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IS ISO 9000 CERTIFICATION LOSING ITS CREDIBILITY?

Abstract: *ISO certification was a great hope for many stakeholders in India for making the country strong in terms of quality practices. It was a blessing in disguise when in early nineties; buyers were imposing conditions that you should be ISO compliant to do business with them. ISO was a great system to bring in improvements in the way an organization functions. But unfortunately some have adopted a short cut approach in getting the certification done. It is only just before the audit team comes for re-inspection that firms start removing dust from the quality manual files so that they can pretend that they follow those systems. But a real commitment to adhering to these systems is missing. The paper describes such scenario existing in some quarters in India and warns against such practices for the overall good of the system.*

Keywords: *ISO, India, Quality*

1. Introduction

The International Organization for Standardization (ISO) headquartered in Geneva, Switzerland, developed guidelines for quality management that were initially adopted in Europe. First published in 1987, the ISO 9000 standards have now been adopted by more than 150 countries worldwide. The ISO 9000 system is designed as a simple system that could be used by any industry. Other systems have been developed that are specific to a particular industry such as automotive or aerospace. These systems use the ISO 9001 as the basic framework and modify it to their needs. For example AS9100, ISO/TS 16949, and TL 9000 (Dale *et al.*, 2003). The ISO 9000 standards were revised in 2000 to include ISO 9000-QMS-Fundamentals & Vocabulary; ISO 9001-QMS-Requirements; ISO 9004-QMS-Guidelines for Performance Improvements; ISO 19011-Guidelines on

Quality & Environmental Auditing, (Gaither and Frazier, 2011).

These standards were further revised in 2008 with some improvement in wording to clarify intent (Cianfrani *et al.*, 2010). The ISO 9000 family of standards provides guidelines for companies to better manage their quality, but it does not provide any levels of quality that must be attained. A company can become ISO 9000 certified by applying to third-party providers that are authorized by each country to provide this certification service and that assess the level of conformity to the ISO 9000 standards. More than 300,000 companies worldwide have become ISO certified. Purchasers of products can require that potential suppliers be registered to the appropriate ISO criteria as a prerequisite to receiving a contract. Organizations find that they must achieve ISO 9000 certification to meet both domestic and international competition (Gryna *et al.*, 2007).

In 1998, when Molex Ltd. in Mysore was certified for ISO 9000, it was a pleasant

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surprise for all its employees. It was such a great experience & pride of accomplishment that the company awarded each of its employees Titan wrist watches for their efforts & hard work of one year for preparing company to the stage of getting certification. Those days there was great respect for ISO 9000 certificate, certification bodies & auditors. The compliance level to systems was very high. Many companies achieved significant results in their quality,

cost, and delivery by adopting ISO 9000 standards. Later in 2000, ISO revised its standards incorporating process approach. It further enhanced the performance of the organizations. Lack of proper understanding of ISO standards, implementing the same in a hurried manner, mix success of these standards etc. has given rise to some myths in the minds of the public (Table 1 details some of these myths & realities).

Table 1. Myths & Facts about ISO 9000

Myth	Fact
ISO 9000 requires lot of documentation which does not help day to day business.	ISO 9000 can be implemented with minimum documentation provided the company demonstrates the compliance with standards.
Quality objectives of ISO 9000 will not help to achieve business results.	In fact, company can address all its goals under ISO umbrella. The business goals can be driven effectively using ISO 9000.
Six Sigma has overtaken ISO 9000.	ISO 9000 is foundation for Concepts like Six Sigma, Lean, and TPM etc. Otherwise company cannot sustain the gains.
There are very few opportunities of tangible benefits from ISO 9000.	There are many cases where following ISO 9000 systems saved millions of dollars to the company.
ISO 9000 implementation is the responsibility of Management Representative	It is the responsibility of entire organization. Top management's role is very important. Management Representative is only a facilitator.

Source: Authors, 2012

2. Changed scenario

But the entire scenario is changed in the last couple of years. ISO 9000 started losing its credibility rapidly at least in India. There is no significant difference between the performance of ISO Company & a non ISO Company. Many companies are trying to get ISO 9000 certificates just for the sake of meeting the basic requirements of the buyer that supplier should be ISO certified; and improving internal performance is not the criteria. Actually one of the main objectives of ISO 9000 certification is to make the organization *system driven* rather than people dependent. *The compliance level to ISO systems in many of the organizations is*

less than 35 %! Many organizations are running with more than one major non conformities which according to ISO guideline might result in disqualification from certification, but surprisingly not being punished for the same.

3. The process of certification

A company which needs ISO 9000 certification must go through some important steps like establishing documented system in line with the Standard, practicing it for a reasonable period of time, conduct internal audits, management reviews & then approach certification body for certification. Many companies take the help of consultants

for implementing the systems. The certification body conducts two types of audits before certification. First is adequacy audit, to ensure the linkages between the Standards & the Documented System of the company. After satisfactory completion of adequacy requirements, they conduct onsite compliance audits to ensure the practicing of documented procedures. If the company passes both the audits without major deviations, it will be recommended for certification. Otherwise the company has to work towards closing the major deviations & request for re audit. After certification, surveillance audits are conducted at least once a year to confirm the continuity & improvement. The activities of certification bodies are monitored by a body known as accreditation body. They can also conduct audits on certification bodies for verifying their competency & meeting the code-of-conducts of the audits.

To further understand the process, the above

mentioned procedure could be likened to some institute giving certification as affiliated colleges of universities. Accreditation bodies act like universities. Now as colleges and universities do have their own reputation so these bodies also have their reputations in the corporate world. It's considered easy getting MBA from some colleges than from some other more reputed one. Depending on from which college you got the degree your market value depends. Likewise a company's reputation depends on from which assessing/accreditation body it gets its ISO certification done. Let us make it clear here that there is no readymade literature available which can comment on the quality and reputation of these certification bodies. But through referral or some blogs or from some first-hand information from companies holding ISO certification this information could be collected. Table 2 throws some light on the issue.

Table 2. Who is responsible for what?

Who	What
Technical committee TC 176	The committee reporting to International Organization for Standardization (ISO) responsible for bringing out ISO 9000 standards , making revisions and for setting up guidelines & rules.
Accreditation bodies	Authorized by ISO to evaluate the competence of certification bodies. Example UKAS, ANSI-RAB, NABCB (India)
Certification Bodies	Authorized by accreditation bodies for Third Party audits & certification. Example BVQI, DNV, NQA, UL
QCI – Quality Council of India	Responsible for monitoring the activities of Certification bodies in India. NABCB accreditation body is part of QCI. Visit www.qcin.org for more details.

Note: Companies have every right to verify authenticity of their Certification bodies & Accreditation bodies. Visit ISO official website www.iso.ch for more information.

3.1 How the deterioration started & propagating?

As mentioned above, the certification process requires several important systematic steps. In the late 1990's there were very few certification bodies like BVQI, LRQI, DNV but after 2000, the number of certification bodies have increased manifold. At present more than 50

certification bodies operating in India. Out of these some are multinationals & others have taken franchisee from their principal agencies. Also there are few Indian Certification bodies. Due to increased demand for certifications in India, and with the growth of certification bodies, consultation business has also grown. Some certification bodies have started giving

consultancy also & on the other hand some consultants took franchise for certification, which is not allowed under ISO rules & regulations. However they are clever in finding the loop holes in the system & are continuing with it. With all these developments competition started among different consultants & certification bodies. Costs of certification & consultancy came down drastically compromising with quality. ISO certification became like any other business. The victims are customers and probably brand value of ISO itself!

3.2 What was compromised with cost?

Increasing demand for certification increased the demand for manpower like auditors & consultants. To become auditors one should have minimum qualifications & undergo a

five days lead auditor course. This was done superficially by many agencies which resulted in inductance of non-competent people for auditing & consulting. Again loop holes in the system were exploited.

3.3 Who is responsible for any loss of reputation of ISO brand?

Accreditation and certification bodies are primarily responsible. The main responsibility of Accreditation bodies is to monitor the performance of Certification bodies coming under them. They can disqualify Certification Bodies if they find major violations. But in reality such incidents of dis-qualification are very rare. Similarly Certification bodies can deny the certificates to companies not meeting the requirements.

Table 3. Some bad examples which are very common now

<p>One new Construction company wanted ISO 9000 certification for promotion of their business & they approached a leading certification body. Since they did not have previous constructions to demonstrate their capability,*** the certification body denied the certificate. The construction company approached the other Certification body & got Certified immediately!!! <i>Note: As per ISO guidelines, a company has to establish the systems & demonstrate the compliance for a reasonable period of time (6 months) before going in for certification.</i></p>
<p>A manufacturer wanted ISO 9000 & Product certification immediately to export his products. One certifying body advised him to establish & demonstrate the performance for at least 3 months. He approached other certification body & got certified within a month!</p>
<p>An ISO 9000 certified hospital not conducted Internal Audits & Management Review for more than one year. But its certification body after surveillance audit recommended it for continuation of certificate. (It is a major Non-conformity according to ISO rules)</p>

Source: Authors, 2012

But due to fear of business loss, they are not doing so. There are cases where when a company was denied the certification by one certification body it went to another certification body & got certified (Table 3). Companies are equally responsible for this downfall. Some customers set very unrealistic goals to their suppliers & make them to run for certification with in a very short notice. They don't provide any support either technically or financially. Also responsible for such state of affairs are some consultants those who do not have a value

system. They work only for money. It is the responsibility of companies not to encourage such consultants.

Lossifova and Sinha (2006) report result of a study conducted by Brown *et al.* (1998) that investigated ISO 9001 registration in small and medium organizations reported documentation and paperwork as the second most severe problem, after lack of employee commitment. Although, consultant plays a crucial role in documentation development. A good consultant will emphasize that quality is derived from the organization

itself, not from the consultant. The organization, therefore, should develop its own quality procedures, while the consultant guides the process (Dov, 1998).

3.4 Top management has a major role to play

One of the main requirements of ISO 9000 certification is Commitment & involvement of top management. Unfortunately there is no objective measurement available in the system to verify this. In many cases the so called top management delegated their role to the lower levels. In less than 25 % of the companies, top management really involved, rest of the cases they are **just informed**. *The general opinion is that when it comes to resources, Quality management systems are given the least priority.* This may be due to their poor awareness of the system & its usefulness. Once again creating awareness to leader is like belling the Cat! Wherever top management is actively involved, it is reflected in their Quality, Delivery &

customer satisfaction results. Landon (2003) mentions this as one of the thirteen important steps of successfully implementing ISO 9000: 2000 management systems.

4. Conclusion: how to bring back past glory of iso 9000 standards

It is possible only if all quality minded people come together and wage a war against unhealthy practices. Everyone must follow the systems by conviction and not by compulsion. A great campaign is required to create awareness about the importance & benefits of ISO 9000 certification. Quality professionals must start "Save ISO 9000" campaign. In India, Quality Council of India (QCI) has to strengthen its vigilance on fraud consultants & certification bodies. These agencies are already targeting other quality initiatives like Six Sigma, Deming prize, SEI-CMMI etc. If we don't act today, it will be too late tomorrow.

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