

The Role of Leadership Competencies for Implementing ISO 9000

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Abstract - The current economic distress faced by many manufacturing companies in South Africa both large and small has forced the leadership to review business performance and implement measures to reduce costs across all levels. However, in a well-designed study exploring the attitudes and perceptions of senior executives to ISO 9000, Taylor [18] stated that the transition from concept to implementation of ISO 9000 is often where senior executives fail to provide the ISO 9000 initiative with adequate legitimacy, and fail to address the resource requirements, the potential benefits, the methods of measuring results and steps in the detailed planning process. The paper aims to determine what leadership competencies are required for ensuring commitment to implementing quality management systems and how the level of leadership competencies affects the extent of implementation of quality management principles through a questionnaire using a 5 point Likert scale.

Keywords – Leadership, quality, competency

I. BACKGROUND AND INTRODUCTION

The aims of the study are to provide insight into what leadership competencies are required to ensure the successful implementation and maintenance of quality management systems, to explain how leadership competencies of a company influence the degree to which the quality management principles namely: (customer focus, leadership, process approach, system approach to management, continual improvement, factual approach to decision making and mutually beneficial supplier relationships) were adopted and implemented and thus indicate the successful implementation of the QMS.

II. LITERATURE REVIEW

The current state of leadership in South Africa

The corporate landscape in South Africa has undergone substantial transformation since we entered our new democracy in 1994. Over sixteen years later, the scars remain of three decades of political and economic isolation during which South African organisations could not participate in the

global market and local markets were dominated by a small group of diversified companies.

It is vital to understand what sets the South African business landscape apart from other developed and developing countries [11]. Most certainly, the multicultural demographics and diversity of the South African population differentiates it from other countries. Diversity in the workplace has only just started to occur with management diversity making considerable progress although, [17] state that there is active debate about whether the pace and scope of transformation in leadership has been adequate to achieve aspirations within the real constraints imposed by the operating and social environment. Jansen [9] found that South Africans have a predominately individual i.e. self-centred and masculine culture. Considering the context of corporate governance, the implications of the King III report have extended within the broader context of business such as communication with stakeholders, both internal and external has been placed at board level for the first time [2][10].

II. RESEARCH METHODOLOGY

Non-experimental hypothesis testing research was selected for the study as there will be no planned intervention and no random assignment of research participants to groups consisting of different levels of the independent variable [21]. A survey design will be used to examine the relationships that occur between the variables without any planned intervention. The study will attempt to survey ISO 9000 certified manufacturers across various industry sectors in South Africa. The database of the South African Bureau of Standards (SABS) will be used to select 300 ISO 9000 certified manufacturers across the country by systematic random sampling.

The leadership competencies in context to the South African manufacturing industry will be identified for the study through review of literature and expert opinion. The leadership competencies identified will be listed in a structured questionnaire to measure leadership competencies of top management. Respondents will indicate the degree to which top management exhibit leadership competencies on a

five-point scale, with 1 indicating not at all and 5 indicating very well.

III. LEADERSHIP COMPETENCIES

Competencies are underlying characteristics that lead to superior performance in an individual's job. They include qualities, skills, attributes and traits that help people to be successful [2]. Competencies go beyond the traditional focus on academic qualifications, technical skills and experience, providing a framework for assessing and developing deeper-seated personal skills. [4].

The information-knowledge-wisdom continuum can be used to explain the process of how data and information can be converted into valuable knowledge and applied wisdom to the benefit of the social collective [19]. Competency, commitment and experience are located higher on the continuum compared to raw data or information. Competency allows one to apply knowledge in a specific situation with confidence in achieving the desired outcome. Competency, commitment and experience develops critical skill-sets, mind-sets, attitudes and capabilities such as conflict management, effective communication, active listening, diversity management and negotiating trade-off skills.

Leadership competencies can be defined as the ability to adapt, effective interpersonal communication, and good decision-making as quoted by [3]. Leadership competencies are considered important for several reasons, including the fact that they guide direction, they are measurable, and competencies can be learned as quoted by [3].

Critical success factors for implementation of quality management systems

Fuentes et al. [6] in a study of the implementation of quality management systems found that literature suggests many barriers to successful implementation include lack of available resources to implement and maintain a quality assurance system, lack of financial capacity to meet the implementation and maintenance costs was highlighted and a lack of experience amongst managers. In Jansen's [9] study of ISO 9000 motivations and difficulties, he also found that the literature stated that companies face many barriers during implementation of ISO 9000 which include:

- Lack of top management support and commitment;
- Employee resistance to change;
- Lack of understanding of ISO 9000 system;
- Constraints on resources (manpower, time and finance);

- Lack of training and education of employees; and
- Unclear benefits of obtaining certification.
- Misinterpretation of the ISO 9000's requirements;
- Over-development of the quality system;
- Excessive documentation and control; and
- Underestimation of the efforts and resources needed in certification

The critical success factors for leadership can be broken down as follows Kim et al.:

- Commitment of top management in the allocation of resources and organizational efforts.
- Understanding of principles, efforts needed, and possible impacts of ISO 9000 implementation.
- Emphasis on systematic planning, quality-focused goals, and strategies on a long-term basis.
- Periodic review of quality audit findings and demonstration of strong will about continuous improvement.

Management was initially motivated to implement ISO 9000 but when the implementation process did not happen as anticipated, it resulted in a gradual decrease in management commitment [10].

IV RESULTS AND DISCUSSIONS

This section presents the results and discusses the findings obtained for the questionnaire in this study. The data collected from the responses will be analysed with the PASW Statistics version 18.0.

1. Response rate

The response rate was acceptable as 378 completed questionnaires received after a total of 572 questionnaires were emailed. This equates to a response rate of 66%. The majority of companies located on the SABS database could not be located with some companies refusing to participate in the study as they were too busy. Despite repeated telephone calls and follow-up emails the response rate was not improved.

2. Descriptive Statistics

This section presents the descriptive statistics based on the demographic information of the study.

59% of companies surveyed were from the food industry, 18% from the printing and packaging industry, 9% from the metal industry, 9% from the chemical industry and 4.5% from the medical industry.

Companies were categorised in terms of the number of employees in line with the National Small Business Act 1996 as amended in 2004 which stipulates varying definitions for each industry sector including number of employees, turnover and value of assets. 59% of companies surveyed were SMEs. There was no trend found between company size and the extent of application of the quality management principles.

Of the total respondents, 82% were in positions which were directly related to quality. Nearly half of the sample (45.5%) were quality assurance managers. This questionnaire was directed at the person responsible for quality at each company. The results enhances the validity of the study since this places the person in a better position to evaluate the company's quality management system.

The validity of the responses is further enhanced by the fact that 86% of the respondents possess post-matric qualifications over and above their work experience. Most respondents obtained a diploma specific to their area of work. Most of the Quality related personnel have some level of post matric qualifications. Of the 45.5% Quality Managers who responded, 36.4% have a minimum of a Diploma, with one manager having a Master's degree.

The majority of participants i.e. 67% had under 10 years experience with an average of 7.40 years experience in their current job. The average age of respondents was 40.5 years indicating the seniority and number of years of experience of the respondents. Approximately 5% of the Quality Managers had more than 20 years' experience. A little more than a quarter of the respondents (28.6%) had between 10 to 20 years experience.

Fifty seven percent of the respondents had worked for their present companies for less than 10 years. The average number of years that respondents were employed at their company was 7.60 years indicating their level of knowledge of the company.

Nearly two-thirds of the respondents were certified for less than 10 years. However, more than 50% of companies certified for less than 10 years achieved means scores for the extent of application of quality management principles that were above the overall mean score. The evaluation of the extent of implementation of the quality management principles is dependent on the level of maturity of the ISO 9000 system. The average number of years that the companies surveyed were ISO 9000 certified was 8 years. Almost 40% of the companies surveyed had been ISO 9000 certified in excess of 10 years which

indicates the maturity of quality management systems in place at these companies. The number of years that companies surveyed were ISO 9000 certified ranged from 0.8 years to 25 years. 75% of companies with certification for 10 or more years scored above the overall mean score for the extent of implementation of the quality management principles.

Although nearly 82% of the respondents believed that management foster trust by acting fairly and honestly, only a little more than half (54.5%) of the respondents believed that management's leadership maintains a culture of strong mutual trust and respect. These results contradict each other.

It was disappointing to observe that only 50% of respondents rated top management at their company as being able to lead by example in expressing the company vision through their behaviour. Although 73% of top management may be able to articulate and clearly communicate the company's vision, mission and goals however, their ability to express their vision in their behaviour appears lacking.

Another critical area in the implementation of quality management systems is the ability of top management to focus on long term results, however, this ability was only exhibited by 59% of top management. A positive note was that 86% of top management were able to align the business objectives of the company to customer needs and expectations.

Agility competency

The ability of top management to be flexible, responsive, adaptable and show initiative during change or uncertainty was only considered to be exhibited well by 64% of respondents with a further 27% of respondents considering top management at their company to exhibit this competency moderately. This competency is especially necessary in dynamic environments [20] and a core leadership competency required to meet the needs of the future business environment [13].

Customers are the primary drivers of organizations. Suppliers are pressurized not only to provide good quality products at fair prices but also invest in corporate social responsibility. This is evident in many industries such as the food industry where customers are demanding organic and fair trade certified food products. Companies need to respond to customer needs and expectations. The results however show that only 59% of top management were rated well in their ability to continually focus on the integration of business, social and environmental

needs. In addition only 59% rated their top management's ability to view situations from multiple perspectives and generate unique approaches and solutions to problems.

The ability of top management to exhibit the diversity competency achieved the poorest scores with none of the statements scoring above 60%. In a country which is characterised by its diversity it appears the individual culture described by [9] is still predominant. It appears from the findings that top management in South African manufacturing companies are far from developing a collaborative culture and promoting teamwork.

The findings for the customer focus principle are quite startling considering that 86.4% of respondents rated their top management as being able to align the business objectives to customer needs and expectations when only 50% of companies agree that they conduct market research to determine their customer needs. The findings indicate that South African manufacturing companies have a long road ahead to become a customer-focused organisation. Only 59% of respondents agreed that they conduct customer satisfaction surveys at least once a year and act on the results.

Leadership

From the responses it is apparent that top management commitment is lacking especially regarding top management's role in providing people with resources, training and freedom to act with responsibility and accountability. The results indicate that only a third of top management is actively involved in and supports the quality effort. The lack of top management commitment will certainly impact negatively on ISO 9000 implementation efforts [8].

Involvement of people

The results indicate an obvious lack in the empowerment of employees which relates directly to the poor scores achieved by top management for the empowerment competency. The results quite clearly show a lack of employee involvement which is impacting on areas such as people not accepting responsibility and not understanding their role in the organisation.

Although continual improvement activities appear to be in place, it is clear that employees are not rewarded for their efforts. Achievements in quality must be recognised and rewarded to ensure that employees remain motivated to achieve even challenging quality improvement goals.

Process approach

The results indicate that the majority of companies have implemented the process approach to a significant extent in order to manage their processes to achieve customer satisfaction.

Two thirds of companies agree that they have implemented the system approach to management in managing the processes of the organisation as a whole.

Factual approach to decision making

Improvements to the system based on facts only will result in the correct decisions being taken however under 60% of companies agree that objective data is collected and analysed before making improvements.

Mutually beneficial supplier relationships

The results show that half of the companies do not develop suppliers and establish mutually beneficial relationships with suppliers. Overall companies with high leadership competencies implemented 80% of the 8 quality management principles whereas companies with low leadership competencies only implemented about 64% of the 8 quality management principles.

Involvement of people and mutually beneficial supplier relationships scored very poorly overall. The process approach and factual approach to decision making principles were implemented to the greatest extent in companies with high leadership competencies. Surprisingly the leadership and process approach principles were implemented to the greatest extent in companies with low leadership competencies.

The findings of this research paint an interesting picture of the leadership situation in South Africa especially its role in implementing ISO 9000 but at the same time opens up more questions and highlights more possible relationships.

VI CONCLUSION

The purpose of this research was to provide insight into what leadership competencies are required to ensure the successful implementation of quality management systems, to explain how leadership competencies of a company influence the degree to which the quality management principles were adopted and implemented and thus indicate the successful implementation of the QMS.

Six leadership competencies were derived from extensive review of literature and expert opinion to compile a list of twenty leadership competencies

which were required for ISO 9000 implementation and most importantly were relevant to the South African manufacturing sector [3].

The results of all companies surveyed indicated that the empowerment competency scored the least in comparison to the other competencies. This is indicative of the culture in South Africa which is a very individual-centred culture[1]. Companies with higher leadership competencies scored on average 18% higher in terms of their application of the quality management principles. Involvement of people and supplier relationships scored the lowest overall in comparison to the other six principles which scored on average over 80%.

The lack of involvement of people was also found in the study by Das et al. (2011:212) and is in line with the literature that cites lack of employee involvement as one the barriers in implementation of ISO 9000. Supplier relationships in South African manufacturing companies appear quite poor with little focus on developing mutual relationships. The literature cited and the findings of this study can be used to conclude that top management commitment can improve the implementation process of ISO 9000 which will result in better application of the quality management principles. The results suggest that top management in South Africa need to radically transform their outlook on leadership through development of key leadership competencies to ensure that they can successfully and effectively lead the ISO 9000 implementation process. If possible, experimental research can be conducted to investigate the possibility of any causal relationships.

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