Organization Behaviour and Development-Related Issues in Effective Implementation of ISO 9001

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Abstract

The demand for ISO 9001 certification is increasing, both from the public and private sectors. The adoption of a quality management system should be a strategic decision of an organization. The design and implementation of an organization's quality management system is influenced by varying needs, particular objectives, the products provided, the processes employed and the size and structure of the organization. It is necessary to explore the issues related to effective implementation of ISO 9001. The objective of this article is to scrutinize the OBD issues, facts, and problems related to implementing ISO 9001 in various industries in order to collect and categorize these factors and issues for finding common critical factors. Authors tried to find related data from each industry with the aim of internet, observation, interview, and questionnaire. After data collection, the Meta analysis will be used to achieve probable common factors or factors that have had more influence on implementing ISO9001 successfully. The influential issues in effective implementation of ISO9001 can be classified into internal and external issues. There are several OBD-related issues like organizational culture, leadership commitment, team working and communication that have a crucial role in this area. The three most important OBD-related issues are organizational culture, leadership commitment and team working.

Keywords: ISO 9001; TQM; OBD

1.0 INTRODUCTION

Quality assurance is not just manufacturing a product or offering a service in a standardized mode. In addition, it needs satisfying anticipations in altering situations constantly. Therefore, quality should be regarded in a systematic manner and also system quality must be underscored rather than Excellency of the product or service. When systems are carried out that follow a set of procedures and processes for producing a good or service in a top degree of quality and that ceaselessly develop under altering situations the consequences of systems arise from developed coherent quality.

ISO’s starting point was the combination of two associations: the UNSCC (United Nations Standard Coordinating Committee) and the ISO (International Federation of the National Standardizing Associations). During the year 1946, more than twenty five countries were gathered at “the Institute of Civil Engineers” in London to make a new worldwide organization, which its primary objective was to accelerate the worldwide synchronization as well as merging of the manufacturing standards. In that period, the new association ISO started its work in February 1947. The term ISO has been originated from the “Greek ISOS” which means identical.

Because the International Organization for Standardization could be translated in many various ways in different languages, the authorities decided that the abbreviated form for the organisation would be ISO. Currently, the ISO has been developed to be a confederation of senates representing more than 150 countries and has managed to publish about 16,500 international standards. They have meetings on a regular basis to further improve novel and current management standards. The presence of non-synchronized standards for analogous technologies in various regions or countries can donate to supposed "technical barriers to trade". Industries which are based on export have long detected the need to agree on world standards to help rationalize the global trading procedure. This was the starting point of the establishment of ISO. Currently, global standardization is well-organized for numerous technologies in various fields like: textiles, information processing and communications, distribution of goods, packaging, banking and financial services, energy production and utilization and even shipbuilding. It will remain in its flourishing status regarding its significance concerning all sectors of industrial activity for the predictable future.

ISO 9001, since designed, has been planned to be more comprehensive regarding its structure and to be more user
friendly and has the subsequent features. First, it highlights a procedure direction and chooses an entrenched management to continually enhance system performance. Second, it emphasizes the significance of eight quality management principles: system approach to management, leadership, and customer focus, factual approach to decision making, process approach, and involvement of people, continual improvement, and mutually beneficial supplier relationships.

The ISO 9000 quality management system standards are the most greatly utilized way among all the methods of this kind. This method suggests customary actions for organizations to satisfy legal and customer necessities in an organized way. It is significant to guarantee a constant and standardized approximation to the quality concept. A large number of companies all over the world whether service or manufacturing, private or public, used ISO 9000s family. ISO 9001 prepares a convention with well-organized processes and procedures to pursue in preparing products and services. These processes clarify the right way of doing the tasks to ensure quality of products and services that satisfy customer needs (Singels, Ruel, & Water, 2001). The fundamental point in ISO standards is documenting the procedures inside a system and examining them to know if they are on schedule or not and taking action irregularity are explored. (Stevenson & Barnes, 2001). ISO 9000 is a general title for QM standards.

By considering the 1994 format of the ISO 9000s, organizations were to be authorized with ISO 9001, 9002, and 9003. In any event, under 2000 version, organizations just can be certified under ISO9001 (Quazi & Jacobs, 2004). As a management criterion, ISO9001 suggests an inclusive model that equips organizations with the means to carry out and sustain a quality system. This standard, as it mentioned before, can be implemented in any organization with any size and activity.

In spite of success of ISO 9000 on the basis of the numerical results, the accreditation is under critical analysis. The evidences indicate that companies, in many cases, have lack of flexibility in conceiving and implementing ISO 9001. The aptitude and knowledge of employees are low because of approaching this procedure of implementation in empiric way by the organizations. In the early stages of planning and designing the procedures, it is crucial to consider critical issues for effective implementation of ISO 9001 (KAZILIJUNAS, 2010). The issues which are related to effective implementation of ISO 9001 can be classified to external and internal issues. First category is related to marketing development and penetration and connected aspects, enhancing the customer satisfaction and developing the market share. From the internal viewpoint, team work, reward system, management style, communication, performance appraisal, work harassment and continuous organizational development have a significant impact on effective implementation of ISO 9001 (Coleman & Douglas, 2003).

The purpose of this study is to examine the internal aspects of effective implementation of ISO9001 specially those issues that are related to organizational development and organizational behaviour. First, a review of literature of ISO 9000 and TQM will be offered in the next section. Then, methodology of this article will be presented followed by analysis part. Finally, an overall conclusion and a discussion will be proposed.

2.0 LITERATURE REVIEW

The impact of ISO 9001 on organizational behavior has been the subject of investigation for a long time. The findings show mixed results. The optimistic view is based on the fact that ISO 9001 standards provide a well-organized devises to construct the quality system and make it easier to get top management commitment (Banner & Veloso, 2008). A large amount of previous studies on the effects of ISO 9001 share the general postulation that ISO 9001 implementation will enhance an organization’s financial performance. Organizational performance through ISO 9001 can be classified into two possible sources.

Firstly, action enhancement is anticipated from enriched operational efficiencies that are being translated straight into cost reductions (Corbett & Kirsch, 2005). Secondly, the supplementary source of performance improvement hinders increases in incomes as ISO 9001 certified companies gain access to new markets or customers (Terlaak & King, 2006). It is also reported that different results are recorded concerning the improved performance of certified organizations. While many previously researches identify growth in customer satisfaction, product quality, cost reduction, operating advantages and productivity, many other studies investigate the efficiency of the standard or the probability of determining its actual influence to improved organizational performance (Heras & Casadesus, 2002).

The extensive literature review on Total Quality Management impacts make reference to various studies which have reported noteworthy and vigorous impacts of practices such as workforce management, work attitudes, employee fulfillment, employee empowerment, workforce commitment, use of teams, employee involvement, employee satisfaction, employee selection and development, compensation and total human resource management on quality of operational and business performance (Sousa & Voss, 2002).

The first downside it faced is the problem of inadequate of management support and commitment. The ISO is a complex quality system that needs to be managed constantly and require a total commitment from all the parties involved. The level of commitment and support is needed in greater degree at the top management level since the whole program needs to be approved by the top management. The top management is also the one responsible to decide the continuation and direction of the program. Therefore, if the top management is not committed and supportive all the way, the whole program is a waste of effort and time of the personnel.

This is one of the most common mistakes done by most organizations including CSOS Sdn Bhd. The supportive attitude and the direction of the top management are kept at the surface. This means that the top management is only supportive until they get the certificate but overlooks the process after that and fails to maintain the quality inside the company. They build the department to oversee ISO and give the tasks to each manager to train their own department, but do not really synchronize their objective and tasks. In the training aspect for example, each manager is responsible to train their own personnel without referring to specific schedule of improvement designed by the top management. Instead, all departments are occupied with their own agenda.

The top management seemed to overlook the primary objective to implement ISO which is not to obtain the certificate only and the fact that the responsibility does not stop there. The one and foremost objective is to realize ongoing and synchronized improvement on process, management and culture of the company which in turn will be reflected in the products or services produced.

Unrealistic objectives and expectations are another problem in the implementation of the ISO. As understood, a good system must have not only a good objectives or
expectation but they must be realistic and measurable expectations. Achievements must be measurable to know whether the objectives have been achieved or not. As some author would say, policy and objectives need to be synchronized at all levels and they must be SMART (Specific, Measurable, Achievable, Relevant & Time Based). The challenge here is to have clarity of objectives in a continually changing environment and establish appropriate quality policy and objectives.

2.1 TQM and ISO 9001

Standards of ISO 9001 is designed in a way that it can implement TQM in its primary mode, and practical steps can be accurately defined in order to certify, verify and implement it (Srivastav, 2007). TQM and ISO 9001 have different objectives. The ultimate objective for TQM is to maintain the overall quality in order to get the customer satisfaction; however, ISO 9001 installs a rudimentary quality system in order to enable the worldwide market (Han, Chen, & Ebrahimpour, 2007). The investigations of Larson and Kerr (2007) indicate that ISO 9001 plays the role of a tool for process management to implement TQM. Also, based on the other research, ISO 9000 forms a profound part of TQM. Despite its small scale ISO 9001, in comparison with TQM, it is quickly reachable, much easier and more manageable (Gotzamani, Theodorakoglou, & Tsiotras, 2006). ISO 9000 might not yield any noteworthy advantage when it is applied with the aim of getting certified for being worthy of export, however, if the main aim is the improvement of the effectiveness of structures, processes and systems the profit would be of greater significance. So many scholar like have investigated the association of ISO 9000 and TQM and many of them have suggested that it is much better if we implement ISO 9000 prior to TQM (Sampaio, Saraiva, & Guimaraes, 2009).

2.2 The Nature of ISO 9001

ISO 9001 could be considered as a quality system standard rather than a product quality one. It cannot be replace by the product quality standard, but it can make it complete and based on the claims by Han et al. (2007), it cannot be guaranteed that companies which are ISO 9001 certified, offer higher quality of products or services and it only indicates that the quality system of a company has the required standards which might lead to a higher quality of the services or products (Han, Chen, & Ebrahimpour, 2007). Having the ISO 9001 certification only indicates that a company’s systems/processes/procedures accommodate the standards which are lucidly recognized and put in practice. The certification, which is valid for three years, is only given to a company after a successful inspection by an agency that is recognized by a national or international accreditation board. After a company is certified investigation is done every six month to ensure that the company complies with the standards and if it fails in doing so, the certification will be withdrawn. Getting prepared for the certification enables the systematic enhancement of the involved company and helps them to enact with more efficiency and provide products or services with better quality. Moreover, the mentioned inspection serves as prevention from relapsing to old-style working.

2.3 Impact of Motivational Factors

ISO advantages can be classified into external and internal. The external benefits are referred to development in marketing and promotional facets; enhance the customer satisfaction and the increase in market share. Though, internal benefits are referred to organizational development (OD), the recompense system, team working, the performance appraisal and communication, constant development (Coleman & Douglas, 2003). ISO 9001 approval is habitually utilized as a marketing tool in external part (Poksinska, Dahlgard, & Eklund, 2006). Some organizations mention that without this certification they wouldn’t have ability to make a large number of contracts. Other research revealed that one of the most significant reasons for taking ISO certification was the presence of marketing relationship with global markets.

From the internal view, companies that look ISO standard certification as a chance to develop internal procedures and systems more than just pursuit to obtain a certification achieve more extensive positive consequences from ISO 9001 accreditation (Llopis & Tari, 2003). Other research revealed that the most powerful and clearer and most valued influence of this certification were more obvious working processes and responsibilities. Bureaucracy was discovered as the most ostensible issue that can address to relieved flexibility (Lundmark & Westelius, 2006). Powerful internal motivational factors or interests to develop an organization’s quality can aid to build a quality management system that direct to external achievements like market development, market penetration as well as internal benefits (Fotopoulos & Psomas, 2010). The implementation of ISO standard system often concluded in internal benefits of incorporeal nature. Moreover, even though the main cause to launch using a quality system is the following of external benefits, but, generally it will result in enhancing in internal advantages such as development of the responsibility meaning and commitment of employees, a decrease in non-conventionalities, effective communication and eventually increased efficiency (Ruževičius, Adomaitytė, & Srividaitė, 2004).

2.4 ISO 9001 in the Perspective of Organizational Development

Organizational Development is behaviour oriented proficiency for increasing the impressiveness and contentment of companies and all the people inside. Total Quality Management is realized as Organizational Development interference. In perspective of the connection between TQM and ISO 9001, regulations and procedures require to review in the field of organizational Development (KAZILIŪNAS, 2010). Representing a systematic method to manage an organization to guarantee constant development in effective performance and the quality of goods and services is the major role of ISO 9001 standard (Terlaak & King, 2006). It is a framework to preserve the companies in front of common issues and problems faced in producing high quality goods and services through the execution of a well-structured and globally standardized system.

Necessities for acquiring ISO certification emphasize the need for alter in various fields of organizational tasks. These necessities identify the schedule for change. Therefore, necessities for this certification expedite challenging the situations. Appropriate carrying out of this standard with motivation factors located inside the organization like integrating extensive work reschedules will compel the organization to act in a systematic approach and preserve or minimize unexpected issues coming in route of satiating all customers. This is in compliance with the guidelines of organizational behaviour.
3.0 METHODOLOGY

This study was conducted with a sample of two companies from Iran and Malaysia in order to evaluate the relationship of OBD-related issues on effective implementation of ISO 9001 quality standard and vice versa. In this article, first the differences in organizational performance in terms of non-financial performance before and after achieving this certification are scrutinized. Afterwards, the OBD-related issues such as leadership, culture, team working, compensation system and communication between employees and between managers and employees for obtaining ISO 9001 accreditation are investigated. Data achieved from several interviews are analysed on the basis of Meta-analysis by implementation of quantitative, systematic and methodical in process of our research. Furthermore, secondary data is used for obtaining information’s from articles, journals, internet & research paper. This data is less costly and easier to obtain as most of the secondary data can be gathered through internet.

3.1 Samples

The first company used for the research is Citigroup Sales & Outsourcing Services Sdn Bhd in Johor Bahru which is a wholly owned subsidiary of Citigroup. CSOS provides a wide range of financial products and phone banking services to customer based in Singapore. The study & interview is based from the department of Citiphone. This department responsibility is to attend to all incoming calls, assess customers’ enquiries and quickly decide the actions needed for a complete resolution of response that is customer-satisfying.

Citiphone is divided into few several departments which is
- Customer Service & Sales
- Fulfillment Team
- Training Department
- Quality & Service Department
- Admin Department
- Control Desk
- Compliance Department

All of this department collaborate together as a unit to ensure that Citiphone always maintains positive service traits and upholding the brand name of the Bank. Assessment methodology of the case is based on qualitative research which includes primary data and secondary data. Primary data is based on interview and secondary is based on literature review. Interview is conducted on 6 different individual from different hierarchy based on the topic of research. Interviewed personals are (pseudo name):

i. S. B, Contact Centre Head
ii. A. D, Admin Manager
iii. T. K, Customer Service Supervisor
iv. S. R, Sales Admin
v. F. S, Human Resource Officer
vi. K. K, Operation Manager
vii. S. M, Control Desk Officer

The second company is ILG Group. This company is main supplier of one of the biggest automobile company in Iran (SAYPA). The study and interview were conducted among CEO and vice president of this company. Also, two employees from operation line were selected to answer the questions. Fixed format interview was conducted to the above individual, whereby the entire question was prepared earlier and similar question for every individual. Free flow discussion is a disadvantage in this fixed format as the questions are a straight through process. Questions mainly focus on their designation of role of operation in organisation, their impact of role to the organisation, understanding of ISO, implication of ISO & recommendation.

3.2 Data Collection

Interview method was implemented for collecting data. During the interview, scheduled and fixed questions were asked from individuals. This interview- questionnaire consists of two sections. At the first section some questions were asked to weigh organization’s level of success of implementing ISO. The second part some inquiries were asked to realize the issues related to organization behaviour and also organization development in that organization before and after achieving ISO 9001.

4.0 RESULTS

4.1 Customer Satisfaction

56% of respondents mentioned that they keep the equal degree of customer satisfaction before and after achieving the certification. 24% were positive to develop this criterion because of implementing ISO9001. 20% didn’t mention any progress in this item.

4.2 Continuous Development

28% of participants were strongly agreed of the continuous development after obtaining ISO 9001. 44% did agree with development, but, they were uncertain whether it was because of this certification and they didn’t reveal any formal account behind such development. 28% refused of any constant development after achieving ISO 9001.

4.3 Brand Reputation and Marketing

60% of participants were agreeing positively that their reputations and marketing issues are developed compared to before achieving the certification. The persons who mentioned no change at these factors before and after obtaining the accreditation are 40%.

4.4 Internal Appraisal

The persons who illustrated that their audit appraisal was added value to their organization, 8% of respondents had no idea about that and others disagreed on any additional value at their performance appraisal before and after achieving ISO 9001.

4.5 Relationship Between Organization Strategy and ISO 9001

48% of participants gave a confusing response and mentioned ISO certification model hadn’t any coordinate to organization strategy and vice versa. 32% remained neutral and others cited these two items were linked positively and directly.
4.6 Documenting

52% answered they think that the documenting process in term of volume and complexity increased after implementing ISO model, 36% felt no difference in document volume before and after getting the certification and other respondents cited a considerable decrease in documentation process and volume.

4.7 Behavioural and Cultural Issues

52% believed that it is so hard to preserve the culture of system and team connection when it is necessary to share information and work as a team. 16% revealed a distilled culture and attitude after ISO certification. Others had no idea about this issue.

4.8 Management Obligation

32% of participants indicated that they witnessed a positive obligation from their managers. 52% didn’t mention any appropriate commitment from high level managers. Other 16% had no idea about this issue.

4.9 Incentive and Acknowledgement

In spite of the fact that the most companies acquire human resource system for advancement, 64% revealed that the employee’s role in ISO 9001 standard weren’t the basics for acknowledgment, but the auctions and functional performance only. 24% of participants were satisfied to get inspired and identified for their donation related to Excellency developments. 12% of respondents had no comments.

4.10 Bureaucracies in Procedures

56% indicates that it is necessary to re-design their procedures and remove the processes which don’t add any value. 24% had no problem with this issue and others were neutral.

4.11 Adaptation

52% of respondents revealed that their organization, system, strategy and procedures were not adequate to match their commerce and appeared to be very general. 44% stated to have well adapted policy. Other 4% didn’t have any information about the level of adaption.

4.12 Internal Transfer of Information

68% of respondents were satisfied of well-designed internal communication network by email, telephone and meetings consisting of new technologies like GPRS. 20% revealed a boring feeling from formal method of communicating like letters. 12% had no comments about this issue.

For the last question, respondents were asked to assign a percentage to each OBD-related factors (Leadership Commitment, Team Working, Communication, Organizational Culture, Reward System, and Continuous Development) in term of their role in effective implementation of ISO 9001. The objective of this question was to find the three most influential and important factors in effective implementation of ISO 9001 from the Organizational Behaviour and Development viewpoint. The figure 1 shows the result.

Figure 1 Importance of OBD issues in effective implementation of ISO9001

As can be concluded from the chart, the three most important issues in effective implementation of ISO 9001 standard are Organizational Culture, Leadership Commitment and Team Working.

5.0 DISCUSSION AND CONCLUSION

The main focus of this study was to reveal the OBD-related issues in effective implementation of ISO 9001. Generally, these issues can be classified in three broad areas as follow:

1. improved training of all involved and transfer of know-how and individual experiences within the company, and identification of natural talents and leaders
2. increasing of employee involvement and improvement in their communication between various departments
3. Improved team spirit and team-work and allowing employees to focus on problem solving.

The main deduction to be concluded from this study is that there are six OBD-related issues that should be regarded by any organization for effective implementation of ISO 9001 Standards. These six important issues were mentioned as concealed comprise of the multiple personal and organizational issues. They also build fundamental structure of the crucial factors that need consideration. The current study and previous research also illustrate that the critical fields that must be regarded by any organization which want to implement ISO 9001 standards. These fields are a follow:

- The internal factors of the organization
- The characteristics of the organization
- Employee characteristics
- The necessity of a quality system
- The characteristics of external issues

The managers must guarantee that the organizations internal issues for effective implementation of ISO9001 are well-structured. The concentration must be on moderating the dominant culture of the organization with a perspective to converting it into a clearly quality oriented culture. Organizational culture maybe reveals itself as a resistance to
change. So, for having a successful company in implementing ISO9001, managers should decide and overcome this barrier.

All in all, three most prominent issues related to effective implementation of ISO 9001 are organizational culture, leadership commitment to quality and team working.

References


