Emerging Markets Queries in Finance and Business

The Effectiveness of ISO 9000 in an Emerging Market as a Business Process Management Tool: the case of the UAE

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Abstract

The popularity of the ISO 9000 standard initiated so may points of views for researchers and organizations implementing ISO 9000 for whether the standard that utilizes business process management approach had fulfilled its scope and helped companies in initiating an effective quality management system or not in an emerging market?. The literature review highlighted the richness in studies and researchers in different parts of the world addressing the ISO 9000 standard implementation and other factors affecting it are not having the same weight in the Arab World in general and the United Arab Emirates UAE in particular as an emerging market country, despite the fact that the UAE is occupying the second place in term of the number of certified organizations in the Arab world. From this point, it is clear that it is a need to have an exploratory study to evaluate ISO 9000 implementation within the UAE organizations to determine the effectiveness of the standard based on the usage as a business process approach or a tool. More specifically, the research intended to cover areas such as drivers for adopting the standard, benefits of the standard, and problems witnessed during implementation. In achieving the objectives of the study, a quantitative study in nature were undertaken through a sample of 100 certified firms in the UAE with a feedback of 51% was obtained. Initial findings indicate that organizations which implemented the standard indicated that they had a positive impact and it seen as a good starting point to continue with such business process management tools/systems in sustaining business.

Keywords: ISO 9000; UAE, Benefits; Implementation; emerging market and Business Process Management;

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1. Introduction

ISO 9000 is one of the most influential initiatives that grew from the quality movement of the 1980s Poksinska et al., 2002, and one of the most frequently company implemented strategies concerning quality across the world. Moreover, ISO 9000 has become a subject of focus in many developing countries and countries that are classified as emerging market ones. The literature review offers many diverse opinions on ISO 9000 in different countries but little empirical research has been carried out in UAE concerning ISO implementation issues. In more specific, the current study attempts to shed some light on evaluating ISO 9000 implementation within the UAE organizations to determine the effectiveness of the standard based on the usage as a business process approach or a tool. More specifically, the research intended to cover areas such as drivers for adopting the standard, benefits of the standard and the problems witnessed during implementation.

2. Evolution of ISO 9000 standards

The evolution of the ISO standard came mainly after the industrial revolution in Europe and to fulfill the requirements of standardizing military suppliers’ specifications as a result of World War II. The need for standardizing specifications across the allies was the driver for introducing common standards between these countries later on, and later on it was the ultimate publication of the first standards BS 5750 by the British Standards Institute in 1979, Singh et al., 2007. In 1987, the British Standards BS 5750 was adopted with a few changes as the International standards – ISO 9000, Boulter and Bernardi, 2002. Due to the changes in the competitive environments, minor amendments were made to the standards on different occasions reflecting the business environmental changes and the latest revision was issued in 2000, Magd et al., 2003; Magd, 2006; and Calisir, 2007. The main objective of the latest ISO 9000 revision is to enhance introducing the process approach and continual improvement in order to achieve customer satisfaction.

The new standard is based on eight quality management principles, namely customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making and mutually beneficial supplier relationship, Magd, 2006; and Calisir. These principles establish the cornerstone for total quality management culture all over the organization through the promotion of adaptation of process approach as well as PDCA approach Plan, Do, Check, Act, Pan, 2003.

3. ISO 9000 – The process approach

ISO 9000: 2000 series of standards introduced the process approach as the base for better understanding requirements and to assist organizations in establishing their quality management system 5. To have a clear understanding, it is recommended to define a process which is known as a set of interrelated or interacting activities, which transforms inputs into outputs. These activities require allocation of resources such as people and materials. ISO 9000, 2012 illustrates Figure 1 with a generic process for further understanding. The model of a process based quality management system shown in Figure 1 illustrates the way organizations should manage numerous linked activities in order to function effectively to produce the required output.

The process approach focuses on the following areas as stated by ISO 9000, 2012 Processes for the management of an organization Management Responsibility. These include processes relating to strategic planning, establishing policies, setting objectives, ensuring communication, ensuring availability of resources for the other organization’s quality objectives and desired outcomes and for management reviews; Processes for managing resources Resource Management. These include all the processes that are necessary to provide the resources needed for the organization’s quality objectives and desired outcomes; Realization processes Product Realization. These include all processes that provide the desired outcomes of the organization; and...
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