are several reasons for these high scores, which became evident through the interviews. At the time of the research, the association had existed for 27 years and, despite the diminishing interest of its members, it is still deemed by most of the interviewees to be very relevant. This is especially true because the board members and committee members are among the leaders in the insurance industry, enabling the EIA to perform an important intermediary role in solving problems between insurance companies, in addition to its important intermediate role between the insurance industry and the Insurance Authority of the UAE. In addition, the association's staff is loyal and the association is loyal to them, enabling the association, despite its limited workforce, to concurrently work on many proposals to better serve the insurance industry.

*Attention Point 1: improve the process of process improvement*

The goal of this attention point is for the EIA to serve its members more effectively through both its staff and its committees. The EIA HPO scores on its improvement processes are average (Table II). This is because the association does not currently have written, formalized policies and procedures for its processes, which could provide the necessary direction and focus for its improvement efforts. The association should document appropriate policies and procedures and ensure that these are available to all concerned parties to bring clarity to the association's processes. These processes should not only provide continuity but should also be revised and updated to reflect changes in the association and its members. The association needs, in particular, to "improve the processes of its process improvement", and, hence, find a better way to perform existing processes before focusing on innovating additional services (Repenning and Serman, 2001; Singh and Singh, 2012; McLean and Antony, 2014). This can be executed in the following way. The association should first review the service it currently provides to the members and identify the most important processes that support a better service (e.g. the consultation process before new suggestions and the follow-up process with the media are important processes). This review must include the processes between the association and UAE's Insurance Authority. Currently, some of the decisions taken by the Insurance Authority are not shared or discussed with the association beforehand. This is unfortunate as the EIA is in direct contact with the insurance companies and can, therefore, better evaluate the consequences of any decision to be taken. In addition, the association has to work on enhancing the regulations and supervision of insurance companies; this cannot be done without a high level of cooperation with the Insurance Authority. Therefore, the association has to draft a structured action plan with clear objectives, clear activities, deadlines and responsibilities for its staff and the members regarding improvement of the prioritized processes. Subsequently, this action plan has to be executed, with regular, detailed progress reporting to the EIA's executive board.

*Attention Point 2: increase the level of innovation*

The goal of this attention point is for the EIA to innovate in such a manner that the business performance of its members can (potentially) be strengthened and the overall quality of the industry may be increased. The EIA scores low on innovation (Table III) as currently both staff and members are not actively engaged in innovating services. Becoming more innovative, i.e. introducing new methods and ideas (de Waal, 2012), will make the association itself and the insurance companies (and thereby the insurance industry) operate more efficiently and effectively and respond better to market needs (Deschamps, 2008; Ringland et al., 2010; Gailly, 2011). In addition, there is a general fear of making mistakes in this industry, as these can have serious financial consequences; consequently, though, innovation efforts are thereby hampered. The EIA can increase its innovation ability by first

identifying the issues to be addressed in an innovative way in the next five-to-ten years (e.g. establishing local reinsurance companies) and then discussing with members the innovations needed to address these issues and how to prioritize the innovation efforts. To be able to do this, the association should offer programs for special qualifications and training: for example, professional development programs and training seminars should be coordinated to help members keep their skills up to date. For each chosen innovation, a committee should be established to draft an innovation plan, execute this plan and report on progress regularly to the EIA board and the members. Thus, internal performance monitoring is set-up through which reviews are presented regularly and which can help the sharing of knowledge and experiences between members and committees. Moreover, the association should communicate with other like-minded associations and work closely with them, as this will encourage innovation within the overall insurance sector in the Middle Eastern region.

*Attention Point 3: increase the level of member involvement*

The goal of this attention point is for the EIA to foster mutual understanding between the association and its members in such a way that the quality of all the association's activities can be increased. The EIA's scores on its communication, dialog and knowledge sharing processes are average (Table IV) because the association currently does not have formal mechanisms to support these processes. Consequently, it is difficult for the Chairman and the Secretary-General to understand the individual needs and desires of the members and committees. This also makes it difficult to secure the involvement in activities that the association wants to develop, as there is not enough information on these activities and not enough involvement of members during the definition and shaping of these activities, which consequently, therefore, lack commitment of the members. The EIA can improve its communication, dialog and knowledge-sharing processes by first identifying the type, purpose, and frequency of meetings needed and which members need to be involved. In addition, the EIA should evaluate the activities of the committees and members to assess their current and needed levels of communication and knowledge sharing, thus enabling the association to deduce, in collaboration with the committees and members, the best ways to strengthen their dialog and mutual cooperation. In addition, the EIA should seek to find a way to make these meetings essentially mandatory, for example by incorporating participation in its "ethical agreement". This "ethical agreement" is an understanding between the association and its members and among the members themselves about how they should behave toward each other in the context of the association, and it implores each person to behave ethically (Branham and Hirschfeld, 2010; Merchant, 2010).

*Attention Point 4: increase the performance drive of the association*

The goal of this attention point is for the EIA to increase the relevance and importance of the association to its members by achieving all the objectives it sets out to accomplish for its members. Currently, the EIA is not sufficiently performance-driven (Table V), meaning that it does not add enough value to its members, who, therefore, start to lose interest in the association. This is not mainly because of the people working in the association itself, as these are only a small number, but more because members themselves are not devoting their energy and combining their efforts sufficiently to support a performance-driven culture and deliver better results to support their personal growth accompanied by the growth of the association. Therefore, a "vicious circle" originated: the members are not sufficiently active, so the association does not achieve what the members themselves want it to achieve and, thus, they start to lose interest, investing less effort in the association, which therefore does not achieve its goals.

However, a wish was expressed among the members and EIA's management that the association and its members should focus strongly on achieving the highest form of excellence in the association's activities (Hansen, 2009; de Waal, 2013). The EIA could address this issue by first identifying the roadblocks that prevent the association being more performance-driven. The association then needs to create a better synergy between the resources needed and the resources available (i.e. staff, committees, media, etc.) to execute activities and subsequently close the possible gaps (e.g. allowing staff to participate in member organizations' training programs). The association can also develop an e-newsletter, a magazine and its existing website to publish the achievements of its committees. The level of interaction with the media needs to receive more attention, as currently there is no media representative among the association's staff to increase awareness in the industry of the activities and achievements of the association.

To achieve the aforementioned attention points, the EIA should work on "lifting the current restrictions" that are holding the organization back. The first restriction is financial in nature. The association could seek opportunities to generate revenues from sources other than membership fees and conferences. This additional income might come from selling publications, corporate sponsorships, advertising and other direct fund-raising activities. The second restriction is the current level of cooperation and participation from insurance companies. The association should engage in dialog with the members about the level of their participation and cooperation, and encourage them to be more deeply involved in the committees, to share their knowledge more extensively and to cooperate to improve the performance of the committees so that the overall performance of the association improves. In addition, the association should monitor professional practices and standards for all members to be able and evaluate their performance. The third and final restriction is expectations of members, which need to be managed. The balance between financial contributions and the service levels expected from the association is not currently aligned in members' minds. When members consider themselves to be receiving value for the money they pay for membership, they will be more committed and work more seriously to improve the association. In many countries, associations and authorities work together for the benefit of their industries; particularly in the insurance industry, the authorities sometimes ask the insurance association to be an intermediary and help to solve certain problems arising between the insurance companies. The EIA is uniquely placed for this task because of this intermediate role and the services it provides to both the insurance authority and the insurance market in the UAE. However, for this to be possible, the Insurance Authority should provide the EIA with more rights to act in specified ways to tighten the relationships between local and the foreign international insurance companies, thereby encouraging more knowledge sharing and cooperation. Moreover, the authority should support the EIA to prepare a plan that leads to more awareness of the insurance industry in universities, to persuade graduates to consider joining insurance companies. In addition, the EIA is responsible for raising awareness among the general public about what insurance can cover and what risks could be avoided or carefully managed through insurance.

### **Conclusion, limitations and future research**

Our *RQ* read:

*RQ1.* "Can the HPO Framework be a suitable tool to evaluate the performance of an association and give recommendations for its improvement that will be accepted by the association?"

From the previous sections, it is clear that the HPO Framework, when adapted to the circumstances of an association, is, indeed, able to evaluate the situation of an association and generate targeted recommendations to improve the association's performance. Whether these recommendations are then accepted can best be judged by asking the EIA's Chairman, who noted after the feedback presentation:

We are looking forward to benefit from the HPO recommendations, we will take them very serious and we will be implementing all of them to the dot. The HPO diagnosis has a significant added value to us, because of the rigor of the framework and the capability of the HPO experts and we are looking forward for more cooperation with the HPO Center to achieve our ambition in performing on a higher level in the future.

These comments illustrate that the Chairman is of the opinion that the HPO Framework is potentially an effective tool for helping associations to improve their performance.

There are some limitations to our research. It was conducted in one association in a particular setting, the UAE. Therefore, we have to be careful not to generalize the applicability of the HPO Framework to all types of associations in all types of contexts. This requires more research in associations in different industries and in other countries. Another limitation is that although the HPO Framework has been shown to accurately evaluate the situation of the EIA and generate relevant recommendations, it has not yet been demonstrated whether these recommendations in practice do help the association to perform better. For this purpose, longitudinal research is needed in which the EIA is followed and monitored during its improvement efforts. A further limitation is that we did not have direct access during the feedback session to the EIA's members, making it impossible to gauge their reactions on the suitability of the recommendations. This limitation could be addressed during the aforementioned longitudinal study.

An interesting aspect to be considered would be the cultural dimensions. The UAE represents a mix of local and international business culture in business practices. Suliman (2006) observed that the culture in the UAE is derived from regional, national, generational, social, gendered and organizational cultures, and it, in turn, influences work values in the UAE. Moreover, he agrees with Christie (2010) that the most-influential layer of culture in the UAE, in general, is the regional culture that comprises three factors: religion, language and history. These cultural dimensions can be used to evaluate whether the effect of the improvement suggestions derived from the HPO Framework does depend on national and regional cultures. In addition, the results of research on cultural models (e.g. Hofstede and GLOBE) could be used to evaluate the influence of national and regional cultures on the HPO factors themselves and on the performance of the association.

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