The Analysis of ISO 9000 and TQM’s Benefits and Shortcomings
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Abstract. Quality has been a constant focus and concern in the business world. People have been trying to come up with effective means to control and improve the quality of products or services. Since the introduction of ISO 9000 and TQM, both of them play significant roles in the development of quality management. This essay will discuss the benefits and shortcomings of ISO 9000. Following this, it will explain those of TQM. Finally, a comparison between ISO 9000 and TQM will be made according to their benefits and shortcomings.

ISO 9000 Certification
ISO 9000 is a series of global standards about quality assurance and quality management [1]. It designs a set of recommendations and requirements in order to help assess management systems. ISO 9000 is a sequence of guidelines and standards for the improvement of productivity, quality and operation efficiency that is promoted by the International Organization for Standardization (ISO). The process includes documenting quality procedures and on-site assessment [2]. Besides, ISO 9000 is based on the definition of quality—‘conformance to specification’; its purpose is to guarantee the suppliers’ design, production, delivery and other services meet with the predetermined standards. Nowadays, ISO 9000 is vitally important for international business, especially in Europe.

Benefits of ISO 9000
The benefits of ISO 9000 certification are substantial, and have been attested by both business practitioners and business analysts. These benefits play a significant part in the advancement of organizations.

1. Operating Cost Reduction. For those organizations that make use of ISO 9000, their production process will be better controlled and the operating cost can be reduced. There are a number of reasons for this. To begin with, ISO 9000 can help organizations to generate less wastage or scrap in their production process, which results in cost savings. Secondly, ISO 9000 certification gives employees directions and guidelines, so the possibility of producing inferior products or reworking is cut down. Thirdly, organizations can take advantage of ISO 9000 to improve their process and efficiency, which contributes to savings in both money and time. Last but not least, organizations that apply ISO 9000 certification can save cost through fewer warranty claims [3].

2. Better Control in Management. The registration process of ISO 9000 requires a series of documentation that needs organizations to undergo a rigorous check and assessment [4]. This whole process will help to understand the organizations’ goals and processes better, which facilitates better control of the management in the long run. Apart from this, the adoption of ISO 9000 encourages different departments of the organization to interact and cooperate with each other, which contributes to improved internal communication. All of these help the organization to control the management to a better degree.

3. Improved Customer Service and Satisfaction. To secure the registration of ISO 9000, quite a number of organizations uncover and re-assess the areas where the quality of final products can be improved. Based on this, many organizations may refocus their priorities on pleasing the customers in various aspects. There is no doubt that customer service will be put into a crucially important place and the awareness of employees will be promoted. Consequently, more efforts will be put into
raising the levels of customer satisfaction. In addition, once an organization registers the ISO 9000 certification successfully, it can communicate with customers more efficiently and effectively. Because of ISO 9000 certification, customers are more likely to gain confidence in the organization. All the above factors contribute to customer service improvement and better customer satisfaction[4].

4. Increased Marketability and Competitive Edge. Those organizations that make use of ISO 9000 can get a competitive edge through perceived better quality and hence a bigger market share. The reasons are obvious. On the one hand, organizations can increase their operating efficiency via ISO 9000 certification, while the cost is also reduced at the same time. On the other hand, fewer inferior products or less mis-operation improve the quality as well. There is no doubt that marketability is increased through the better quality and cheaper prices. Organizations get a bigger market share and more market opportunities. All of these help to confer a competitive edge. Organizations with ISO 9000 certification hold a favorable position in the market’s competition[3].

Shortcomings of ISO9000

In spite of the many advantages of ISO 9000 certification, there are still some potential hurdles for business practitioners.

1. Lack of Full Staff Participation and Cooperation. The lack of full staff participation and cooperation manifests itself mainly in two different aspects. The first one is that those of high levels may not have an adequate understanding of the ISO 9000 certification, which may lead to their ignorance or excessive bureaucracy. The other aspect is the lack of full staff participation. On many occasions, quality management may be considered to be associated with only a small group of people. Due to such opinions, the enthusiasm of different departments’ staff to cooperate with each other may not be very high [5]. Without full staff participation and cooperation, the management process cannot successful and all the money and time expended will be wasted.

2. Heavy Emphasis on the Documentation. The whole registration process of ISO 9000 requires and relies heavily on a series of documentation. The documentation requires checking and re-assessing the internal operational procedures of organizations in various areas[1]. The initial idea of the documentation is good and reasonable. However, things in reality are not as satisfactory as expected. A number of organizations just exert efforts on the documentation in order to get the certification. The quality improvement is not the first and most important consideration. The heavy emphasis on the documentation leads some organizations to put the incidental before the fundamental. Besides, some even lose a lot of business, because the obsession with documentation misdirects their priorities [6]. Nowadays, there are an increasing number of people who believe that managers need to find a more appropriate balance between ISO 9000 documentation and business operation.

3. Process is Long and Costly. The registration of ISO 9000 certification is a long process which takes months to accomplish. Surveys showed that the process took organizations an average of fifteen months to get the final audit from the early stage [7]. The whole process needs a large amount of time and work. Moreover, the registration of ISO 9000 certification needs a lot of money, including the costs of consultants, employee training and registration fees, etc. It is a quite costly process, especially for a small business. A survey showed that the average cost of the ISO 9000 certification, including training and implementation was 245,200 dollars[7]. Time, training, consultants and registration are the four major factors which generate costs to get the ISO 9000 certification.

4. Lack of Continuous Quality Improvement. ISO 9000 certification is just a tool for quality standards, not the quality itself. Continuous quality improvement is not included in the ISO 9000 certification from the beginning [1]. Some organizations only exert efforts to get the ISO 9000 certification, not for the continuous quality improvement. However, to improve quality continuously is the core of quality management. Under the ISO 9000 system, the level of quality is likely to fluctuate. Potential customers had better not expect the products or services from the ISO
9000 system to be the best, as the lack of continuous quality improvement keeps the organizations from developing to a higher level.

TQM Strategy
TQM is short for total quality management, which can be tracked back to 1949. It is a philosophy that everybody in the organization is involved in a continuous effort to improve quality and achieve customer satisfaction. There are three key points that are recognized in the term, TQM. The first one is the full involvement of everybody in the organization. The second one is the endless push to improve quality, which refers to continuous improvement as well. The third one is to achieve the goal of customer satisfaction, which understood in terms of providing high quality products or services to meet or go beyond the customers’ expectations. Without doubt, TQM strategy has expanded the traditional perspective about quality[8].

Benefits of TQM. The adoption of TQM strategy is widespread, for its benefits are substantial. TQM helps organizations to succeed in various ways.
1. Emphasis on Continuous Quality Improvement. TQM strategy is a set of practices that require never-ending efforts to be exerted to gain continuous improvement. It attaches importance to quality from the very beginning, not just for the registration of a certificate. High quality comes into being from producing, not from checking or assessing. TQM strategy needs managers to take all aspects of the management process into consideration, and do everything they can to prevent problems and improve quality as much as possible. If some problems occur, TQM requires people to resolve them as soon as possible. It is a pro-active focus and action. Furthermore, TQM is open, which means that it does not resist changes. TQM encourages people to seize every possible opportunity to develop the organization, making it stronger and more competitive. The essential of continuous quality improvement is to make use of everything to meet the needs of customers. This kind of pursuit is spread among all staff in the organizations widely and deeply[2].
2. Customer Focus. TQM deeply believes that the customers come first, and it delivers this idea all around. Compared with ISO 9000 certification, whose quality standards are determined by the documentation, TQM takes the reaction and feedback from customers as the quality standards[9]. Such customer focus directs the organizations to keep a watchful eye on the needs of customer and improve the quality of products and services. Customers are the kings in the environment of TQM. Employees should keep their needs in mind, before, during and after the sale. In addition, it is necessary and crucial for organizations to establish a suitable system to identify the needs of customers and the levels of customer satisfaction.
3. All Staff are Involved and Responsible. TQM emphasizes employee involvement, that is to say, all staff should be involved in the implementation and responsible for quality management. To carry out total quality management is not only the responsibility of the high levels and managers, but also of other staff. On the one hand, high-levels and managers should develop a set of measures to encourage and stimulate all staff to participate. On the other hand, other staff should be aware that their participation is vitally significant to the implementation of TQM. TQM covers all areas and all staff [10]. This is one of the major factors in the success of TQM implementation.
4. Increased Competitiveness. After the implementation of TQM, errors in the organization will be better controlled and reduced. The operating cost will be reduced as well, because there will be fewer inferior products, less rework, and less raw material or wastage. Besides, as explained above, the customer focus requires employees to pay close and constant attention to the customers’ needs and feedback, which contributes to the improved customer service and satisfaction. All these factors help to achieve better efficiency and improved quality. Consequently, organizations that implement TQM are more likely to become more competitive and gain a bigger market share.

Shortcomings of TQM
Compared with ISO 9000 certification, TQM strategy pays more attention to people and behaviors, which provides many benefits. However, it has its shortcomings as well.
1. Lack of Specific Operating Scheme. TQM strategy lays stress on the participation of all staff. However, there has not been a specific operating scheme so far. The involvement of all employees depends on how willing they are to cooperate. There are no rules or guidelines, which tell people in the specific positions what they should do, or what they should not. What’s more, it is rather difficult to establish them, for TQM covers such so many areas and the situation is very complicated and changeable. Some plans for personnel recruitment and training have been developed. However, they are not enough or adequate. The lack of a specific operating scheme may result in disorders, which will prevent the organizations from developing further and better [11].

2. Dependent on Top-level Support. The implementation of TQM is dependent largely on top-level support. High levels have to take the maximum responsibility for services or products. They also should be the first to apply and stimulate the TQM plan. In addition, they are responsible to offer the necessary leadership to encourage or motivate all staff [12]. Faced with the fact that TQM lacks a specific scheme for all employees, there is no doubt that the understanding and support from high levels are vitally important. If there is not enough awareness and support from high levels, the whole implementation may become a mere formality.

3. Responsibilities of Departments are sometimes not clear. TQM needs all departments and staff to be involved, and cooperate with each other. The involvement of all staff and departments promotes the internal communication and employees’ ability to work cross-functionally, and helps to satisfy the requirements of customers as soon as possible. In spite of such benefits, however, the rights and responsibilities of departments are sometimes not very clear. Consequently, departments may come into conflict with each other when they are competing interests, or be unwilling to take responsibility when problems come up. Such things will lead to the situation that departments do not get well along with each other[11]. This is the consequence of the lack of a specific operating scheme. The unclear responsibilities of departments could exert harmful effects on the implementation of TQM.

ISO 9000 Versus TQM

It is well known that many countries in the world have adopted the ISO 9000 system and TQM. They have had huge influences on the quality management. Both ISO 9000 and TQM have benefits and shortcomings. However, there are similarities and differences among these benefits and shortcomings.

Similarities

No matter whether ISO 9000 or TQM is adopted, they are both beneficial to the control and improvement of quality.

Better control in management—To implement ISO 9000 or TQM, the whole process of management will be checked and reassessed carefully. If some problems emerge, they will be resolved quickly. The control in quality management will be strengthened.

Less operating costs—Because of the better control in management, there will be less wastage or substandard product produced. Employees are more likely to produce fewer inferior products and cut down rework. Besides, better efficiency will help the organizations save time, money and human labor.

Increased market share—Due to the lower costs and better products or services, organization that implement ISO 9000 or TQM are likely to become more competitive and obtain a bigger market share, which contributes to a growing profit.

Differences

As explained above, it is accepted that organizations which are certificated by ISO 9000 may go a similar way to those that apply TQM. However, there are still a number of differences between these two.

Continuous improvement—Continuous quality improvement is one of the pillars of TQM. It is a pro-active approach, which pays attention to quality management by prevention of defects in the
beginning. On the contrary, the ISO 9000 just introduces improvement by correction of non-conformities. It is a reactive approach.

Workforce participation and cooperation—TQM requires participation and cooperation of the whole workforce. It instills the idea that everyone in the organization is responsible for the quality of products or services. It needs those at high levels to encourage and motivate the employees. However, ISO 9000 does not attach special importance to this.

Customer focus—TQM takes the levels of customer satisfaction as the standards of quality. This gives organization a constant drive to focus on customers’ actions and feedback. ISO 9000 does not put customers at such a high level. Their standards of quality are not decided by customers, but by formulations.

Documentation and specific scheme—ISO 9000 is heavily dependent on the documentation. The documentation gives guidelines or specific schemes to direct what people should do. However, on the other hand, it may make employees pay attention to the documentation, rather than to the quality itself. On the contrary, TQM does not have so many requirements about documentation or a specific scheme. It attaches enough importance to quality improvement, but it often results in unclear responsibilities of employees and departments. Consequently, the implementation of TQM is dependent on the support from high levels.

Conclusion
Both ISO 9000 and TQM are beneficial to the control and improvement of quality. They have some similar benefits in common, such as better control in management, less operating costs, higher producing efficiency, increased market share and stronger competitive edges. However, they have different weaknesses from each other. TQM emphasizes continuous quality development, customer focus, workforce participation and cooperation, while ISO 9000 does not pay enough attention to these. On the other hand, TQM lacks specific schemes for staff and departments to follow, which sometimes results in unclear responsibility of departments, and it depends on the support from high levels. However, this is not a serious problem for ISO 9000, because the documentation is clear. All in all, the ISO 9000 and TQM are complementary to each other. ISO 9000 focuses more on the documentation and rules, while TQM focuses more on the people. Organizations could beneficially combine these two, in order to improve quality to the greatest degree.

Reference


