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ISO 9000 Certification: Is it Worth it?

Elisabeth Parratt & Dr Rosalie Holian
School of Management

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Enquiries regarding this paper should be directed to
Elisabeth Parratt who recently completed a Master of
Business (coursework) via Dr Rosalie Holian as follows:
Phone: 9925 5943
Email: rosalie.holian@rmit.edu.au

ABSTRACT

The purpose of this research was to attempt to understand the value to an Australian business of certification to the ISO 9000 Standard. This paper is based on a case study of a Computer Systems Engineering Consultancy Organisation using action research. The study was conducted by the first author, under the supervision of the second author, while undertaking a Master of Business program in the School of Management. The case study focussed on an examination of the implementation and maintenance of a quality system and certification to ISO 9001. The study was undertaken during 1997-1998. Data collection included observation of day to day practice, analysis of documentation and a series of in-depth interviews with managers and staff. The principle finding of the research was that ISO 9000 certification was seen to be of little value to the organisation in terms of external strategic advantage, but of considerable value in terms of improving the quality of products or services. Managers considering seeking certification could consider whether their primary motivation to gain accreditation is based on a desire to improve the quality of service or products or primarily to gain certification. Managers implementing a quality system may need to ensure that members of the organisation perceive that this will add value and be related to improvements in the services and products of the business.

Introduction

There is little doubt about the perceived importance of quality of products and services to the competitiveness of Australian businesses. International Organization of Standardization (ISO) 9000 is a series of standards developed to address both external and internal quality assurance. Giguere and Smith (1999, p.13) suggest that the 'motto' for ISO 9000 could be 'Say what you do, do what you say - and prove it'. The effects of the process for certification to ISO 9000 in attaining or improving quality is, however, not clear. Is obtaining and maintaining ISO certification worth the time, cost and effort it takes? Does it produce the results business expects it to? What is the value (if any) of ISO 9000 certification to an Australian business?

In this paper an attempt will be made to understand the value of certification through an in-depth examination of one organisation which implemented and maintained a quality system and pursued and gained certification to ISO 9001. The differences in experiences within two divisions of this organisation are examined and how these influenced staff attitudes towards the quality system and certification explored. The findings from this study are compared with the available related literature.

The three themes on which this paper will concentrate are:

- Why certification may be sought by an Australian business,
- Some of the benefits associated with undertaking the certification process and achieving certification,
- Some of the criticisms of the process and outcomes of certification to ISO 9000.

The Case Study Organisation

This case study was based on an action research program conducted in an Australian Computer Systems Engineering Consultancy organisation which designs, evaluates, implements, tests and manages computer based systems. The company has been established for about twenty years and at the time of this study had around thirty full-time staff in two main divisions: Group A (Software) and Group B (Engineering). Group A was the oldest of the divisions, the core of the company for its first ten years.

It had around 10 staff and was led by the Managing Director. Group B had been established for 5 years, with the work of this division having grown rapidly in that time, at the time had about twenty staff, the Head of this group was a Technical Specialist.

Methodology

This study is based on a research project which used an 'Action Research' methodology for a case study of one organisation. Action Research can assist in practical problem solving by including direct involvement of organisational members in the planning and implementation of organisational change while at the same time attempting to increase knowledge and learning (Clark 1972, Hult & Lennung 1980). It typically follows a cyclical process which alternates between application and reflection, theory and practice. The process consists of analysing what has happened and planning what next step to take, which allows research to be done in situations where other methods may be not be appropriate to use (Dick 1998).

This study was undertaken during 1997-1998, during which period the primary researcher (first author) was employed full-time in the case study organisation. She was the leader of a Project Administration team and had been recently given the role as the 'trainee' Quality Assurance Manager, under the guidance of the previous Quality Manager who had moved to another role in the company. Her role was therefore that of an insider-researcher and participant/observer (Becker 1982) who belonged to the organisation which she was researching. During the research process she was engaged in observation of and participation in the day to day business of the company, the examination of relevant literature, conducting a series of interviews with managers and staff, and maintaining a personal reflective journal.

The interviews with managers and staff focussed on the perceived value of the quality system and certification to ISO 9001. All interviews were recorded on tape. Participants were supplied with a copy of the transcript of their interview and invited to make amendments or additions to these. Approximately eighty percent of the members of the organisation were interviewed. Those not interviewed were either not available during the period that the interviews took place or had been employed by the organisation for less than four months and so were not yet familiar with the quality system.

Findings and Discussion

Why do businesses seek ISO 9000 certification?

The Managing Director identified two reasons for his decision to pursue certification to ISO 9001: To satisfy the requirement of government departments that contractors be ISO certified and; To improve the quality of service provided. While most organisational members identified one of these reasons, only some identified both. This appeared to be related to differences in the way quality and certification were introduced in the two divisions and resulting attitudes towards the quality system. Members of Group A who had embraced the desire for quality identified the

improvement of service as a perceived reason for the Managing Director's decision to seek certification while Group B, who had the quality process driven for them, did not.

The decision to seek ISO 9001 certification was made by the Managing Director in consultation with senior staff. The tangible incentive that drove him to this decision was that in early 1994 government departments had announced that they would soon require their contractors to be ISO certified. Therefore, in order to retain the company's then current government clients and win new government contracts the Managing Director considered it necessary to gain certification to ISO 9001. This was his primary reason for seeking certification. All but one of the twelve people interviewed who were at the organisation before it gained its certification stated that the reason certification was sought was because the company's major government client required certification if its contract with them was to be renewed.

This is consistent with findings of other studies (Baker 1996, Brown & van der Wiele 1995, Osman 1994, Terziovski et al 1997) which suggest that many companies seek ISO 9000 certification primarily for reasons of external strategic advantage. A recent study of 514 North American public firms (Anderson, Daly & Johnson 1999) found that managers sought certification as public evidence of their effective quality management practices in addition to the need to meet regulatory requirements. A review of 50 case studies of Australian business which had introduced quality assurance and/or implemented ISO 9000 (Beattie & Sohal 1999) found that 76% of these companies identified at least one strategic benefit, such as improved market share, increased sales turnover, winning new customers or differentiation from competitors. They reported that about half these firms had sought accreditation primarily in order to satisfy the requirements to tender for government contracts.

Although the government initiative to make certification of suppliers mandatory crystallised the decision making process, the Managing Director stated that his decision to seek certification was always underpinned by a desire to improve the processes of the business. His secondary reason for seeking ISO 9001 certification was therefore a desire to improve the quality of service. This reason was, however, not identified by all those people interviewed who had been members of the organisation before it had gained certification. Of these twelve people only five identified the desire to improve systems as a perceived reason for the Managing Director's decision to seek certification. Four of these five were, or had been, members of the Group A Division. This is significant in so far as it may indicate a difference in attitude towards quality and certification between Group A and Group B.

To explain why most of Group A were aware of the Managing Director's secondary reason to pursue certification, but only one person in Group B was (and this was not the leader of Group B), it is necessary to examine the contrasting experiences of the two Groups and the different ways they were introduced to quality. The motivation to introduce quality processes in Group A was generated by the members themselves.

This arose from a desire to improve business practices and progressed naturally into the seeking of certification even though a final push was provided by the marketplace. The process of building their quality system had in fact taken place over several years.

In contrast, the introduction to quality in Group B was driven by the Managing Director and Quality Assurance Manager in the face of some resistance to change by members of this Group, who stated that they did not accept the argument that certification would add any value to the services they provided to clients. The process of adapting the quality system to encompass the work of Group B took place in a very short period of time, a little over a year, in order to satisfy the urgencies of perceived external pressures for accreditation.

The Introduction of Quality

Interest in quality within the organisation had been sparked about ten years previously by a speaker at an Australian Computer Society conference who introduced those attending to concepts associated with quality. At this time there was only one division (Group A) and these members of the organisation recognised that the implementation of a quality system to control and improve business practices could be of value.

Group A worked towards improving and documenting its processes and in about 1992 began to evaluate the benefits of certification to AS 3563, a standard based on ISO 9001 but specifically designed for the software industry in Australia. Work towards certification to this Standard was encouraged by the Managing Director because it provided a framework in which to accurately document procedures and improve practices while at the same time providing access to outside help to ensure this was done correctly. A senior staff member had been assigned to the role of Quality Assurance Manager in order to facilitate this process.

At the same time Group B was rapidly increasing in size and the need for formal control and reporting procedures was becoming evident. Both the Managing Director and the Quality Assurance Manager saw a need for the development of a quality system. As the functions of Group B related to the testing of computer systems AS 3563, which is specifically for software development, was not an appropriate framework in which to develop this quality system. The more general business Standard ISO 9001 was selected by the Managing Director as more appropriate for Group B's testing processes. As such the Managing Director and senior staff evaluated the option of pursuing a joint ISO 9001 and AS 3563 certification which would cover the processes of both Groups. A senior manager at the government authority which was Group B's major client, indicated that in order to have their contract renewed it would be a requirement for the organisation to be either certified to a Standard or demonstrate that it was on its way to certification. Therefore in 1994 the Managing Director announced the decision to pursue joint certification.

Debate within the company took place and some selling of the benefits of certification to ISO 9001 had to be done by the Managing Director and the Quality Assurance Manager as not all staff could see how the ISO 9001 framework was going to improve business practices. In particular, many within Group B saw the certification process as taking away time and resources from the Group's business, that is the testing of computer systems. Included in this group of people were those who had been with the Group the longest, most notably the Head of the Group and another senior staff member. Driven by the Quality Assurance Manager, and after more than a year of intense work involving the improvement of processes and the documentation of procedures which covered both Groups, certification to AS 3563 and ISO 9001 was gained in July 1995.

Perceived Benefits Realised from ISO 9001 Certification

The benefits realised from ISO 9001 certification, as perceived by managers and staff in the case study organisation fell into the two categories identified above as the primary and secondary reasons for seeking certification. This combination of external strategic advantage (gaining the certification stamp) and internal benefits of the implementation of the quality system for its own sake is consistent with findings from other studies (Hoyle 1997, Johnson 1993, Osman 1994, SAA/SNZ HB66 1996).

External Strategic Advantages:

The two Group Directors both stated that they were not satisfied with to the primary reason for seeking ISO certification as being for external advantage, in particular the ability to retain current and gain new government contracts. However, one Director was less emphatic in his response than the other. The Head of Group B claimed that no advantage was realised in this regard because most government departments had changed their rules since the time the decision had been made to pursue certification and certification to ISO 9001 was no longer a requirement. The Managing Director, who was also the Head of Group A, pointed out that the contract with the organisation's major government client was renewed but conceded that its main competitor had won a similar contract with the same client without being certified. He questioned, therefore, if certification had played a role in the contract renewal. The Managing Director also stated, however, that ISO certification provided a good selling point and that the organisation definitely appeared stronger at the time of contract renewal, although he was not sure whether or not the company appeared stronger because of ISO 9000. It is likely, however, that certification contributed to the organisation's growing strength together with other activities around the same time. These included a strategic planning weekend, and the strategic plan and initiative groups that resulted from this, a greater emphasis on marketing and the appointment of a marketing consultant, and the arrival of new staff with additional

areas of expertise. Thus, it is difficult to determine to what extent certification was responsible for the company's strength at that time.

The Managing Director concluded that in hindsight it was debatable as to whether seeking certification to satisfy possible government requirements was a worthwhile objective. Because the government changed its attitude towards ISO certification, certification was not necessary for the organisation to retain or gain new government contracts. This, of course, could not have been known at the time the decision was made to proceed with the certification process.

The available literature in the area supports these findings. An in-depth study carried out by Terziovski et al (1997, p.12) to test the strength of the relationship between ISO 9000 certification and organisational performance revealed that certification to ISO 9000 did not have a significantly positive effect on organisational performance. Some of the organisational performance variables analysed were: Market share growth; sales growth; and export growth. Thus, according to this study ISO certification can be said to have had no significant value in terms of external strategic advantages.

Brown and van der Wiele (1995) report on the results of a survey of Western Australian organisations certified to ISO 9000 and concluded that while many organisations do pursue ISO certification to improve their market share and to win tenders, certification does not bring substantial benefit to these areas. They found that the greatest disappointment with ISO 9000 was the use of non-certified organisations by organisations which required suppliers to be certified.

It is interesting to note, however, that at the case study organisation the perceptions of the Directors did not match the perceptions of the rest of the staff with regard to the realisation of market share benefits. Of the ten staff who were with the company before certification, eight claimed that the organisation's primary purpose for seeking certification was satisfied, one stated it was not. The other suggested that the situation was unclear. The reason for this is likely to be that most staff saw that the government client was retained without being fully aware that the government requirements had changed and that certification may not have influenced the client in its decision to grant the contract to the organisation. The Directors, on the other hand, were in the best position to be able to judge the extent of the benefit realised by the company. Therefore, the perception of external strategic benefit realised was influenced by the position held in the organisation.

Internal advantages:

It is clear that organisational members perceived that certification to ISO 9001 had provided many benefits with regard to the quality of the case study organisation, its processes and the service it offers. However, these benefits result mainly from the establishment and maintenance of an effective quality system rather than from seeking certification itself.

The main benefits noted by managers and staff together with some of their comments are summarised as follows. All staff interviewed stated at least one quality related benefit and most stated many more. There was no particular distinction noted between the comments of members of the two Groups in this regard.

1. Work practices:

- Work practices and processes have been improved:

More systematic approach to work. Ensures that things are done. Provides framework for control. Rigour of documenting procedures improved processes. More conscious of finishing a job. Items for testing are tracked. Everything is in order. Improved quality of record keeping. Testing methodology has been identified. Inspires discipline. Procedures formalised. Internal auditing makes people aware of procedures.

- Procedures are documented:

Summarises our experience. Needed to document how things are done because the company is too big for everyone to know what everyone else is doing. Need somewhere to find out how to do something. Very useful for training of new staff. New staff are able to start up more easily. Easier to take on new task or take over the job of someone else.

- Responsibilities have been clarified:

Everyone has to do their 'bit'. Makes it important to be accountable.

- Efficiency has been improved:

Procedures are documented. Frees time from wondering what to do next.

- Objectives are provided:

Something to strive towards.

2. Quality of service:

- A better quality service is provided:

Additional precautions are taken, for example the inspection and review process. Ensures all relevant tests are done. Reduces risk of error. Improves testing, particularly for repetitive testing. Everything is more polished. Thing you produce is a lot better.

- Results are recorded:

Able to track results. Able to check that all relevant tests have been done. Provides an audit trail for clients.

- Consistency of service is maintained:

Procedures ensure a minimal level of testing. Provides guidelines on how things are done, without them it would be a mess. Testing is standardised so results are comparable over the long term.

3. Culture of the organisation:

- Better able to manage quality:

Created culture in which quality is considered important. Easier for staff to contribute to improvement. Focus is on continuous improvement. Makes clear what a quality product or service is.

- Increased people's knowledge about the organisation and its processes:

People worked on areas they would not have otherwise. Needed thorough understanding of processes in order to document them.

- Was a cohesive experience:

Every person in the company was involved in it in some way.

4. Certification:

- Outside assessment motivates staff to keep quality system running.
- External auditors provide an outside perspective.
- More attractive organisation to work for:

Potential employees like the idea of coming into an organisation that is certified and has procedures because everybody likes to work with a winner and with people that know what they are doing.

All of these benefits except the last point, certification, relate to the establishment and maintenance of an effective quality system using the ISO 9001 framework. To managers and staff the value of setting up a quality system using the ISO model appears to have provided definite benefits to work practices, the quality of the service it offers and the culture of the organisation. Findings from other studies also suggest that these benefits are the main aims of an effective quality system (Beattie & Sohal 1999, Nield & Kozak 1999, Hoyle 1997, Johnson 1993, Kruithof & Ryall 1994, SAA/SNZ HB66 1996).

The perception of most staff in the case study organisation was that the quality system was effective. However almost all of the benefits could have been achieved without actually seeking certification. Those benefits that result directly from seeking certification were:

- That the pending audits of the external assessor and the risk that the certification stamp could be withdrawn motivated staff to keep the quality system running
- That external auditors can give an organisation an outside perspective of how the company is functioning and how it can be improved
- That the certification stamp attracts potential employees and that it indicates to staff that the organisation is successful and is made up of people who know what they are doing.

The value of certification to ISO 9001 to the quality of the organisation depends on how important these three points are considered to be for the establishment and maintenance of an effective quality system and the success of the organisation. For the case study organisation, the motivation factor and the assistance of the outside assessors proved to be invaluable to management and staff so they could keep up with the changes required of them by the company's growth and the increasing demands of the marketplace. The pending visits of outside assessors ensured issues relating to the quality system remained a priority. It is very easy to put to the side such matters when the demands of the paying client are ever present. The insights the outside assessors provided in regard to the running of the business, for example, managing test equipment, handling client items and implementing corrective action, allowed management access to experience not available within the organisation at that time.

Managers in other organisations need to keep these points in mind when the decision to seek certification is made. Is it that the benefits realised by establishing and maintaining a quality system are sufficient for the needs of the organisation? Or do they need to take the next step of seeking certification in order to ensure that the quality system is effective? Will the motivation to keep the quality system running that external assessment encourages, and the outside perspective of how a company is functioning and how it can be improved that it can offer, achieve this?

Perceived Problems Associated with ISO 9000

The relevance of the quality system to the case study organisation was revealed by an examination of the perceived problems associated with ISO 9000 certification as identified by the managers and staff. A detailed analysis of two problems, the perceived inefficiencies of paperwork associated with the quality system and the perceived irrelevance of some of the requirements of ISO 9001, indicated that the perceived relevancy of the quality system was influenced by the approach the organisation had taken to its quality system.

The following is a summary of the perceived problems associated with ISO 9000 certification identified by managers and staff in the case study organisation. Most people interviewed identified at least one problem, only two did not identify any.

1. Quality system is an overhead

- Costs too much to maintain quality system.
- Takes too much time to maintain quality system.

2. Quality system is inefficient

- Increased paperwork.
- Slows things down.
- Too complex and intimidating.
- Hard to access.
- Hard to be aware of all procedures and keep up with changes.
- Procedures may not be correct at the time of use because of difficulty of keeping procedures up-to-date.
- No link with productivity and improvement in efficiency.
- Takes time away from learning about the job.

3. Quality system is irrelevant

- ISO 9001 requires a lot which is not related to the business.
- Things were done which didn't need to be done in order to achieve certification.

4. Quality system hinders innovation

- Rules hinder innovation.
- Promotes mediocrity.
- Risk doing something just for the sake of doing it.

5. Quality system is disliked

- Consultants resent time they have to spend on maintaining quality system. Takes time away from technology and from 'billable hours'.
- Procedures are boring and repetitive.
- Hard to change how something has been done for years.
- Consultants resent having to follow rules.
- Lessens job satisfaction.
- Redtape can cause frustration and stress.

6. Lack of ownership of quality system

- Quality system does not belong to the Consultants, but to the Quality Assurance Manager.
- Need more say in procedures. Those forced on staff are useless.

Quality system is inefficient - increased paperwork:

The perceived problem of increased paperwork associated with certification to ISO 9000 needs to be dealt with as it is the problem which was most mentioned by managers and staff at the case study organisation. Of the twenty-four people interviewed only three did not mention it as an issue. Of the twenty-one who mentioned it three of those described paperwork only as a positive. The remainder pointed out the negative sides of the paperwork issue although over half of these people noted a positive side to it as well.

Documentation plays a major role in ISO 9000 but whether or not the amount required in order to achieve and maintain certification is of value to a company is questionable. Many of the authors who write about aspects of ISO 9000 also discuss this issue (Baker 1996, Brown & van der Wiele 1995, Gome 1996, Hoyle 1997, Johnson 1993, McTeer 1995, Stebbing 1993).

Brown and van der Wiele (1994, p.34) report that the second highest disappointment with certification identified by the Western Australian organisations surveyed in their study was increased and complex paperwork. They suggest that this may be explained by the fact that 40 percent of the sample were smaller organisations for which cost and time to maintain a quality system are major issues. Many others agree that small organisations have difficulty satisfying the documentation requirements of ISO 9000 (Hoyle 1997, Gome 1996, McTeer 1995).

Documentation is mandatory for ISO 9000 certification as it provides objective evidence of the status of the quality system. At the case study organisation documentation primarily takes the form of procedures and quality records. Procedures document the company's processes. Quality records, often in the form of checklists, are proof that a process has been carried out. One of the main problems with paperwork identified by organisational members was the frustration associated with completing checklists. Some of the comments made by them in this regard were:

Slows things down. We are computer professionals, we are interested in technology, not paperwork. A waste of time. Lessens job satisfaction. Adds an overhead on each project. Everything takes longer. To small jobs adds time of 40%, to large jobs adds 1 or 2%. Paperwork is a pain. Redtape can cause people stress. When I know what I am doing or it doesn't fit with previous experience, it just becomes a frustrating overhead.

It is interesting to compare this with the findings of Baker (1996) in which she presents a brief case study of Managed Information Technology Solutions (MITS), a systems integration organisation, and their journey to certification to ISO 9000. She found that the documentation requirements of the certification process initially caused additional work and resentment. Baker (1996, p.4) cites the reasons for this as:

- the requirements of certification were seen to be quite separate from the on-going activities within MITS. This led to excessive amounts of paperwork.
- the temptation to write more into the documentation than the job actually entailed.
- the process was exacerbated because of the initial lack of experience in relation to procedure writing.

It seems that the additional work and resentment of staff at MITS was caused by the development of procedures and paperwork requirements that were aimed at satisfying the Standard in order to gain certification rather than reflecting the actual day-to-day work and processes of the organisation. In fact, Baker reports that when MITS made a complete change to the way they were approaching their quality system this became less of a problem. The major change made was that instead of having their procedures match the Standard, they amended their procedures to genuinely reflect the work performed by the people at MITS.

It seems that MITS' approach to the quality system influenced the way its staff perceived the paperwork associated with their jobs. This is particularly relevant to the

case study organisation in light of the different responses made by the people in the two Groups to the paperwork issue. Most people in Group A noted that the paperwork, although often time consuming, did add value to the quality of the service provided. Some people in Group B stated that the paperwork was a waste of time and irrelevant to their jobs. It is suggested, therefore, that the attitudes of staff to paperwork have been influenced by the differing approaches of the two Groups to the quality system.

Here, it is necessary to return back to the contrasting experiences of the organisation's two Groups and the different ways they were introduced to quality. It could be suggested that Group A's motivation to improve business practices and the gradual process of building their quality system over several years ensured that the quality system was relevant and accepted by the Group's members. Whereas, in the case of Group B, the quality system was to a large extent forced onto them over a comparatively short period of time. In some instances the quality system did not accurately reflect what they did and it had not been accepted by the Group's members. This is reflected in their attitudes towards the paperwork associated with the quality system.

It is important, therefore, that documentation for ISO certification be created by the people who actually do the work. Paperwork requirements need to be seen as part of the job not as separate to it. They should not be seen as a quality assurance requirement but rather as a requirement of their jobs as engineers or computer programmers. To achieve this it is clear that documentation needs to be relevant and confined to what is necessary. It needs to be accepted as adding value to the product or service by those who are required to use it. Documentation should support the quality system, not drive it.

The Quality system is irrelevant:

As discussed above the relevancy of the quality system to the business is essential for it to be effective. Hence, when the Director of Group B claimed that much of ISO 9001 had a lot in it that was not relevant to the business which has led to a lot of expense and time wasting, it is a serious criticism of certification. For this reason, the issue of relevancy and how it applies to achieving and maintaining ISO certification will be examined.

A business can choose to obtain certification to an ISO 9000 quality system standard. Certification is awarded by an accredited third-party certification body on completion of a satisfactory on-site audit to ensure that the quality system conforms to the relevant ISO 9000 standard. Certification is enforced by six monthly conformance audits by the certification body. The case study organisation was certified in 1995 and has successfully retained its certification to date.

Other research reported in the literature (Baker 1996, Hoyle 1997, Kruithof & Ryall 1994, Lorimer & Coman 1997) suggests the main problems associated with third-party audits:

- Assessors check that organisations address the standard in their quality systems and then check that organisations adhere to their procedures regardless of whether or not they may be appropriate for their purpose;
- they do not have time to understand the business or to identify the key factors upon which the quality of products and services depend;
- they may examine the paperwork without knowledge of its relevance or perceived importance;
- they may focus on activities which have little bearing on the general performance of the company.

All of this makes it difficult for staff to see the relevance of the certification process to overall business performance. This view is consistent with the case study organisation's earlier experiences with assessors. In order to satisfy the external auditors some processes were implemented which had little relevance to the business and were not accepted by the staff. This appeared to be particularly the case in Group B, most likely because it was the management who were driving the process rather than the members of the Group themselves as was the case in Group A.

This promoted an attitude of resistance to change by some as the quality system was seen as irrelevant and of no value to the business. The reason why this was able to happen was because ISO 9000 was a new methodology, certainly to those at the case study organisation, but also in the marketplace and to the outside assessors themselves. The more knowledgeable and experienced the assessors became and the more knowledgeable and experienced the company's Quality Assurance Manager became, the less this was to happen. The organisation now has a much more mature relationship with its assessors: Instead of being fearful of upcoming audits they are being looked upon as learning opportunities; instead of blindly accepting the judgements of the external auditor, considerable debate takes place. This is reflected in the relevance of the demands the assessors make of the organisation.

Clearly, the perception remains with some managers and staff that in some ways the quality system is designed for certification rather than for adding value to business practices. It is important, therefore, that people be requested to point out the areas which they feel are irrelevant to the business so that they can be reviewed one by one and deleted from the quality system if necessary. It is possible, however, that many of the processes which at the time appeared to be of no value have shown themselves to be of some value after all.

Conclusion

The principle finding of this research was that ISO 9000 certification was perceived within the case study organisation as of limited value to external strategic advantage, but worthwhile for improving internal processes and the quality of products and/or services. Certification may be of value if an organisation ensures that the quality system implemented is relevant to the business and not driven primarily by the requirements of certification.

In the recent past the primary reason why Australian companies sought certification to an ISO 9000 Standard appears to have been for external strategic advantage (Beattie & Sohal 1999). In particular, many companies undertook the certification process in order to retain their current government clients and win new government contracts because some government departments demanded ISO certification of all their suppliers. From a company viewpoint this has proven not to have been a good reason for seeking certification, as governments have since changed their attitude towards ISO certification and in most cases no longer require it. Therefore, ISO certification may be of little value to Australian organisations in terms of external strategic advantage.

The perceptions of managers and staff included in this case study about the external strategic advantage realised by gaining certification may have been influenced by their position in the organisation. The managers were less likely to perceive these as benefits than other staff. Perhaps this was because management had more information available to them to evaluate the extent to which this perceived benefit was realised by the company.

There are a number of perceived benefits to an organisation which can result from establishing and maintaining a quality system using the ISO 9001 framework. These relate to efficiency and effectiveness of work practices and processes, better quality of service and enhanced culture. All of these benefits can be achieved, however, without actually seeking certification.

The additional perceived benefits which may arise from the certification process include the motivation to keep the quality system running which is encouraged by external assessment and the issues that can be identified by feedback from an 'outsiders' perspective about how the company is functioning and how it can be improved. These can be essential to an organisation like the one in this study, which is coping with a combination of growth in staff numbers and changing requirements of the marketplace.

The approach that an organisation takes to its quality system and certification will influence staff attitudes towards this. An organisation in which people embrace the desire for quality themselves in order to improve business practices, and are able to

build a quality system gradually over time may develop a quality system that is relevant to and accepted by staff. An organisation in which people have little control over the process of establishing the quality system, because it is driven by management, and perceive that the sole purpose is to gain the certification stamp, can expect a quality system that does not accurately reflect what staff do and will not be as easily accepted.

The relevance of the quality system to the business is essential for it to be effective. A quality system designed only to satisfy the demands of ISO 9001 and the external assessors will be of little value to the business and may meet resistance to change. Paperwork associated with the quality system are likely to be perceived as a waste of time and the procedures implemented perceived as having little bearing on the quality of the service or product. The demands made by the outside assessors may not be valued or addressed as these may be perceived as irrelevant or frivolous.

To avoid this, documentation needs to be created by the people who do the work and needs to reflect the actual work practices. Processes should not be implemented primarily to satisfy external auditors. External audits should be looked upon as learning opportunities for useful feedback, but the judgements of assessors need not be accepted blindly. These suggestions can be challenged and debated so that the quality system is seen as and does indeed add value to the business.

Managers may need to keep in mind the following issues when they are considering whether or not to seek certification to an ISO Standard:

1. The primary motivation to seek certification should be the desire to improve the quality of services and/or products.
2. Most quality related benefits can be achieved by the establishment of a quality system using the ISO framework without pursuing certification itself, certification may therefore be unnecessary.
3. Certification can motivate staff to keep the quality system running by providing feedback from an outside perspective on the performance.

On establishing a quality system and/or pursuing certification Managers may need to ensure that staff perceive that a quality system will add value to business practices, that the quality system is relevant to the business and not driven by the requirements of certification and that the quality system reflects the work practices of the business.

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