THE HOUSE OF QUALITY

PUBLICATIONS

ISO 9001 **Quality Management System**

ISO 14001 **Environmental Management System**

ISO 27001 **Info Security Management System**

ISO 17025 **Laboratory Management System**

ISO TC/209 Contamination Control Management

Total Quality Management (TQM)

AS 4801 **Occupational Health & Safety Management System**

OHSAS 18001

SA 8000

The House of Quality is a quality-conscious business organization - pursuing national leadership in management and technology consulting and training with special focus on aviation safety and environmental safety - an organization built up on foundation of values to help its clients change to be more successful.

For More Information

Visit http://thoq.almuash.com

Think Global

Act Local

Squadron Leader (Retired)
Engr. Tariq Abdul Majid
Quality Management System Trainer & Consultant

An Article Published in Daily 'DAWN' (**30 December 1998**)

THE HOUSE OF QUALITY
PUBLICATIONS

The House of Quality is a quality-conscious business organization - pursuing national leadership in management and technology consulting and training with special focus on aviation safety and environmental safety - an organization built up on foundation of values to help its clients change to be more successful.

Published 2007 by the The House of Quality
Office # 6, Mezzanine Floor, 25-Huma Plaza, Block B,
Fazl-ul-Haq Road, Blue Area, Islamabad, Pakistan
OR
#2, Street 50, Sector F-7/4, Islamabad,Pakistan
THOQ URL: http://thoq.almuash.com
To order THOQ documents or to obtain additional information,
contact us at: Telephone: +92 (51) 2801024; 2823232
Fax: +92 (51) 2201151; Email: thoq@almuash.com

Think **Global Act** Local

Abstract*: Both our entrepreneurs and consultants are facing some pertinent issues and challenges which serve as impediments to successful implementation of ISO 9000 in our local industry in our own environment. This article discusses some of those issues and suggests appropriate solutions in Pakistani perspective.*

Introduction

Most of the solutions that we come across pertaining to ISO 9000 and TQM are based on foreign sources. They neither address pertinent core issues faced by our local small entrepreneurs nor undertake any analysis of the problems confronted by our industrialists at large in Pakistan with respect to ISO 9000.

In this article, I would share my views on some pertinent issues related to ISO 9000 activities in Pakistan with particular reference to our small entrepreneurs and non-exporters (in both public as well as private sectors) so that they benefit most from ISO 9000 at an affordable cost.

What are ISO 9000 Standards?

ISO 900I-9003 is an internationally recognised family of specification for quality assurance and receiving certification to one of its three levels implies that a company's system - from accepting a purchase order to delivering product - are consistent. Though they are specifically related neither to any industry nor to any product group, it must be complemented with the industry or product specific quality standards to ensure a quality product life cycle. The most comprehensive level is ISO 9001 covering design and document control as well as other aspects of manufacturing and distribution.[2]

Should we develop Quality System Based on ISO 9000?

As the world has become more competitive and quality-conscious, companies throughout the world are rushing to embrace ISO 9000 quality standards. As the calendar is fast approaching towards the year 2000, even the Pakistani companies have started feeling the pinch of being thrown out of global competition. In this great rush, however, two separate and distinct decisions are being treated as one.

a. The first question is whether a company should develop a quality system based on ISO 9000 standards.
b. The second is whether a quality system, once installed, be certified by an accredited registrar.

There is absolutely no doubt in anyone's mind that companies, in most of the cases, should answer "yes" to the first question, but "no" to the second, particularly those public organizations and private companies which are not involved in international trade/export.[4] While saying "no" to the second question, a Producer or a Supplier has to consider the following two issues:

a. One concern is about Purchaser's Satisfaction with the Quality of the Offering that can be assured only through Quality Management.
b. The other concern is about Purchaser's Confidence in the Supplier's Quality System that can be gained only through External Quality Assurance.

The first objective can be achieved through Internal Audits, that is, First Party Certification (Self Certification), and the quality of the offering can be maintained through effective Quality Control, Process Control and Quality Assurance, the elements which are all part of the ISO 9000 QMS.

The second objective, however, can only be attained through Third Party Certification through independent external auditors, which is not directly an ISO 9000 issue.

The aim of the ISO 9000 standards is to have a permanent positive influence on the product quality by improving the quality system of a manufacturer. It is, therefore, the need of the hour that every organization/ company/ industry in Pakistan, whether in public or private sector, whether large or small must develop a quality system on the basis of ISO 9000 Standards notwithstanding the fact whether they want third-party certification or not.

Is Certification Really Necessary?

There are three basic elements of ISO 9000.

a. Say what you do (i.e. state the process)
b. Do what you say (i.e. execute them)
c. Demonstrate your claims (i.e. certify or prove that the processes executed are in accordance with the statement).

The claims can be demonstrated through the following two ways: -

a. Either "self certify" through internal audit, or in addition
b. Obtain "third party certification" through independent external auditors.

In case of registration, a third party accredited auditor requires an initial audit and once a company is registered follow-up audits are completed once a year at minimum.

The premise behind certification is that a third party verifies that the seller's system actually meets all the ISO requirements. The question of whether the Seller Company has met the requirements of ISO is ultimately based upon the buyer's interpretation and acceptance of company's systems. [4]

In most cases, certification of a supplier's ISO 9000 system is not necessary, unless a product or service is to be sold in a foreign market. Even when the certification is not felt necessary, it must be determined as to how much systems development short of certification would be required by the customers to satisfy their customers/ clients. [3]

My premise in questioning the necessity of third-party certification is that despite European Commission (EC) legislation that has made ISO 9000 registration of certain products mandatory, the ISO 9000 series documents are written as two-party documents between buyers and sellers and as such do not address certification. The fact is that the pressure to obtain ISO system certification has emanated from two basic sources:

a. Governmental mandates (legal requirements) or
b. Customer demands (commercial requirements)

The legal requirement for ISO certification stems from governmental bodies requiring specific performance by a company in order to export specified products into their market place and Pakistani exporters are sheer victims of that. An example of this is the European Community (EC) Product Directives. [4]

However, in most of the cases in the developed world, it is the commercial pressure that is driving ISO 9000 certification. As such, certification is a pure commercial response. This commercial movement has succeeded both because of the legal (EC) mandates and the competitive push to obtain certification when selling abroad. [4]

It is also well understood that all the companies cannot achieve or afford certification, as it would be unreasonable and costly. (The cost of certification through a foreign accredited auditor may go up to US$ 20,000 for large companies). However, at the same time, it must also be recognised that there are benefits of implementing an ISO 9000 system – simplified and easier audits, improved communication and consistent quality. [3]

"Self-Certification" or "Third-Party Certification"?

Though establishing an ISO 9000 quality system would be wise from marketing point of view and may also produce significant savings, certification is altogether different. Only a company's position in the scheme of things would tell whether they should go for third party certification or only the first party certification ("self-certification") would suffice.

Self-certification through internal audits would require that the self-certifying companies keep their customers continually informed of their systems development progress. [4]

Upon completion and implementation of ISO 9000 Quality System the companies may then seek an independent audit. Hiring an independent auditor will allow them to take their audit results to their customers with a higher level of confidence that their system actually meets the pertinent ISO requirements. Therefore, they should commit themselves to maintain their system and may get their success verified through independent audits.

Even if third party certification is considered necessary, this decision should be made independently of the decision to install an ISO system. With ISO 9000 system already in place, third party certification will only be a formality.

In order to determine as to where does a company/ organization in the public and private sector fits in the scheme of certification – self-certification or third party certification – it must be determined exactly what their customers require in terms of quality systems development, how their competitors are doing, and what, if any, legal requirements effect their product or service.

It is, therefore, recommended that barring those companies, which are directly involved in international trade (particularly exporting their products to Europe and US), all other public and private companies should be encouraged to go for "self certification" instead. [3]

Which Implementation Strategy be adopted?

We normally debate in the quality circles that while considering implementation of ISO 9000 in an organization, quality culture and quality control should precede before we state the processes in an organization. The matter of fact is that it all depends upon the type of organization, its size, its management style, type of products, number of processes involved, etc. We can not have a fixed remedy for different ills in an organization. Problems faced by the small entrepreneurs are entirely different from larger/ multi-nationals companies. Similarly we need to formulate separate strategies for institutions in the public sector and the private sector. That is why we can not have a standardized plan for the implementation of ISO 9000, and that is where the expertise of consultants is required.

In some companies I have witnessed organizational problems, in others we see wastage, in many you would find that all workers are illiterate, and still more are devoid of any concept of management practices. Now in such situations if we apply "the Client is the King" type solutions, then instead of taking them on top of the world we would rather make them paupers.

Government Incentives

The incentive programme launched by the government is not all encompassing and needs to be revised. First of all this programme is primarily aimed towards boosting of exports thus covers incentives only for the manufacturer-exporters. It does not address the issue of promotion of quality culture in the country. In order to bring non-exporters and service sector also into the fold of this incentive programme, the concerned Ministry should amend their programme in such a manner that:

- Those companies who apply for implementation of ISO 9000 only up to pre-assessment phase should be provided with a maximum of Rs 1,50,000/- inclusive of Rs 50,000/- matching amount to be paid by the concerned company. This amount should be provided against the services rendered by an IRCA- registered Quality Auditors or practicing Consultants / Consulting firms registered with the Ministry of Industries/ Ministry of Science & Technology/ Pakistan Engineering Council.

- Those companies who successfully achieve ISO 9000 certification from a renowned accredited registrar and also accredited by Pakistani Quality Accreditation Council should receive an award equivalent to US $2000. This amount shall be enough to cover the cost of certification of smaller companies. Larger companies however should themselves be able to afford additional cost towards certification.

Conclusion

To conclude, I feel that what we seriously lack in our society is planning ie formulation of "SMART" objectives from our own local perspective and self-accountability. We are in a habit of implementing imported ideas verbatim, and do not undertake needs analysis of our own situation and circumstances. Whenever we undertake gap analysis with respect to ISO 9000, I strongly recommend that we should also take into consideration those socio-cultural-technological aspects as well which are imbedded in our society, and then measure it up with the imported ideas, only then would we be able to provide total solutions to our clients. Or else we would be just placing plaques and statues of ISO 9000 on the heads of our local companies devoid of any quality spirit.

With the above recommendations in place, the public sector and small entrepreneurs should soon be able to realise the true benefits of developing a quality assurance system at affordable cost, then we would see overall improvement in quality of products, increase in productivity and enhancement in efficiency of these organizations.

About the Author

Engr Tariq Abdul Majid (Squadron Leader Retired) has done BE (Avionics) from PAF College of Aeronautical Engg, Korangi Creek (Karachi) (1979), BSc (Hons) War Studies from PAF Air War College Karachi (1993), and MBA from School of Business & Commerce Islamabad (Preston University) (1996). He is a qualified Quality Lead Auditor. He has also undertaken many courses on Quality Control, Engineering Management, Total Quality Management (TQM), Quality Management System ISO 9000 and Environmental Management ISO 14000. He has extensive experience of handling large projects in the Communications and Electronics field. He has authored two Technical Manuals for the PAF on Infra-red Detection System and has also written many working papers on Engineering and Quality Management. Subject paper was submitted to Pakistan Engineering Council's sub-committee on ISO-9000 where it was deliberated upon on 12 May 1997.

References

1. "Use of Standards results in a more Economic Utilisation of Resources", - an article by Dr Muhammad Asad Hasan, Published in "The News" (1995).
2. "Making the Move towards ISO Registration", by Lisa A Coleman, an article published in Clean Room Magazine of January, 1995.
3. "The Evolution of Quality Management within Telecommunications", by A Blanton Godfrey and Al C. Endres, an article in IEEE Communication Magazine of October, 1994.
4. "Management Issues", an article by Bruce M Kennedy published in 'World Oil' of October, 1994.

Bibliography

1. "Managing the Customer Satisfaction Process" by J Stephen Sarazen and James M Salter II, 1993, American Management Association.
2. Proceedings, First National Course on Quality, Productivity and Organizational Effectiveness (21-26 September, 1996), NUST, Rawalpindi.
3. Proceedings, Seminar on ISO 9000, arranged by Pakistan Institute of Management, at Islamabad, 16 Nov 1995.
4. "Practical Guide to ISO 9000 Quality Management System", by Kamran Moosa and Imranullah Shariff, published by Ibrahim Publishers, (2nd edition), 1996, Lahore.
5. IEEE Communication Magazine, October 1994, Vol 32, No 10.
6. "Getting ISO 9000 for a Software Organization" by Raneesh Kapoor, BPB, Publications (1993).
7. USAF Military Standard on Engineering Management, MIL-STD-499A dated 1st May, 1974.
8. USAF Military Specification on Quality Programme Requirements, MIL-Q-9858A dated 16th December, 1963.
9. USAF Military Specification on Inspection System Requirements, MIL-I-45208A dated 16th December, 1963.
10. "ISO 9000-no silver bullet" - an article by Maj Gen Salimuddin , published in "The News" of 7th May, 1998
11. "Excellence for TQM : ISO 9000 for Industry" – Series of articles by M Omair Azam, published in 'The News' of 28th July, 1995.
12. "ISO 9000 is a Must for Exporters to Maintain International Quality Standards" – an article by Dr Farrukh S M Akhtar, published in the 'The News' of 11th February, 1995.
13. "Quality Movement in Pakistan and PSI" - an article by Dr M Asad Hasan, published in the Proceedings of First National Symposium on Quality Management, 1996.
14. "Managing ISO 9000 Activities in Pakistan", working paper written by this author for deliberation by Pakistan Engineering Council sub-committee on ISO 9000, 12th May 1997.
15. "Quality Management System Organizational Structure for The PAF", working paper written by this author for deliberation by Pakistan Air Force, 21st May 1997.