

## The Extent of Institutional Compatibility in Ministries in Jordan

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### Abstract

**Objectives:** This study examined the extent to which organizational structures, personnel, and budgets are compatible with the core functions and strategic objectives of ministries in Jordan.

**Methods:** Details of organizational structures are taken from administrative organization bylaws and ministries' websites. Data of employees and budgets for the years 2018-2020 published in Law No. (5) for the Year 2021, General Budget Law for the Fiscal Year 2021, and in Law No.(4) for the Year 2020, General Budget Law for the Fiscal Year 2020. The study calculated the ratio of core functions units to the total number of organizational units. It also calculated the ratio of employees working in core functions units to the total number of employees. In addition, it calculated the ratio of the budgets for core functions to the total budgets excluding subsidies for public institutions and support for general government units (allocations for other institutions and corporations).

**Results:** The results of the study indicate that the average percentage of core functions units in the organizational structure = 61%. The results also indicate that the average ratio of the budgets of the core functions units to the total budget = 69%, while the average ratio of employees of core function units to the total number of employees = 40%. This reveals the focus on core functions in the budget and organizational structure dimensions at a satisfactory level other than the human resource dimension. The results of the correlation test indicate that there is no statistically significant correlation between the weight of the core functions in the structure, staff and budget on the one hand, and their weight in the strategic objectives on the other hand. The outputs of one-sample t-test indicate that the average ministries' excellence assessment scores are not significantly different from the lower third of the assessment scale.

**Conclusions:** This means that there is no alignment between the strategic objectives of the ministries and their structures, staff and budgets. Low excellence scores for ministries indicate a mismatch between core functions and institutional capabilities.

**Keywords:** Organizational structure, staff, budget, institutional compatibility, core functions, strategic objectives.

### مدى التوافق المؤسسي في الوزارات في الأردن

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#### ملخص

الأهداف: تناولت هذه الدراسة مدى توافق الهياكل التنظيمية والموظفين والموازنات مع الوظائف الأساسية والأهداف الاستراتيجية للوزارات في الأردن . المنهجية: أخذت تفاصيل الهياكل التنظيمية للوزارات من أنظمة تنظيمها الإداري ومواقعها الإلكترونية وأخذت بيانات موظفيها وموازناتها للأعوام 2018-2020 من القانون رقم (5) لسنة 2021 قانون الموازنة العامة للسنة المالية 2021 والقانون رقم (4) لسنة 2020، قانون الموازنة العامة للسنة المالية 2020. وحسبت الدراسة نسبة وحدات الوظائف الأساسية إلى العدد الإجمالي للوحدات التنظيمية في الوزارة. كما حسبت نسبة عدد الموظفين العاملين في وحدات الوظائف الأساسية إلى إجمالي عدد الموظفين في الوزارة. بالإضافة إلى ذلك، فقد حسبت نسبة موازنات الوظائف الأساسية إلى إجمالي موازنة الوزارة باستثناء الإعانات المقدمة للمؤسسات العامة ودعم وحدات الحكومة العامة (مخصصات المؤسسات والشركات الأخرى). النتائج: تشير نتائج الدراسة إلى أن متوسط نسبة وحدات الوظائف الأساسية إلى الهيكل التنظيمي = 61%. وتشير النتائج إلى أن متوسط نسبة موازنات وحدات الوظائف الأساسية إلى إجمالي عدد الموظفين = 69%، بينما متوسط نسبة موظفي وحدات الوظائف الأساسية إلى إجمالي عدد الموظفين = 40%. وهذا يكشف عن التركيز على الوظائف الأساسية في أبعاد الموازنة والهيكل التنظيمي على مستوى مرضي بخلاف بُعد الموارد البشرية. وتشير نتائج اختبار الارتباط إلى عدم وجود علاقة ارتباط ذات دلالة إحصائية بين وزن الوظائف الأساسية في الهيكل والموظفين والموازنة من جهة، ووزنها في الأهداف الاستراتيجية من جهة أخرى. كما تُشير مخرجات اختبار t لعينة واحدة إلى أن متوسط درجات تقييم التميز في الوزارات لا يختلف بشكل كبير ذا دلالة إحصائية عن الثلث الأدنى من مقياس التقييم. الخلاصة: هذا يعني أنه لا يوجد توافق بين الأهداف الاستراتيجية للوزارات وهياكلها وموظفيها وموازناتها. وتُشير درجات التميز المنخفضة للوزارات إلى عدم التوافق بين الوظائف الأساسية والقدرات المؤسسية. الكلمات الدالة: الهيكل التنظيمي، الموظفون، الموازنة، التوافق المؤسسي، الوظائف الأساسية، الأهداف الاستراتيجية.



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## Introduction

Each country, including Jordan, has its own national goals. Legislation defines the duties and responsibilities of ministries and government institutions. Ministries cascade the national goals related to their areas of specialization and translate them into institutional strategic objectives and initiatives. Organizational structures and ministry staff are not supposed to be copies of each other. They have to fit the roles, and responsibilities and objectives of the ministries. The right organizational structures that focus on core functions with appropriate staffing and rational allocation of budgets enable ministries to achieve their institutional strategic objectives and thereby contribute significantly to the achievement of national goals.

The role, mandates, responsibilities and functions of each ministry differ from that of other ministries. Integration and cooperation between ministries without any overlap or duplication of tasks and efforts is crucial in achieving their strategic objectives. Thus, ensuring high levels of performance and optimum use of resources. Each ministry should focus on its core functions and objectives and then reflect this on its organizational structure, staffing and budgeting.

Jordan, like any other country, is unable to achieve national goals without possessing the required core competencies. This study focused on the basic enablers or competencies for any institutional improvements. Therefore, this study simply examined the extent to which organizational structures, staff and budgets are compatible with the core functions of Jordanian ministries through the following ratios:

1. The ratio of the number of organizational units (departments, divisions, directorates...) that perform core functions to the total number of organizational units.
2. The ratio of the number of employees working in core functions to the total number of employees.
3. The ratio of the budget allocated to core functions to the total budget.
4. The ratio of the number of strategic objectives related to the core functions to the total number of strategic objectives.

The study also investigated the correlation between the weight of core functions in both the structure, staff and budget and their weight in strategic objectives. Furthermore, it examined the overall institutional performance of the ministries according to the excellence assessment processes conducted by the King Abdullah II Center for Excellence (KACE).

## Literature Review

Public sector reform programs and initiatives focused at the country level or at the level of government as a whole. Key components of these programs and initiatives included government structures, the civil service, and public financial management. The purpose of the reform is to improve the efficiency and effectiveness of the entire government (e.g. Scott, Ball, & Dale, 1997; Hansen, 2005; World Bank, 2008; Amagoh, and Bhuiyan, 2010; Hope, 2012; Fourie and Poggenpoel, 2017; Chemouni, 2017; Kamau, Rotich, & Anyango, 2017; Lapsley and Miller, 2019; Lapuente & Van de Walle, 2020).

Previous studies have also examined improvement activities for human and financial resource systems and processes in public organizations and private companies (e.g. Curristine, Lonti, & Joumard, 2007; Pilichowski, Arnould, & Turkisch, 2007; Mir and Wahyu, 2013; Caperchione, Brusca, Cohen, & Rossi, 2016; Mauro, Cinquini, & Grossi, 2017; Huque & Jongruck, 2020; Burns, 2022). To the author's knowledge, there are no previous studies that have examined the alignment of organizational structures, staffing, and budgets with the core functions and strategic objectives of public sector institutions.

Ensuring the appropriateness of the organizational structure and the allocation of resources (human and financial) is the essential step to move in the journey of reform and development. This study identified the extent to which the organizational structures, staff, budgets of ministries in Jordan are aligned and compatible with their core functions and strategic

objectives. More specifically, the proportion allocated to core functions in terms of structure and resources (staff and budgets). It makes sense to allocate more than two-thirds of the structure, staff and budget to core functions. It is thus a preliminary indicator of efficiency in building and utilizing institutional capacity. It also indicates the effectiveness in setting the institutional strategic objectives. Therefore, this study dealt with this subject because it constitutes a starting point for any advanced reform and development tasks in the ministries. This is a prerequisite for any in-depth improvement initiatives. Otherwise, any initiatives without having these basic requirements will definitely fail.

Several countries in the Middle East region including Jordan, have launched organisational excellence programs in different sectors to assist the development and growth of their key economic sectors. Jordan has established The King Abdullah II Center for Excellence (KACE) to undertake the tasks of promoting and managing excellence activities such as: building the knowledge and capabilities related to excellence; facilitating and supporting excellence initiatives; managing the assessment processes of excellence; and recognizing the winners of excellence awards. The center focuses on promoting a culture of excellence in Jordan through developing excellence frameworks and assessment criteria based on international best practices, and promoting excellence to public sector, private sector, not-for-profit and non-governmental organisations (see <http://www.kace.jo>).

### **Methodology**

Government of Jordan consists of 25 ministries including prime ministry. Details of organizational structures are taken from administrative organization bylaws and ministries websites. Data of employees and budgets for the years 2018-2020 published in Law No. (5) for the Year 2021, General Budget Law for the Fiscal Year 2021 and in Law No.(4) for the Year 2020, General Budget Law for the Fiscal Year 2020 (General Budget Department, 2021). Data analyzed using descriptive (frequencies) and inferential statistics (investigate associations using correlation test and compare means using one-sample t-test).

Functions of any ministry can be categorized into core and support functions. For instance, Ministry of Industry, Trade and Supply has two types of functions. Core functions include industrial development, industrial property protection, trade, national production protection, markets surveillance & supply, supplies management, competition, foreign trade policy...etc. Support functions include administrative affairs, financial management, public relations, human resources management, financial management, technology management ...etc. This categorization applies to all ministries according to their roles and mandates. Accordingly, the organizational structure of the Ministry of Industry, Trade and Supply consists of units for core functions and units for support functions. The same applies to all ministries.

The study calculated the ratio of core functions units to the total number of organizational units. It also calculated the ratio of the number of employees working in core functions units to the total number of employees. In addition, it calculated the ratio of the budgets for core functions to the total budgets excluding subsidies for public institutions and support for general government units (allocations for other institutions and corporations). The study examined the link between ministries' structures, staff, and budgets on the one hand, and their strategic objectives on the other. Furthermore, the following hypotheses were tested in this study:

*Hypothesis 1.* There are no significant correlation between the weight of core functions in the structure and their weight in the strategic objectives for the year 2020.

*Hypothesis 2.* There are no significant correlation between the weight of core functions in the staff and their weight in the strategic objectives for the year 2020.

*Hypothesis 3.* There are no significant correlation between the weight of core functions in the budget and their weight

in the strategic objectives for the year 2020.

*Hypothesis 4.* The mean of ministries' scores in the last excellence assessment cycle is no different from the lower third of the assessment scoring scale.

### Findings

The weight of core functions units in ministries shown in Table 1. In general, the weight of core units is appropriate for the majority of ministries. The best case was 80%, while the worst was 41%. The worst cases reflect the extent to which the senior managements in these ministries are interested in the support functions at the expense of the core functions. The average weight of core functions units for all ministries (61%) is moderately reasonable to some extent and indicates that ministries focused almost satisfactorily on core functions (business) in their organizational structures. Therefore, the organizational structures of the ministries are generally aligned with their core functions.

**Table 1. Weight of Core Functions Units in Ministries**

<b>Wight of Core Units</b>	<b># of Ministries</b>	<b>% of Ministries</b>
0 – 20%	0	0
21% - 40%	0	0
41% - 60%	15	60%
61% - 80%	10	40%
81% - 100%	0	0
<b>Total</b>	<b>25</b>	<b>100%</b>

The weight of staff in core functions units in ministries for 2018-2020 shown in Table 2. In general, the weight of staff in core units are inappropriate for the majority of ministries. The worst case was (5%), while the best case was (86%). The average weight of staff in core functions units for all ministries (40%) is irrational and indicates that ministries do not take in consideration their core business/functions in recruiting personnel. Therefore, the staff of the ministries are generally unaligned with their core functions.

**Table 2. Weight of Staff in Core Functions Units in Ministries for 2018-2020**

<b>Wight of Core Units Staff</b>	<b># of Ministries</b>	<b>% of Ministries</b>
0 – 20%	4	16%
21% - 40%	9	36%
41% - 60%	10	40%
61% - 80%	1	4%
81% - 100%	1	4%
<b>Total</b>	<b>25</b>	<b>100%</b>

The weight of budgets of core functions units in ministries for 2018-2020 shown in Table 3. In general, the budget weight of core units are reasonable for the majority of ministries. The best case was for (99%), while the worst case was (15%). The average weight of budgets of core functions for all ministries (69%) is reasonable and indicates that ministries concentrate more on their core business/functions in allocating budgets. Therefore, the budgets of the ministries are

generally aligned with their core functions.

**Table 3. Weight of Budgets for Core Functions Units in Ministries for 2018-2020**

<b>Wight of Core Units Budget</b>	<b># of Ministries</b>	<b>% of Ministries</b>
0 – 20%	1	4%
21% - 40%	3	12%
41% - 60%	3	12%
61% - 80%	6	24%
81% - 100%	12	48%
Total	25	100%

The findings of worst cases can be explained by the fact that the lagging ministries are busy in carrying out traditional routine, coordination and logistical tasks and activities that have taken over their interests and priorities.

The weight of core objectives in ministries for 2018-2020 shown in Table 4. In general, the weight of core objectives are reasonable for the majority of ministries.

**Table 4. Weight of Core Objectives in Ministries for 2018-2020**

<b>Wight of Core Objectives</b>	<b># of Ministries</b>	<b>% of Ministries</b>
0 – 20%	0	0
21% - 40%	0	0
41% - 60%	3	12%
61% - 80%	14	56%
81% - 100%	8	32%
Total	25	100%

The findings of the study generally indicate that the same central approach to identifying required competencies and recruitment were still used in minitries without any improvements or changes. This means that the ministries did not review and improve the way they plan their human resources.

Results of correlation test shown in Table 5. The results indicates that there are no significant correlation between the weight of core functions in the structure CU and their weight in the strategic objectives for the year 2020 ( $R = 0.060$ , Sig. (2-tailed) = 0.777). This means that the first hypothesis is accepted. The results indicates that there are no significant correlation between the weight of staff in core functions CS and their weight in the strategic objectives for the year 2020 ( $R = 0.219$ , Sig. (2-tailed) = 0.293). This supports the second hypothesis. The results indicates that there are no significant correlation between the weight of budget in core functions CB and their weight in the strategic objectives for the year 2020 ( $R = -0.338$ , Sig. (2-tailed) = 0.098). This means that the third hypothesis is accepted.

**Table 5. Results of Correlation Test**

		<b>Correlations</b>			
		CS	CB	CU	CO
CS	Pearson Correlation	1	0.484*	0.121	0.060
	Sig. (2-tailed)		0.014	0.564	0.777
	N	25	25	25	25
CB	Pearson Correlation	0.484*	1	0.091	0.219
	Sig. (2-tailed)	0.014		0.667	0.293
	N	25	25	25	25
CU	Pearson Correlation	0.121	0.091	1	-0.338
	Sig. (2-tailed)	0.564	0.667		0.098
	N	25	25	25	25
CO	Pearson Correlation	0.060	0.219	-0.338	1
	Sig. (2-tailed)	0.777	0.293	0.098	
	N	25	25	25	25

\*, Correlation is significant at the 0.05 level (2-tailed).

The descriptive statistics of the last excellence assessment cycle results conducted by the King Abdullah II Center for Excellence (KACE) shown in Table 6. As shown in Table 6, the mean of excellence assessment for ministries was in the lower third of assessment scoring scale.

**Table 6. Descriptive Statistics of Excellence Assessment Results**

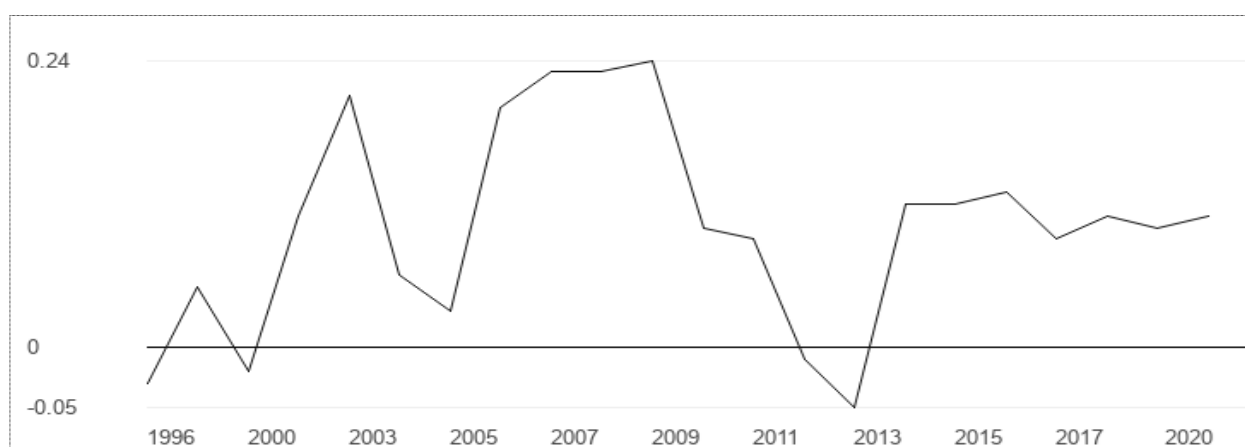
		<b>Descriptive Statistics</b>			
	N	Minimum	Maximum	Mean	Std. Deviation
Excellence Assessment Results	23	22.10	41.61	30.9309	5.15967
Valid N (listwise)	23				

Outputs of one-sample t-test shown in Table 7. Using test value = 33.33 and as shown in Table 7, sig. (2-tailed) value = 0.036, which is significant. This indicates that the mean of ministries' excellence assessment scores are not significantly different from the lower third of the assessment scale. This supports the fourth hypothesis. The ministries' low excellence assessment scores highlighted the mismatch between core functions and capabilities.

**Table 7. Outputs of One-Sample T-Test**

		<b>One-Sample Test</b>			
		<b>Test Value = 33.33</b>			
t	df	Sig. (2-tailed)	Mean Difference	<b>95% Confidence Interval of the Difference</b>	
				Lower	Upper
Excellence Assessment Results	-2.230	0.036	-2.39913	-4.6303	-.1679

The World Bank conducted annual studies to measure the Government Effectiveness Index during the period (1996 – 2020). The index of government effectiveness captured perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. The international average for 2020 based on 192 countries was -0.03 points. The highest value was in Singapore: 2.34 points and the lowest value was in Yemen: -2.31 points (World Bank, 2020). Jordan's Effectiveness Index during the period (1996 - 2020) shown on Figure 1. The average value for Jordan during that period was 0.10 points with a maximum of 0.24 points in 2009 and a minimum of -0.05 points in 2013. The latest value for 2020 is 0.11 points. In 2020, Jordan's ranking was 79 out of 192 countries at the international level, and the 6th at the Arab countries level after UAE, Qatar, Bahrain, Saudi Arabia & Oman. Jordan's ranking in the past three years 2018, 2019, and 2020 was 80, 79, and 79, respectively.



**Figure 1: Jordan Effectiveness Index during the Period (1996 - 2020) (Source: World Bank)**

The main findings of this study on the institutional mismatch between functions and capabilities provide a sound explanation for the low performance of ministries, including why the effectiveness index has not improved in Jordan over the past years.

### **Conclusion and Implications**

The study concluded that the organizational structures of the ministries are largely a reflection of their core functions. The general framework regulating the needs identification and appointment process does not take into account the variation in core functions of ministries. The budget preparation and allocation process focuses on core functions in most ministries and not in a number of ministries. Before moving forward with development initiatives, ministries must ensure that appropriate organizational structures are in place that focus on core functions while at the same time having competent staff and appropriate budgets. This affects the delivery of services and the achievement of strategic objectives and thus contribute to national goals.

The rationality of the structure, competencies and funding are key enablers to deliver core functions more efficiently and effectively. Ministries will not be able to improve performance unless they improve processes and the way of running and doing business. Having centralized budgeting and staffing systems is good but needs improvement. They are easy to improve and at a lower cost because they are centralized systems for the entire government. The human resource

management frameworks related to the selection and recruitment processes clearly need to be radically improved. It also suggested further revision and improvement of the budgeting and allocation processes. Finally, officials' efforts and priorities should focus on the core functions that ministries are created to perform and lead accordingly.

Ministries are strongly recommended to review their structuring, recruitment and budgeting methods and related processes in order to improve government excellence assessment and Jordan's grade and ranking in international government related indicators including the government effectiveness index and, before that, achieving their strategic objectives. Jumping into the adoption of advanced improvement initiatives without a sound basis on the ground does not help, but rather constitutes an additional cost that is useless in any way.



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