ISOMORPHISM, INSTITUTIONAL ENTREPRENEURSHIP AND TOTAL QUALITY MANAGEMENT (TQM):  

A CASE STUDY IN THE IMPLEMENTATION OF QUALITY MANAGEMENT STANDARDS AND EXCELLENCE MODELS IN SOUTH AFRICAN DEVELOPMENTAL LOCAL GOVERNMENT

A thesis submitted in fulfilment of the requirements for the degree of DOCTOR OF PHILOSOPHY

of

RHODES UNIVERSITY

by

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November 2010
DECLARATION

I hereby declare that this Doctoral Thesis is my own unaided and original work. All sources have been accurately referenced and acknowledged. It is being submitted in fulfilment of the Degree of Doctor of Philosophy (PhD) in the Rhodes Investec Business School, Faculty of Commerce, Rhodes University in the Republic of South Africa. It has not been previously submitted in its entirety or in part for any degree or any examination in order to obtain an academic qualification at any institute or university nationally or internationally.

_______________________ _______________________
PRAVINE NAIDOO                                                          DATE
DEDICATION

I dedicate this thesis to my late parents Shri and Shrimathi Ramsamy Sriramen Naidoo (Dharma & Indrani) [May your loving souls rest in eternal peace!], who sadly passed away during the period I was undertaking my doctoral research studies.

I humbly offer this PhD Thesis at the lotus feet of my Hindu Spiritual Master, Guruji Annapurnamba Sametha Shri Amritananda Natha Saraswathi Devi Garu, Devipuram, Vishakhapatnam, Andhra Pradesh.


Aim Hreem Shreem Aim Kleem Souh
Hamsah Shivah Soham Hasakhaphrem
Hsaksamalavarayam Hsaum
Sahaksamalavarayeem Shauh
Svarupa Nirupanahetave Svagurave
Shree Annapurnamba Sahita
Shree Amritananda Natha
Shree Guru Shree Padukam Pujayami Tarpayami Namah!!!

AUM SHREE MATRE NAMAH!!! JAI TELUGU THALLI!!!
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ABSTRACT

Within the new constitutional order, South African local government has been afforded specific status and is protected as a distinctive sphere of government in terms of the Constitution Act 108 of 1996. Municipalities are no longer a mere function of national or provincial governments. In addition to this entrenched status, the Constitution and other developmental local government legislation vests local government with specific functions and responsibilities as part of the process of building a new democracy and promoting socio-economic development and upliftment. Consequently, local government managers are under constant pressure to improve the performance and quality of service delivery. They are expected to satisfy a number of stakeholders, achieve increases in efficiency, as well as attain developmental service delivery goals as contained in their Integrated Development Plan (IDP).

Quality management standards and excellence models in support of the total quality management (TQM) philosophy are relatively new public management approaches that changes traditional organisational decision-making practices to deliver services to its customers in more effective and efficient ways. In essence, quality management standards and excellence models are performance management methodological practices, techniques and tools designed to meet and exceed public requirements. It accomplishes this through determining what constitutes excellence in customer service, and then empowering employees to a never-ending search for quality improvement in the delivery of services, in terms of the continuous improvement and continuous process improvement philosophies, of which total quality management (TQM) is premised on.

Consequently, quality management standards and excellence models (such as the ISO 9001: 2008 QMS, ISO 14001: 2004 EMS, EFQM and SAEF Excellence Models) as methodological practices, techniques or tools in support of the critical factors (CFs) of the total quality management (TQM) philosophy, namely: (1) customer-based approach, (2) senior management
commitment and leadership, (3) quality planning, (4) management based on facts, (5) continuous improvement, (6) involvement of all members of the organisation, (7) education and training, (8) teamwork, (9) communication systems, (10) learning, (11) process management, (12) co-operation with suppliers, and (13) organisational awareness and concern for the social and environmental context, can provide a framework by which to achieve the goals of effective and efficient service delivery in developmental local government, as they foster a culture of performance and accountability. Local government managers could use these quality and excellence methodological practices, techniques and tools, as a starting point to improve efficiencies in their municipalities, as the programmes afford them an opportunity to systematically evaluate the municipality and determine what leads to organisational success and deliverables.

Institutional theory suggests that organisations are both influenced by and can influence the society in which they operate. Institutional theorists believe that the motivation for a change in internal practices might not only be performance related, but may primarily be to enhance or maintain the legitimacy of the respective institution. Institutional theory also focuses on the social contract that exists between the institution and society. This social contract is believed to represent the expectations of society. From an institutional point of view, it has been suggested that institutions may change and adopt the norms of society to appear legitimate to that society. This infers that when societal norms and values change, institutions will be expected to change. These societal pressures combined with legislative changes, require institutional entrepreneurs to respond to these isomorphic pressures, and will work to preserve the institution’s legitimacy by incorporating, or at least appearing to incorporate, new practices, norms and values.

The aim of this research study was to analyse within an institutional theory framework, the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy and developmental local government within two South African
municipalities. The research investigation has been undertaken within the social constructionist paradigm and using the case study method. Interviews and documents were the data sources and thematic analysis was used as a tool to analyse the data by applying a theory-driven coding procedure.

The findings from the two research sites, namely Makana Municipality in Grahamstown and Drakenstein Municipality in Paarl reveal that the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in both municipalities was not a smooth process and there were many challenges such as political instability, lack of commitment on the part of the senior leadership and management, staff and skills shortages, resistance by staff to implementation and resource constraints.

Institutional theory has proved to be useful in understanding why the Makana and Drakenstein Municipalities implemented quality management standards and excellence models. Because of coercive, mimetic and normative isomorphic pressures affecting the Makana and Drakenstein municipalities, change was imperative if these institutions were to remain relevant and legitimate in order to address its service delivery mandate of effectiveness and efficiency. Institutional theory provided a theoretical lens to understand and appreciate the pressures that affected the municipalities because of its new developmental mandate as encapsulated in new municipal legislation. It also assisted in understanding how institutional entrepreneurs responded to these pressures to conform.

The implementation of quality management standards and excellence models in the Makana and Drakenstein municipalities was adversely affected by volatility amongst the political leadership of both municipalities. The successful implementation of these standards and models would require collective action from the political, bureaucratic and procedural entrepreneurs in order to enhance effective, efficient and accountable service delivery. However, in both the Makana and Drakenstein municipalities, institutional entrepreneurs, namely councillors and officials were not working together as a
collective to implement quality management standards and excellence models.

Evidence has shown that the absence of stable political leadership and non-cooperation and collaboration amongst institutional entrepreneurs contributed significantly to the non-institutionalisation of quality management standards and excellence models in these Municipalities. This implies that legitimacy has not been achieved, due to institutional entrepreneurs not collaborating and collectively working with each other to implement the quality management standards and excellence models. Thus, this research study suggests that the strategic and collective role of the political and administrative leadership as institutional entrepreneurs is critical if the municipality is to achieve its aims and objectives, namely effective, efficient, and accountable service delivery in developmental local government. Recommendations in respect of future research and to practitioners have also been offered.
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<tbody>
<tr>
<td>AID</td>
<td>Agency for International Development</td>
</tr>
<tr>
<td>BPR</td>
<td>Business Process Re-Engineering</td>
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<td>BQF</td>
<td>British Quality Foundation</td>
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<tr>
<td>CCT</td>
<td>Compulsory Competitive Tendering</td>
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<tr>
<td>CEM</td>
<td>Centre for Environmental Management</td>
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<tr>
<td>CI</td>
<td>Continuous Improvement</td>
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<tr>
<td>CPI</td>
<td>Continuous Process Improvement</td>
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<td>CQI</td>
<td>Continuous Quality Improvement</td>
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<tr>
<td>CF</td>
<td>Critical Factor</td>
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<td>CSF</td>
<td>Critical Success Factor</td>
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<tr>
<td>DBSA</td>
<td>Development Bank of Southern Africa</td>
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<tr>
<td>DPLG</td>
<td>Department of Provincial and Local Government</td>
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<tr>
<td>EFQM</td>
<td>European Foundation for Quality Management</td>
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<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
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<td>EMS</td>
<td>Environmental Management System</td>
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<td>EMAS</td>
<td>Eco-Management Audit Scheme</td>
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<tr>
<td>IDEA</td>
<td>New Improvement and Development Agency</td>
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<td>IDP</td>
<td>Integrated Development Plan</td>
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<tr>
<td>IEP</td>
<td>Integrated Environmental Plans</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>ISO</td>
<td>International Standards Organisation</td>
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<tr>
<td>KPA</td>
<td>Key Performance Area</td>
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<tr>
<td>KPI</td>
<td>Kep Performance Indicator</td>
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<tr>
<td>LED</td>
<td>Local Economic Development</td>
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<td>LGTAS</td>
<td>Local Government Turn-Around Strategy</td>
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<tr>
<td>MBNQA</td>
<td>Malcolm Baldrige National Quality Award</td>
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<tr>
<td>MCN</td>
<td>Mediated-Conflict Neo-Institutionalism</td>
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<td>MEC</td>
<td>Member of the Executive Council</td>
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<td>MEPs</td>
<td>Management Excellence Programmes</td>
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<td>NCP</td>
<td>National Competition Policy</td>
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<tr>
<td>NEDLAC</td>
<td>South African National Economic Development and Labour Council</td>
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<tr>
<td>Abbreviation</td>
<td>Definition</td>
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<tr>
<td>NPM</td>
<td>New Public Management</td>
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<td>PDCA</td>
<td>Plan, Do, Check, Act Cycle</td>
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<td>PIT</td>
<td>Project Implementation Team</td>
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<td>PMS</td>
<td>Performance Management System</td>
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<td>PMT</td>
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<td>QMS</td>
<td>Quality Management System</td>
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<td>RAN</td>
<td>Rational-Action Neo-Institutionalism</td>
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<td>SABS</td>
<td>South African Bureau of Standards</td>
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<td>SAEF</td>
<td>South African Excellence Foundation</td>
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<td>SAEM</td>
<td>South African Excellence Model</td>
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<td>SCN</td>
<td>Social-Constructivist Neo-Institutionalism</td>
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<td>SERVQUAL</td>
<td>Service Quality Model</td>
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<td>SME</td>
<td>Small, Medium Enterprises</td>
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<td>SOER</td>
<td>State of Environment Report</td>
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<tr>
<td>SPC</td>
<td>Statistical Process Control</td>
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<tr>
<td>SQMS</td>
<td>Self-Assessed Quality Management System</td>
</tr>
<tr>
<td>TQA</td>
<td>Total Quality Assurance</td>
</tr>
<tr>
<td>TQC</td>
<td>Total Quality Control</td>
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<tr>
<td>TQM</td>
<td>Total Quality Management</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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“There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things. Because the innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new.”

Niccolo Machiavelli (1469-1527); Florentine Statesman and Political Philosopher.
(De Wit and Meyer, 2005: 73).
CHAPTER 01:
INTRODUCTION, BACKGROUND AND CONTEXT OF THE RESEARCH STUDY

1.1 Introduction
The increasing pressure towards continuous improvement (CI) and the organisational desire to achieve excellence, high performance, or to become a world-class organisation drives the adoption of management initiatives (Thawesaengskulthai, 2010: 156). This introductory chapter provides a background to the role of government in an era of total quality management (TQM) and globalisation as well the challenges and opportunities therein. The current reality of the development of local government in South Africa with specific reference to its mandate to deliver effective and efficient services is also outlined.

Furthermore, in its quest to be accountable to its stakeholders, municipal or local government has to be accountable in service delivery, as reflected in the South African Batho Pele (“Putting People First”) principles. Total quality management (TQM) is viewed by many organisations as essential for corporate survival. In public sector organisations, this philosophy is being adopted under different names and banners by politicians and the internal management teams alike all around the world (Sinha, 1999: 414).

According to Sinha (1999: 414) there are three main reasons for this: the first reason has to do with the sheer public pressure on government organisations everywhere arising out of the outcry against spiralling tax increases, high inflation, dissatisfaction with poor service quality and the fiscal mismanagement and performance dilemmas that faced these organisations. To do "more with less" and "less with less" henceforth became the agenda, as well as slogans to counteract the public opinions. As far as TQM is concerned, it remains an issue of debate whether to try to implement its philosophy in governments against its age-old badges of uniqueness, massive size of operation and built-in bureaucratic culture.
A second set of reasons can be identified, which were essentially driven by winds of change at play all around the new economic environment: mainly for understanding the bigger picture – for example, the emerging of the worldwide network of inter-dependent national and international economics changing into an increasingly global economic system, emphasis from a shareholder to stakeholder market mindsets, the growth of media power (internet included), social responsibility issues and the like. At the back of such agendas were the general concerns for the democratic process and issues of accountabilities – no doubt driven by the anxieties of politicians to win the “next” election (Sinha, 1999: 414).

The third set of reasons can be related to the pressure to adopt a business-oriented culture and implement organisational reforms that can generate efficiency, effectiveness and economy all at the same time. Such changes led public sector authorities to cut costs, eliminate programmes, re-examine cost-effectiveness, start compulsory competitive tendering, create independent special operating agencies, generate performance measurement criteria for individual departments, start using new technologies, and so on. There was no doubt that public sector authorities were under enormous pressure to rethink and change their organisational structures and working practices. It can be argued that this is where and how the TQM philosophy started making its entry into the uncharted territory of public sector (government) organisations (Sinha, 1999: 415).

As a way of constructing a theoretical framework for this research study, political theory, policy-making and theories of local government with specific reference to participatory democratic theory would be outlined.

1.2 Political theory, policy-making and democratic theories of local government

In terms of political theory, the state is often represented as a societal sphere contrasted with spheres like market and civil society, each characterised by different norms, modes of decision-making and logics of action (Frodin, 2009:
The typology of state, market and civil society is positioned high on the ladder of generality. As an institutional sphere, the state tends to be associated with hierarchical organisational structures and legal-rational principles, while civil society is taken to be characterised by voluntariness. The market is viewed as an arena in which self-interested, maximising agents are involved in a goal-rational pursuit of economic profit and accumulation (Cohen and Arato, 1992). Some theorists have made alternative classifications. For instance, Alexander (1998) discerns six societal spheres: state, market, religion, science, family and civil society. The tripartite model based on state, market and civil society is probably the most common and influential (Frodin, 2009: 290).

Theories of state, market and civil society are associated with different kinds of governance failures that are triggered under particular circumstances. For example, markets are often believed to fail with regard to public goods production. Similarly, governments are susceptible to different kinds of failure, which has to do with the complicated ways in which administrative organisations handle information (Burns and Kamali, 2003). The concept of civil society is not linked to an equally clear theory and has no precise definition (Frodin, 2009: 290). It usually denotes an intermediate organisational sphere between the state and the family, consisting of organisations that have been formed voluntarily by members of society, with the aim of protecting their interests or values (Rindefjall, 2005: 51).

Civil society tends to be seen as a source of shared meanings and community solidarity. It is also considered to be an important counter-balance against both government and corporate power (Edwards, 2004). Thus understood, it can be seen as a non-hierarchical co-ordination mechanism based on trust, commitment and informal relationships. The problem with such forms of co-ordination, from a democratic point of view, is that they may easily become unrepresentative and closed to outsiders, unaccountable for their actions, and difficult to steer and combine with other governing structures (Rhodes, 2000).
The kind of theoretical thinking inherent in the conceptual triad of state, market and civil society has had a significant impact on policy design, not least in international development circles (Frodin, 2009: 291). Theories of market and government failures have been highly influential in development thinking in the post-war era. For instance, early development analysts did not trust the workings of the market alone and argued that the imperatives of under-development called for massive government interventions in which resources, capital and labour were transferred into more productive sectors of the economy (Hyden, 2006).

In the 1980s, the role of the state was downplayed in favour of markets. However, as the structural adjustment reforms failed to deliver on their promises, it became increasingly clear that market reforms required stronger and more efficient states, although more limited in scope, as Fukuyama (2004: 05) points out. The 1990s consequently witnessed the emergence of policy doctrines and theories of governance that downplayed the dichotomy between states and markets. This shift mirrored a growing realisation of the limitations of both market and hierarchical modes of governance in influential policy circles and among scholars (Frodin, 2009: 291).

Against the background of a general trend of privatisations and retrenchments of the welfare state, civil society came to be seen as a complementary mechanism that promised to fill in the gaps where markets and hierarchies tend to fail (Edwards, 2004: 11). The new approaches to governance that emerged in the 1990s emphasised the importance of complementary relations between the state, market and civil society. One of the architects behind the third-way doctrine of governance, Anthony Giddens (2000: 165), claims that the good society is one that strikes a balance between government, market and the civil order.

Like the third-way doctrine, the good governance agenda, which gained dominance in international development circles in the 1990s, highlights the importance of complementary relations among state, market and civil society. Public participation in policy-making and implementation became increasingly
emphasised by influential scholars, who sometimes wrote of public participation as a cure-all measure against a range of governance failures (Frodin, 2009: 291). In the words of Manor (1998: 127), the use of participatory decision-making structures:

“make(s) it more likely that government agencies and institutions will become more responsive to the felt needs of grass-roots communities, and more capable of perceiving, understanding and incorporating local ‘knowledge’ about the management of resources and the conduct of society’s business. They make it more likely that policy innovations will be realistic...and creative to ordinary people. They tend to increase the flow of information between state and society, in both directions. They enhance the chances that popular cynicism about any government initiative will be broken down or minimised. They make it likely that groups at the local level and indeed at all levels of society will develop a sense of ownership about development projects, so that such projects become more sustainable because such groups make efforts to sustain them”.

Thus, public participation is associated with a range of “context-independent” effects. With the rise of the good governance agenda internationally, the “state” made a re-entry not as a bureaucratic monolith but as as transparent, accountable, decentralised and responsive body embedded in the global economy. These international developments have influenced the South African governance reforms in the 1990s (Frodin, 2009: 292).

Democratic theories of local government will be now discussed to provide a theoretical lens to understand the principles of restructuring local government. According to Ismail et al. (1997: 13), the post-apartheid political dispensation in South Africa requires that local government restructuring should take factors such as democracy, efficiency, effectiveness, responsibility, responsiveness, non-racialism and non-sexism into account.

Meyer (1978) refers to two schools of thought which try to explain this intricate relationship – local administration as an integral part of the government of a
country ("centralist" theories: namely, intermediate, constituent, utilitarian and social relations) and local self-government - an autonomous body ("decentralist" theories: namely the historical-specific, law state, free-administration, group-life, local self-government, localist, public-choice, dual-state, liberal and participatory democratic theories).

However, only the decentralist participatory democratic theory will be discussed and critiqued here, as this theory finds expression in post-apartheid municipal legislation.

1.2.1 Participatory democratic theory

Participatory democracy tends to emphasise people’s direct involvement in the decision-making process. It is characterised by Christenson et al. (1971: 194) as follows:

- It regards citizens as highly motivated politically and believes that they will participate fully and continuously in public life;
- Citizens will have access to adequate political information and will use it for enlightened political decision-making;
- Citizens are able to communicate their political views to others and debate them effectively;
- Government is accessible to all citizens. This entails procedures such as rotation of offices among members of the community, the multiplication of elected offices, short terms of office, popular initiatives in proposing new measures to government, frequent referendums on issues, and thorough popular discussion on all or most government matters;
- As many issues as possible are exposed to political discussion. There is often no rigid demarcation of issue areas in different sectors of an organisation, and boundaries between organisations are flexible and informal;
• Although such a system can cope with diversity and dissent, there is usually a shared perception that consensus can and should be reached after prolonged discussion; and
• Formal procedures are played down in favour of popular enthusiasm.

Writers have challenged the legacy of liberal democracy, which they criticise as a theory underpinned by market forces (Ismail et al. 1997: 29). The theory, they maintain, must be revisited to reflect the changes in contemporary societies and equal opportunities must be extended to all citizens to enhance public participation. In this connection, Hill (1974: 36) argues that greater social and economic equality is required which is likely to make equal participation possible for all citizens. This desire for greater equality would appear to be in tandem with increasing demands for a better life for all, which undoubtedly makes a case for grassroots participation in decision-making. The importance of such involvement is summarised by Hill (1974: 36) thus:

“If people”s working experience mainly consists of carrying out orders given by others, in set ways and with unquestioned objectives, then they are very ill-equipped to take any real part in making decisions in public life, even at the local level”.

In essence, decentralisation of decision-making is crucial to theory and practice alike. To this end, Hill (1974: 37) remarks that the:

“Popular demand for ordinary people to have a greater say has arisen because of dis-satisfactions with government: leaders seemed too remote, they could not be controlled and they did not consult or inform the electorate before they acted”.

Gildenhuys (1987) argue that the difficulty with participatory democracy is that it is primarily appropriate on only a small scale and not necessarily functional in larger modern cities. Industrialisation and urbanisation processes have
necessitated a move away from participatory to representative democracy. It is the idea of political accountability of elected office-bearers, which theoretically ensures that they govern in the interests of all citizens. In this regard, representative democracy depends on a division of labour between the politicians and the citizens, and on the accessibility and accountability of the former to the latter.

It must be noted, however, that representative democracy as just described has undergone several modifications, largely brought about by socio-economic changes associated with continuing industrialisation and urbanisation patterns of the twentieth century. This has given rise to a situation where elected officials (politicians and councillors) have become increasingly dependent on the preliminary investigations, expertise and recommendations of appointed public officials and other professionals. Thus, recognition has been given to the contributions, which organised groups can make to the policy-making process. This change may be considered as a move towards consultative government, designed to supplement representative government (Gildenhuyys, 1987).

Although participatory and liberal democratic theories may have distinguishing features, this does not necessarily, imply that they are mutually exclusive. Instead, the two systems complement each other in the sense that liberal democracy makes provision for participatory features, and systems of participatory democracy generally accommodate individualistic forms of liberty (Centre for Policy Studies, 1992 cited in Ismail et al. 1997: 31).

Participatory democratic theory argues for total citizen involvement in the decision-making process. This implies that residents have certain expectations of their municipal political and administrative office-bearers in terms of their mandate to deliver effective, efficient and accountable services. The measurement of the local government’s service delivery is further implied in order to meet the accountability expectations of residents and therefore the performance of elected political and appointed administrative office-bearers is imperative.
The next section will address the new challenges for governments worldwide.

1.3 New challenges for government

Governments have always played a leading role in economy and society ever since the dawn of civilizations millennia ago (Farazmand, 2005: 201). This is a reality that no one can deny regardless of the scope of government activities – from little to too much – vis-à-vis the society. In fact, governments have been the most powerful institution on which almost all other actors and institutions of society have depended or relied for authoritative allocation of resources, space, rights, protection, and guidance. Historically, governments have been a force of both promotion and hindrance in social action. Very often, governments have been constructive, guiding movements and market-place activities, but at times not so infrequently governments have also been destructive causing dysfunctional behaviours in society, market-place, and other institutions of self-governance. Therefore, the role of government in society and economy has always been a controversial one, driving political thinkers, philosophers, and administrative theorists on what governments should do (Farazmand, 2005: 202).

The last 25 years or so have been a period of rapid global changes, changes that have caused fundamental transformations in government-society relations, public-private sector re-configuration, national-international-global relations, citizens-government relations, and nature and functions of government, governance and public administration. There has been a set of mega-trends that have caused these changes and transformations and re-defined the role of government in economy and society (Farazmand, 2005: 202).

Two major global mega-trends represent key features of these changes: one is the rise of the phenomenon (also an accelerated process) of globalisation of corporate capitalism with the purported ideology of market supremacy; and the other is the rise of the global „Quality Movement“ in the public and private sectors service delivery and organisational performance. These two broad
and inherently conflicting mega-trends, not to mention other equally important ones, pose serious challenges to governments and corporate organisations, as they demand contradictory expectations and require systemic structural and cultural changes in their basic assumptions and modes of operations (Farazmand, 2005: 202).

On the one hand, globalisation demands fast integration, higher profits at almost any human and environmental costs by pushing for high quantity and efficiency at the expense of quality and fair organisational behaviour. At the same time, the global movement for higher quality in service delivery and organisational performance raises expectations of government and corporate organisations that are harder and harder to meet in the age of “doing more with less” and paralysed or reduced institutional capacities. To meet these challenges of globalisation and to manage these contradictory expectations, demands, and requirements, governments have a pivotal role (contrary to the perceptions promoted by proponents of market theory) to play as they are the ultimate institutions of accountability and responsiveness to society, economy, and citizens. Thus government can and must play a key role in promoting TQM (Farazmand, 2005: 202).

The different theoretical perspectives of the role of government will now be presented so as to obtain a broader view of this institution.

1.4 Role of government: three theoretical perspectives

Generally speaking, there are at least two broad and opposing perspectives of the appropriate role of government in capitalist society and economy, with a third view of “mixed” economy perspective often in operation around the world. These theoretical perspectives cut across almost every academic discipline from economics to sociology, political science, public administration, and management (Farazmand, 2005: 203).
1.4.1 Strong government model

The first perspective favours a strong government and state in not only regulating the economy and society, but also guiding the “commanding heights” of society and economy, including the market institution. This is a widely known “traditional” theoretical perspective. The ultimate model of a strong-comprehensive government is the socialist system of government and economy in which government plays the most dominant, almost total monopolistic role in society, economy, and social relations (Farazmand, 2005: 203).

The society is based on the concept of socialised properties, nationalized wealth and resources, collective organisational arrangements in managing the economy and society, and socialized public services such as health and human services, education, transportation, communication, and more. Limited private property and individual ownership are allowed for creativity and innovations, but the society as a collective body is responsible for its community of people, productive and unproductive as well as future generations. The state and government represent the will of “people” and organise and manage national resources and assets to meet the social, economic and security needs of the people and the nation as a whole (Farazmand, 2005: 203).

Furthermore, Farazmand (2005: 2003) state that there are variations in the socialist models of government, ranging from the Swedish “capitalist-socialist” mixed model to Cuban and former Soviet system of socialism. With the fall of the USSR, the rapid globalisation of corporate capitalism has produced a global delusion that capitalism is the only viable and legitimate system of social action, and corporate capitalism the only institutional arrangement worldwide. The proponents of this ideology show no tolerance for any alternative social system, even a mixed economy model of government.
1.4.2 Market (Laissez-Faire) – anti-state model of government

The second perspective is the opposite of the first view. It is against the strong role of government and favours as small as possible a role of government, believing in free enterprise, laissez-faire economy, and market supremacy and other institutions of social action. This perspective favours a “minimalist”, non-interference government with little or no regulations and certainly no commanding position in society, especially in the economy (Lindblom, 2001). According to this perspective, the market institutional mechanism has an ability to self-regulate and correct itself for malfunctions of the economy once in trouble.

However, this perspective recognises the need for some sort of government to: (1) provide stability, security and social order; (2) protect the free enterprise market system against competitors and unfriendly take-overs, domestic and international; (3) promote the market institutions and their organisational arrangements through legislation, judicial ruling, and executive actions – both at home and abroad; and (4) enhance the goals of market capitalism in its local, national, and global pursuit of absolute profit or surplus accumulation, market expansion, resource acquisition, and labour performance worldwide (Farazmand, 2005: 204).

This is the market theory of organisation with an origin in conservative classical and neo-classical economic and political theories, with a resurgence since the 1960s of the so-called “public choice theory” that has as of the 1980s dominated the world of governance, administration, and economics all over the world. Its key prescriptions are sweeping privatisation, contracting out, and outsourcing of all governmental functions and activities. Proponents of this globally dominant perspective view government as inefficient, stifling to the free enterprise system, and prescribe “self-interest individualism” as the key methodological approach to managing the economy and society. It allows for a minimalist government responsible for maintain law, order, and security for performing the four functions in society outlined above (Farazmand, 2005: 204).

The need for some sort of government to serve the interests of the capitalist system, with corporations being its most dominant organisational form of operations, has raised the controversial issue of the role of government even higher and more complex level of debate, as there is no clear agreement on what the most appropriate role of government should be for which society. Contrary to the claims of the proponents, the “one-size fits all” does not work and has never worked. Different societies with different levels of development, conditions, and citizens’ demands require a different role of government, and this has been a most pressing and sticky question, a question that will remain to be an issue of worldwide debate in the near future. Recent experiences in Latin America, Europe, and Asia have demonstrated a return back to the state and stronger role of government after a short period of experimentation with alternative models (Farazmand, 2005: 204).

1.4.3 Mixed- economy welfare - state model of government

The above discussion leads us to the third theoretical perspective on the role of government, one which is flexible, strong at some points and in some respects, but relaxed and “let go” in other areas and sectors of the economy and society (Farazmand, 2005: 205). This perspective has two origins:

One is the the earlier Keynesian economic theory of a mixed economy with a strong interventionist role for government in society and the economy regulating private sector businesses as well as maintain social control and security for the market system to grow, develop, and prosper. This model of
government role was adopted after the collapse of the US stock market in 1939 sending shock waves of market collapse, institutional failures, and great depression that plagued the entire world of capitalism. The socialist systems of the USSR was not affected as it did not operate on market-exchange fluctuations and was immune from its dysfunctional risks (Farazmand, 2005: 205).

This model of government role also provided as part of its key feature a welfare governance and administrative system to provide a safety net for the poor and unemployed, to maintain social control by regulating the poor and working class people (Piven and Cloward, 1971), and to promote economic growth and development by direct government investments in society and the economy. Even the strong proponents of free market capitalism, Friedman (1962) cited in Farazmand (2005: 205), endorsed the need for the basic safety net to the poor and under-class so that they would stay able to “work”. However, the welfare state was costly and its administrative state enlarged as the government role expanded into many areas of the economy and society worldwide.

The result was, by the 1970s, frustrating experiences of budget deficits, a largess of bureaucracy and administrative state, a growing dissatisfaction of citizens with the performance of both government and business-corporate organisations in terms of “quality” in service delivery and responsiveness as well as accountability in governance and administration (Lipset, 1987:01); this was a worldwide phenomenon that increasingly contaminated governments and business enterprises around the world (Farazmand, 2002a – d; Thayer, 1984).

The citizens" anti-tax revolts of the 1970s in the United States, the worldwide citizens" and consumers" demands for “quality service and good” forced all institutions of service delivery in the market first, followed by governments later, to adopt measures of quality improvement in service delivery and organisational performance. As is well known, the Japanese pioneered the global “Quality Movement”, the world of consumers around the globe got the
attention, then the entire world of corporations, organisations and
governments began to follow the movement by adopting some versions of
quality improvement, quality assurance, and “total quality management
(TQM)”. As a result, the governments in the capitalist world began to
experience a heightened crisis of legitimacy (Farazmand, 1989: 173),
originating mainly from the state”s inability to maintain social welfare functions
while spending heavily on military and warfare expenditures.

The state was no longer able to maintain a balance of functions. The result
was the “fiscal crisis of the state” (O”Connor, 1971), “governability crisis”, and
the “impossibility crisis” of the social welfare functions also known as “the
Arrow impossibility functions” (Arrow, 1963). The dilemma of the mixed
economy capitalist state is well captured by the following statement by a
social science observer:

“The search for a workable balance between the economic and social markets
of a mixed economy poses a crucial challenge to the future of the welfare
state in a capitalist society. It is a challenge that demands sober regard for
both the vitality of free enterprise and the humanity of social welfare”.
(Gilbert, 1983: 184).

The phenomenon of globalisation and its impact on government will now be
discussed.

1.5 Globalisation and the changing role of government

Farazmand (2005: 206) state that one way to get out of this collapsing state
capacity to govern, a crisis that had by the late 1970s almost paralysed the
major capitalist welfare state governments of the North and South, was to
reverse the earlier, interventionist role of government, to dismantle the welfare
administrative state, to privatise public service and governmental functions,
and to downsize government organisations. All of these was done in the
name of efficiency, economy, and consumers” demand for responsiveness,
accountability, and quality in service delivery and organisational performance.
The intellectual foundation of this fundamental change was presented by the conservative neo-classical economic theory of public choice theory, also known as rational choice theory in political science.

1.5.1 Globalisation

The dramatic changes in the role of government – transferring to private sector organisations the previous functions and organisational structures of government – during the last two decades triggered a new chapter of global capitalism in the United States, Japan, and other powerful nations in their pursuit of global operation. For capitalism to grow and prosper globally, barriers must be removed and new global frontiers must be opened. This was exactly what the strategic policy designers did in the United States and Great Britain (Farazmand, 2005: 206).

The pioneers of this sweeping public policy drive were the ultra-right conservative political leaders Ronald Reagan in the United States and Margaret Thatcher in Great Britain; under both administrations, massive privatisation and role-back of the state functions took place, a pace that continued under their successors. Indeed, their policy move was pushed globally both directly and indirectly through the United Nations (UN) and a host of other international, supra-national institutions such as the World Bank (WB), International Monetary Fund (IMF), World Trade Organisation (WTO), Agency for International Development (AID), and other donor organisations and governments and transnational corporations that now dominate the world (Farazmand, 1999a: 509, 1999b: 551; Korten, 2001).

Several other global factors have also contributed to a major “turn-around” of events in the global arena, but two stand out as the most important ones: One is the sudden collapse of the USSR as the leading socialist system of the world giving a powerful and convincing weapon of argument to the Western corporate elites that market capitalism is the only workable and legitimate system of society and the economy (Lindblom, 2001; Frank, 2000); and the other was the revolutionary innovation in information technology, especially
the Internet communication system making worldwide, instantaneous connection and communication possible among peoples, governments, and institutions. All of a sudden, it appeared that the world was turning upside down, and inside out, during the fading years of the last century (Farazmand, 2005: 207).

The hallmark of these, and other, major rapid changes worldwide has been the accelerated “globalisation” , “a process through which worldwide integration and transcendence are taking place” (Farazmand, 2005: 207). The process had started after World War II and accelerated since the 1980s, with the transworld corporations taking the lead in expanding global markets for higher profits, cheap labour forces, cheap natural resources, and deregulated environments with little or no government interference. Indeed, many governments are unable to deal with this new global wave of change and transformation; they find themselves either irrelevant or bound to facilitate with globalising corporations under the new rules of global institutional arrangements dictated by the WTO, UN, WB, IMF, and US foreign policies. It is in this age of globalisation that the role of government has dramatically changed and transformed (Farazmand, 2005: 207).

Elsewhere (Farazmand, 1999a: 509, 1999b: 551, 2001a; 437, 2001b, 2001c: 111, 2004a, 2004b), discussed in detail the accelerated phenomenon of “globalisation”, as a continuing process of rapid change within the context of the broader process of capitalism’s pursuit of absolute rate of profit (surplus accumulation) worldwide, the diverse meanings of globalisation, its causes and consequences for the state, government, governance, society, economy, and public management, as well as implications for developing nations. However, a fundamental feature of this new global change, that is globalisation of corporate capitalism has been the sweeping privatisation of not only the public enterprises, but also almost all functions of government, including the core functions of security and defence, health and human services (Farazmand, 2005: 207).
Privatisation has been strategic and systemic to restructure the government-private sectors configuration worldwide; tactical and pragmatic privatisation have been carried out by almost all governments for thousands of years, and they are not new, but its sweeping scope is alarming. Also, contracting out and outsourcing have characterised the key functions of previously performed governmental functions. Today, a key feature of this public-private sector reconfiguration is the problems of contract management, accountability assurance, and quality assurance. The question is: who is accountable to whom? Who is monitoring the contracts and outsourced programmes and how effectively are they done? In addition, how should the “quality” component of the services and products delivered to society and to government are assured and controlled for (Farazmand, 2005: 208).

These are fundamental questions of governance, administration, public management and total quality management (TQM). It is in this context that the active role of government is seriously needed to assure and promote quality movements. According to Farazmand (2005: 208), we are living in an age of global inter-dependence, global communication, Internet empowerment, and increasing pressures of global competitiveness, all of which require adoption of an aggressive policy of TQM in every single industry, service area, and functions.

The changing role of government will now be examined.

1.5.2 Changing role of government

The role of government has, therefore, changed already, and will continue to change in the future. The traditional role of “commanding the heights” of the economy and society is now challenged by a multitude of forces and institutions, including other governments, supra-governmental organisations (for example, UN, WB, IMF, WTO), citizens, groups and associations, non-governmental organisations, and civil society. On top of this, consumers of the marketplace demand “quality” services and products for which they expect to pay even less (Farazmand, 2005: 208).
The monied people can and do shop globally; they expect high quality products for the money they pay. Low income citizens equally expect improvements in the quality of services they receive, but they have little or no influence on the power structure of corporations and governments that drive the forces of globalisation. A key area of expectation for quality is organisational performance. In both public and private sector organisations, there is an increasing expectation and demand for “high performance” characterised by both quality excellence and high efficiency. These pressures and expectations are raised in a time of reduced organisational capacity, downsized workforce, and diminished resources. The challenge is therefore mounting for “high performance organisations” (Farazmand, 2005: 208).

Today, according to a number of observers, governments have been transformed from their traditional role into a “market-based” government (Donahue and Nye, 2000), functioning as a facilitator to promote market capitalism in its drive toward growth, development, and service delivery. However, even these market-proponents realise and ask for a role of government to protect both capitalism and to absorb the externalities that market releases to society. Thus, the transformed role of government is now the one that acts like an “agent” on the one hand and “principal”, on the other.

The market-based government, according to its proponents, is by-passed by global corporations and other organisational arrangements of global capitalism; the government is becoming irrelevant as far as global capitalism is concerned (Fukuyama, 1992; Williamson, 1985). However the tragic event of 09/11/2001 in the United States, and the subsequent US unilateral declaration of global war on terrorism and the invasion of Iraq has shattered this earlier notion of the role of government in the economy and society, one more time demonstrating as evidence that governmental role is key and will always be a key to managing, leading, and regulating society and the economy, in a globalised world (Farazmand, 2005: 209).

A key feature of this changing, transformed role of government in the age of globalisation is the sudden rise of the so-called “new public management”
(NPM) in governance and public administration, and “new management” in managing corporate private organisations (Barzelay, 2001; Hood, 1991: 03). The popularity of this new management “fad” has reached worldwide attention, but its flaws and failures are coming to the surface slowly now. According to the NPM, which operates as an “intellectual arm of corporate globalisation of capitalism” (Farazmand, 2002a: 355, 2002b: 125, 2002c, 2002d), the idea of “one-size fits all” as an ideology of business management is a new “orthodoxy” that claims to replace the traditional “orthodoxy” role of government based on bureaucracy.

The NPM philosophy is based on business management principles of results-oriented, performance-based, and efficiency-based outcomes, with a purported eye on “consumer” preferences and satisfaction, and more. These are good features of management and administration, but there are problems with the real-world application of these features in both business-corporate organisations and public-governmental organisations. It is worth noting that what is missing in this list of features is a set of equally important values, such as accountability, transparency, responsibility, responsiveness, equity and fairness, equality, and quality treatment of citizens in the market-place (Farazmand, 2005: 209).

It is for these reasons that more and more governments in Europe and Latin America have adopted legislation to abandon NPM practice in public management Farazmand, 2004a, 2004b; Argyriades, 2001; Nordhoek and Saner, 2005: 35). Globalisation, privatisation, “new public management” and similar ideologies demand efficiency at any cost, including quality, equity, and environment. It is in this context that the new, changing role of government is even more pronounced than ever, because the market is like a jungle, and there is a need for keeping the predators away from citizens and decent consumers (Farazmand, 2005: 209).

There are many challenges arising out of globalisation and governments need to manage these challenges.
1.5.3 Managing globalisation challenges

Challenges of globalisation are many, and managing them requires extensive retooling in governance, public administration, and management. One macro-challenge facing governments is national government’s responses to global forces of competition, co-operation, and pressures. Global competitions are at all levels and they arise from every direction. No country or corporate organisation can be competitive in all areas, but they can build strategic areas of global competition so that they can have a presence in the global market. Governmental role requires steering the economy through sound allocation of national resources into directions that would strengthen national and global competitiveness. These competitions come in the age of globalisation and governments must be prepared by capacity building (Farazmand, 2005: 210).

The second macro-level challenge of globalisation facing governments is the serious need for capacity building in its “enabling” role of sound management in the infrastructure areas of natural resources, environmental quality, health and education, social and human capitals, and other key structural issues that enhance the entire society’s ability to grow, develop and prosper. This second macro-challenge is not necessarily a globalisation challenge; it is a domestic challenge nonetheless. Yet, it is directly linked to government’s ability to respond to globalisation pressures of competitiveness. Serious capacity building is required in this area as well, so all sectors of society can move forward with full capacity (Farazmand, 2005: 210).

The third challenge is micro compared to the first two, but it is also considered a macro-policy and management issue, and that is the government capacity, willingness and culture to meet the demands of its citizens with quality, high responsiveness, and responsibility as well as accountability. Doing so, governments must build strong infrastructure capacity, both institutionally and culturally through education and training of public servants, contract managers, monitors of public programmes, and privatised or outsourced projects. Key to success is building trust and confidence in government organisations and their quality performance (Farazmand, 2005: 210).
This is a serious challenge that is now compounded by the challenges of globalisation, as citizens of one country are well aware of what citizens in other countries expect, demand, and receive. There is a “global common” developing among citizens of the world. The bottom line is demand for quality, respect, and dignified treatment of citizens as citizens, not just consumers of the market-place, and accountability and transparency are key elements of this new challenge of public management. Government is the ultimate responsible and accountable body in society (Farazmand, 2005: 210).

Globalisation has also impacted on organisational theories and this impact will now be examined.

1.5.4 Principal - agent theory: Government as principal or agent?

The age of globalisation has also brought new organisational theory concepts, and one of these new concepts is the “principal-agent theory”, that considers consumers as principals and organisations providing services as agents; hence principal-agent theory (Alchian and Demsetz, 1972: 777; Fama, 1980: 288; Jensen, 1983: 319). Terms and conditions of agreements or contracts govern their relationships. This is not a new idea, and it has been around for thousands of years (Farazmand, 2005: 211).

The assumption is that there is a free flow of information between both parties, there is no co-ercion involved, no manipulation by any party, and that efficiency defines the relationship between principals and agents. In this case of market-place operation, especially under globalisation, the role of the government is not very clear. Is government a principal or an agent? The answer is: it has to be both, principal on the one hand, and agent on the other. Under the traditional role of strong government, it was an agent, with citizens being the principals; the government performs and provides the public services and goods, hence an agent. However, the government was also a principal in the areas of regulation of the market and society, acting on behalf of the citizens to enforce laws and regulations (Farazmand, 2005: 211).
With the “new role of government”, where privatisation, contracting out, and outsourcing are commonplace under globalisation and serve the goals of globalisation of corporate capitalism worldwide, the government has to perform both the role of principal and agent at the same time. As a principal, the government must manage privatisation, outsourced and contracted projects and programmes with public authority, therefore acts as a principal to make sure the agents (contractors) do their jobs right, but the government is still the ultimate source of accountability and responsibility to society, citizens, and to the new globally emerging sources of authority. Here the latter role is the role of agency, which is the government as an accountable agent must act responsibly. Government still performs a number of functions directly by itself, say national defence, security, health and education, and here it is an agent to citizens who are principals. Thus, the government role is changing, and so is its principal-agent role configurations. A key area of the governmental role as both an agent and a principal is the promotion of TQM in the age of globalisation (Farazmand, 2005: 211).

TQM must be viewed as a philosophy to be promoted by governments as well as a management tool.

1.5.5 Managing for TQM and total quality assurance (TQA)

According to Farazmand (2005: 211), the role of government in reference to quality falls under two broad roles: one is to promote and support TQM as a movement, as a philosophy, and as a tool of improvement in quality governance and management. The second broad role relates to taking measures toward quality assurance, which is to promote guarantees of quality in private and public sector organisations. Government can and should view TQM and TQA as means to achieve strategic national goals in the global environment, on the one hand, and to promote quality of performance and living conditions of its citizens at home, on the other.

This is a challenging task that is expected of governments. Poor quality products and services produce dissatisfaction among citizens and drive them
to competitors at home and abroad; and bad quality products offered by market-place prompt government oversight and intervention via setting standards and regulatory schemes to protect public health and well-being (Farazmand, 2005: 212).

1.5.5.1 TQM as a philosophy

Farazmand and Mittner (2004: 233) argued in favour of TQM as a philosophy. Reproducing an excerpt of that assertion below helps understand the concept in a deeper sense:

“Philosophy is in search of truth in the universe. It involves value structures with underlying assumptions that can be injected and enhanced in culture, community, and society demanding collective action. Philosophy, therefore, in this context involves a set of structured principals, value systems with attitudes and beliefs, and processes that are never ending and always in motion: detecting and preventing defects while creating new ideas through innovation.

In a sense, it may be considered a dialectical process, which requires institutional competence and organisational dynamics. Thus, the philosophy of TQM is holistic and all-encompassing. It is important to make a distinction between (1) the general absolute philosophy that covers and guides aspects of life and society, on the one hand, and (2) the instrumental philosophy that guides work and organisational behaviour in daily life of modern society, on the other. Of these two types of philosophies, instrumental philosophy is the one that is central and key to understanding TQM.

By implication, therefore, TQM differs from other management techniques because it focuses on the outcome and not the output of a particular organisation. Even though at the end of the day one organisation may have served customers in an efficient way the question remains: was their service effective? Just because a project is “done” does not necessarily mean it is
done well; it just means it has finished, not even completed because the concept “complete or completion” has meaning beyond finishing a task or job.

It refers to completing the required task of integrating together the necessary components of a product or service with “quality” assurance and consequences...Quality is what a healthy, productive, and effective life is to a person and organisation. The culture of TQM is a comprehensive one, integrated, holistic, and philosophically embedded in the basic assumptions of the organisational culture that believes in, and promotes, that “quality culture” not only in its manifest words but also in deeds and actual products and services” (Farazmand and Mittner, 2004: 233).

1.5.5.2 TQM as a strategy to manage globalisation

Viewing TQM and improving quality assurance enables government to enhance its capacity building toward management of the globalisation challenges. Quality is an ultimate answer to all critical problems, an answer to key questions, and a key response to demands of competency in domestic and global arenas of competitiveness (Farazmand, 2005: 213).

TQM should be used as a strategic innovation in capacity building, in managing global challenges, and in promoting quality assurance. It is an innovation in building human capital in a knowledge-based age of governance and administration. Nothing replaces good knowledge. Yet, there is a dilemma, the dilemma of assuring quality at home on the one hand, and managing the globalisation challenges, on the other (Farazmand, 2005: 213).

1.5.5.3 The new “impossibility theorem”

According to Farazmand (2005: 213), the “impossibility theorem” develops in the role of government in the age of globalisation and global pressures, which contradict the efforts for quality assurance and TQM at home. On the one hand, the goals of globalizing corporations seeking cheap labour, cheap resources, cheap materials, deregulated environments, lack of governmental
interferences, free operational hands, and maximum efficiency based on quantity often at the expense of quality, are to increase the bottom line of high profit and market expansion globally. These corporations care less about social costs and other externality costs they release to society; the government must absorb them. The higher the rate of efficiency and profit, the lower the quality of services and products for the following reasons.

On the other hand, quality assurance, quality services, and TQM require serious measures of programmes and plans of actions that improve quality in the process of performance, production, and delivery of services. This requires trained and quality personnel, employees and workers who are skilled, those who have a sense of loyalty and security in their jobs, and show a feeling of commitment to what they do. Quality requires seriousness in performance, pride in outcomes, and recognition in ways that society and labour appreciate (Farazmand, 2005: 213).

Globalisation forces are after cheap labour, temporary labour, and fast pace production with high volume, with little or no concern for human, individual workers of communities they exploit and leave behind. They downsize workforce and hire temporary labour to save money; they get what they pay for; poor quality and low or no commitment from labour. The result is that the goals of globalisation of corporate capitalism clash and contradict with the goals of quality and TQM; the two are incompatible and generate the “Impossibility Theorem”, a concept (Farazmand, 2005: 213) have developed in managing the challenges of globalisation.

Farazmand (2005: 213) state that there is a solution to this dilemma. Government must have a strong role to balance out and solve or minimise the contradictions. This requires a determined, informed, and genuine policy-making governance system that acts with determination, independence and effectiveness.

Having discussed government in general above, it would be instructive to obtain an adequate understanding of the meaning of local government in
general, and local government management in particular. In this regard, the South African local governance framework will now be discussed so as to contextualise this research study.

1.6 South Africa’s local governance framework

The British third-way doctrine and the international good governance agenda influenced the South African governance reforms carried out in the latter half of the 1990s (Frodin, 2009: 292). The South African National Constitution, which was completed in 1996 and took effect in 1997, set the tone for the reforms that followed. It declares that the South African government is founded on three distinctive but inter-dependent and inter-related spheres. The Constitution thus raises local government from a subordinate level to a significant sphere in its own right, with considerable autonomy and the responsibility to promote social and economic development (Cameron, 2003: 112). After the completion of the Constitution, a simple model of national co-ordination was no longer possible in South Africa. As a result, there was a shift from centralised planning towards multi-level governance similar to that of the European Union (Harrison, 2006: 195, 323). This was further emphasised in the new local government framework, which was developed in the late 1990s and launched in 2000 (Frodin, 2009: 292).

This framework is divided into 6 metropolitan councils (Cape Town, Durban, Johannesburg, Port Elizabeth, Pretoria and East Rand), 47 district municipalities that are to offer co-ordination and support to 231 local municipalities under their respective jurisdictions, and 14 district management areas administered directly by the District Council because of their sparse populations (Nel and Binns, 2001: 355). The local sphere thus consists of two tiers, the district and local level. The two-tiered character of the local sphere further contributes to the multi-level character of the South African government system.

Two basic pieces of legislation that frame the new system need to be mentioned in this context. The 1998 Local Government White Paper provides
the basis of the new framework. It was clearly influenced by the third-way doctrine and bears striking similarities to the British New Labour’s 1998 White Paper, *Modern Local Government: In Touch with the People* (Calland, 2006: 71; Harrison, 2006: 197). The White Paper also introduced the notion of „developmental local government“, defined as:

“local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives”.

It states that municipalities are obliged to take on a leadership role by involving and empowering citizens and „stakeholder groups“, so as to „build social capital“ and „generate a sense of common purpose in finding local solutions for sustainability“ (Nel and Rogerson, 2005: 06).

Secondly, the Local Government: Municipal Systems Act 32 of 2000 clarifies the legislative basis for Integrated Development Planning and states that all municipalities must produce Integrated Development Plans (IDPs) (Harrison, 2006: 198; 2008: 324). The IDP is a strategic plan for the development of the municipality aimed at integrating and aligning local, provincial and national development strategies to avoid fragmented, project-based planning at the local level (Rogerson, 2006: 229).

The IDP system was developed by the national government under the influence of development agencies like the *Deutsche Gesellschaft für Technische Zusammenarbeit / German Technical Co-operation* (GTZ). It is very similar to the British joined-up government model, in which the responsibility for planning is devolved to the local level, while the powers over overall policy design and financial control are concentrated at the national level (Frodin, 2009: 293).

In this system, the national government establishes the broader policy framework, while local and regional governments are expected to co-ordinate and integrate the government functions and anchor them in the local civil
society. Integrated Development Planning is comparable with the British Community strategies, which also encourage the joint engagement of public, private and voluntary sectors in local planning, while local plans at the same time have to be consistent with national and regional priorities. Both the British and South African systems are based on what Harrison calls “top-down direction for bottom-up implementation” (Harrison, 2006: 190, 201).

The new system of Developmental Local Government, in which Integrated Development Planning is a central component, took effect on 05th December 2000. The introduction of this governance framework entailed a re-definition of the relationship between the public, private and civic sectors. While it provides more operating space for private and civic organisations in policy-making, it rests on the assumption that civil-society groups agree on the government’s development agenda and that they will help the government to achieve its objectives, as Gumede (2005: 284) points out. Private and civil-sector representatives are to be involved in development initiatives in partnership with the public sector. At the same time, the idea of civics acting as checks on the government is downplayed. The new policy framework is thus founded on a vision of what can be called “consensual micro-corporatism” (Frodin, 2009: 293).

It also rests on a number of behavioural assumptions inherent in the governance doctrines from which the policy-makers drew inspiration. In line with the third-way doctrine, the South African governance framework is designed with a view to promoting harmonious relations between public, private and civil-society actors in order to minimise government and market failures. It rests on the assumption that public, private and civic actors involved in development planning and implementation are to act on different rationalities on different levels of aggregation and in different spheres of social, political and economic life. For instance, while private actors tend to act on self-interests in the market, they are expected to be oriented towards wider public interests when they are involved in development planning activities. At the same time, public servants and representatives of civic associations are to act on the public good, and so on (Frodin, 2009: 293).
SALGA (2006), the South African Local Government Association, has expressed concern that there appears to be a lack of common understanding, both within and outside local government, of what developmental local government really means. It argues that being developmental means that local authorities need to shift their focus from infrastructural services to social and economic development. This implies a shift from an emphasis on service delivery to the impact of service delivery outputs on the quality of life of communities. This approach, SALGA (2006) argues, necessitates the formulation of a corporate development strategy that is not just the sum of the service delivery objectives or individual functions, but that represents a set of decisions or choices about what interventions need to be made within a municipality’s external environment to produce the desired development impact.

1.6.1 Background to local government in South Africa

With the introduction of a new constitutional order for South Africa on 27th April 1994, the former South African government had to undergo fundamental changes and reforms on all levels. Not only did the national and provincial governments have to be revised but also, more specifically, the whole of the local sphere of government had to be transformed in compliance with the new constitutional mandate (DPLG, 1994. Section 05: White Paper on Reconstruction and Development). Comprehensive governance reforms were pursued in practically all areas affecting political and economic activities in South Africa. The reform architects drew on British reform experiences and various international development policies and public-management models. In many respects, the South African policy framework incorporates the state of the art in terms of governance standards. Local governments have been given major democratic and developmental responsibilities (Frodin, 2009: 288).

Both the interim Constitution and its successor, the final Constitution of 1996, replaced the former system of parliamentary sovereignty with a new system of constitutional supremacy. Both constitutions contained a comprehensive Bill
of Rights in which the rights of all people in the country were enshrined. All spheres of government were bound by the Bill of Rights. A newly restructured judiciary, with the inclusion of a specialised Constitutional Court, was given the power and duty to oversee and control full compliance with the new constitutional standards and requirements (Republic of South Africa Constitution of the Republic of South Africa Act 108 of 1996).

The former centralised government was furthermore replaced by a system of government with federal elements in which significant powers and functions were devolved to provincial and local government. The final Constitution, which completed the negotiated framework of transformation, established a new governmental structure on three spheres, which are distinctive, inter-dependent, and inter-related. The constitutional text further incorporated many basic principles and features which underlie the new order and with which all spheres of government and other organs of the state had to comply in future (Bekink, 2006: 15).

It is generally accepted that the pre-1993 constitutional dispensation had seriously damaged the spatial, social, and economic environments in which people have lived, worked, and raised their families. This was specifically evident within all municipal jurisdictions where resident’s lives and living standards were affected directly. Arguably, the most critical functions of the new local government structure and reform process are to rebuild local communities and environments and, further, to establish a new foundation for a democratic, integrated, prosperous, and non-racial society (Bekink, 2006: 16).

Local government within the new constitutional order has been afforded specific status and is protected as a distinctive sphere of government (Constitution Act 108 of 1996). Local authorities are no longer a mere function of national or provincial governments. Apart from this entrenched status, the Constitution and other relevant legislation vest local government with specific functions and responsibilities in the process of building a new
democracy and promoting socio-economic development and upliftment (Republic of South Africa Constitution Act 108 of 1996: Chapter 07).

In further emphasising the point that municipalities have a developmental mandate, Reddy et al. (2003: 196) state that an integral part of the developmental mandate is local economic development. Local economic development means the mobilisation of local skills and resources around the development challenges within the municipality. More specifically, for the municipality, it means the mobilisation of local government skills and resources. It is a locally driven process designed to empower people, and identify, harness and utilise resources to stimulate the economy. This does not take place on a piece-meal basis, but must be the result of local government planning, implementation and monitoring processes.

Municipalities are now required to promote economic development in co-operation with the business sector, local community groups, and other government agencies. All local development initiatives are co-ordinated through Integrated Development Plans (IDPs), formulated and reviewed through participatory planning processes involving government representatives as well as interested non-government actors. The idea of IDP is largely based on the British joined-up government model, which is rooted in the third-way doctrine of governance. The third-way doctrine, in turn, envisages complementary relations between the state, the market and civil society (Frodin, 2009: 288).

In light of the above, the importance of local government in the new structure is self-evident. It serves as a counterweight to the concentration of powers on other levels, it brings the decision-making process closer to the local people, and it is thus better suited to ensuring public involvement. Local government has often been described as the cornerstone of ensuring an overall democratic government. It serves as the level of government that functions the closest to local residents and is involved in the rendering of essential services that are needed in all lifestyles. One can truly regard a local
government as an essential service provider “from the cradle to the grave” (Bekink, 2006: 16).

Within the above-mentioned framework of the Constitution, local government had to be transformed into a service delivery-oriented sphere of government, committed to working with all interest groups and directed at achieving sustainable human settlements with enhanced quality of life (Bekink, 1996: 16). The framework of such transformation was set out in the White Paper on Local Government, which was published during March 1998. The White Paper together with the constitutional requirements provided the basis on which the new system of local government had to be established. Within this framework, new legislation was proposed and enacted in order to complete the overall structure and to achieve the constitutional requirements and objectives. In retrospect, the White Paper was a unique document: it dealt with an entire sphere of government and served as a mini-Constitution for the reform process.

It is submitted that local government within the overall governmental structure of South Africa is of fundamental importance for stability and success of the State as a whole. Local government forms the backbone of the newly established democratic foundation and is the part of government closest and most directly involved in people’s day-to-day lives. Every person living within the territory of the State will fall within the jurisdiction of a local authority and will be directly and indirectly influenced through the powers and functions of such local authority (Bekink, 2006: 16).

A full understanding of the role, powers, functions, objectives, developmental duties and provision of services are thus of great importance for councillors, municipal managers and management, but they are more so for the local electorate and inhabitants. The Constitution provides only the framework for understanding and studying the legal system of local government; the completion of the system is to be found in various pieces of national and provincial legislation. The administrative structures of municipalities and its internal processes have undergone a major transformation from that of a rigid,
bureaucratic organisation to that of a flexible, people-centred performance-driven organisation where creativity and innovation is encouraged (Bekink, 2006: 17).

Within this over-arching framework of developmental local government, it would be instructive if the duties of the senior political and administrative functionaries, namely the executive mayor and the municipal manager, as well as their relationship, are outlined.

1.6.2 Executive leadership and management in developmental local government

At the beginning of its term, the municipal council elects the executive mayor. The executive mayor’s term of office runs parallel to the term of office of the municipal council. The duties of the executive mayor are: to identify and prioritise the needs of the municipality, recommend to the council on how to address those needs through the Integrated Development Plan (IDP) and estimates of revenue and expenditure, develop criteria for evaluation of these activities; evaluate progress in addressing the needs of the municipality; reviewing the performance of the municipality in order to improve the municipality’s: economy, efficiency and effectiveness; credit control and revenue and debt collection; and implementation of by-laws; monitor the municipality’s management; oversee the provision of services in a sustainable manner; report on the involvement of communities in municipal affairs; and ensure public participation and consultation and report on the effects thereof on decisions taken by council. The executive mayor is also under a duty to report on all its decisions to the municipal council (de Visser, 1999: 11).

In larger municipalities, the executive mayor must appoint a mayoral committee from among the councillors. This mayoral committee is tasked with assisting the executive mayor, who can delegate specific responsibilities or powers to members of that mayoral committee. Even though the role of the executive mayor is still “open” and will therefore largely depend on what powers and functions the municipal council will delegate to him or her, it is
clear that the executive mayor will be the „executive leader“ of the municipality. The executive mayor will be responsible for running the municipality on a day-to-day basis and he or she will be assisted in that by the mayoral committee. The municipal council can designate some tasks of the executive mayor that he or she must exercise together with the mayoral committee. In this way, the council can bend the decision-making structure slightly towards a more „collective“ executive, bearing in mind that the mayoral committee is appointed by the executive mayor (de Visser, 1999: 11).

According to de Visser (2001: 01), the administrative head of the municipality has not escaped the wave of transformation, restructuring and renaming of local government structures. A key challenge for municipalities is to define the roles and responsibilities of the municipal manager in relation to the executive mayor. It is the municipality’s constitutionally protected right to regulate its internal affairs. Therefore, the most critical player in shaping the roles and responsibilities of the municipal manager is the council itself. As the employer, the council determines what it expects of a municipal manager (de Visser, 2001: 01).

Section 51(i) of the Local Government: Municipal Systems Act 32 of 2000 contains a paramount principle that should determine the municipality’s course in shaping the role of the municipal manager. It states that the municipality must organise its administration in a manner that enables it to hold the municipal manager accountable for the overall performance of the municipality. This has two consequences: The council must have the tools to hold the municipal manager accountable, that is to demand explanation and to review his or her performance; and the municipal manager must have the tools to answer to that accountability, that is the administration must be managed in such a way that it enables the municipal manager to account for the performance of the entire administration (de Visser, 2001: 02).

The municipal manager as the head of the administration, must take measures to prevent corruption and to give members of the community full and accurate information about the level and standard of services they are
entitled to receive and about the persons in charge of municipal management. The municipal manager must see to the implementation of these principles in the administration. Furthermore, the municipal manager is responsible for the formation and development of an economical, effective, efficient, and accountable administration, which is equipped to implement the integrated development plan (IDP), operates within the municipality’s performance management system and is responsive to the needs of the local community to participate in municipal affairs. The municipal manager is also responsible for implementing policy of the municipal council (de Visser: 2001: 03).

The municipal manager must manage the communication between the political structures and office-bearers and the administration. Instructions, queries, and other forms of communication from the council, committees, the executive mayor, or the speaker to the administration cannot bypass the municipal manager’s office, because the municipal manager is accountable for the entire municipal administration. In the event of such information being communicated directly to officials or departments, the municipality would have to establish procedures to ensure that the municipal manager is informed accordingly. Such procedures should stipulate the level of detail required for the municipal manager to answer to his or her accountability to council (de Visser, 2001: 03).

The municipal manager must also advise the political structures and office-bearers. Particular issues where the municipal manager must render advice are: financial matters, issues related to the internal administration, such as human resource matters; policy matters and legal and technical matters. There are two primary actors in IDP management. The executive mayor is under a legal duty to manage the IDP process. Duties can only be assigned to the municipal manager. The municipal manager acts within the scope of these assignments (de Visser, 2001: 03).

The current reality, dynamics, and challenges facing developmental local government in South Africa are outlined hereunder. This is done in order for
one to obtain insight, and an appreciation of the internal and external operating environments of municipalities.

1.6.3 Current reality of South African developmental local government

A few months before the local government elections in 2011, turning around the local sphere of government remains a mammoth challenge (Qinga, 2010: 17). It is proving to be a life-, and sometimes reputation-threatening exercise. Municipal councillors, mayors, and officials have paid the price for acting in the interests of the electorate by fighting the scourge of corruption at the level of local government. For the government to deal with the root causes, instead of the symptoms, of the ills of local government, amendments like those proposed to the Local Government: Municipal Systems Act 32 of 2000, are the “surgery needed to excise the cancer” (Qinga, 2010: 17).

The amendments respond to what the State of Local Government Report (COGTA, 2009) found to be the root causes of the problems in local government. These included nepotism, irregular appointments of staff, irregular awarding of tenders, taking bribes and kickbacks, the inflation of tender amounts for personal benefit, and channelling of tenders to particular individuals. Flowing directly from the municipal assessments and an intensive process of stakeholder engagement by the Department of Co-operative Governance and Traditional Affairs in December 2009, the Cabinet of government approved the Local Government Turn-Around Strategy (COGTA, 2009). The Local Government: Municipal Systems Amendment Bill 2010, is one of the most fundamental enablers for the turn-around plan to achieve its intended outcomes: an efficient, effective, responsive and accountable local government system

The Amendment Bill (2010) goes a long way towards addressing most of the problems identified as the root causes of the distress of most municipalities. The amendments seek to effectively deal with the weaknesses in the local government model. To partly address the issue of skills, competencies and standards, the bill makes provision for the appointment of municipal managers
and managers directly accountable to them. The intention here is to provide for procedures and competency criteria for such appointments, and for the consequences of appointments made otherwise than in accordance with such procedures and criteria. This will deal with the cronyism and failure to deliver services efficiently due to incompetence (Qinga, 2010: 17).

The amendments actually give teeth to the current act, in the interests of better service delivery and good governance. The act will further require all staff systems and procedures of a municipality to be consistent with uniform standards determined by the minister through regulation. The proposal to bar municipal managers and managers directly accountable to them from holding political office in political parties is but one aspect of the proposed amendments. The State of Local Government Report (2009) goes into detail about challenges local government faces in relation to the issue of officials holding senior positions in their political parties and the power they exert in the municipal administration where the municipality falls under that same party (Qinga, 2010: 17).

Furthermore, Qinga (2010: 17) state that in many instances, the South African Municipal Workers Union was central in bringing to the minister’s attention examples of where this state of affairs led to the paralysis in effective service delivery. An example is a situation where the municipal manager is an ordinary member in the political party that the municipality falls under, while the procurement officer is the chairperson in the party. The power play in this political / administrative interface would render many a municipality dysfunctional. In terms of the Amendment Bill (2010), “political office” refers to the position of chairperson, deputy chairperson, secretary, deputy secretary, or treasurer of a political party nationally or in any province, region or other area in which the party operates. Very important to note is that other political rights of senior managers are unaffected by the amendment.

This has positive implications for the goal of achieving an efficient, effective, accountable, and responsible local government that can fulfil its mandate of delivering services to citizens. Legislative amendments and new legislative
instruments are but one tool to “root out the cancer ravaging the local government system” (Qinga, 2010: 17). Qinga (2010: 17) goes on to state that:

“Lives will be lost and reputations will be tarnished. However, in service to the South African citizen, for us the the goal of restoring public confidence in local government and building responsive, efficient, effective and accountable municipalities in South Africa continues unabated”.

Led by the Deputy Minister for Cooperative Governance and Traditional Affairs (CoGTA), Mr Yunus Carrim, the exercise is central to the implementation of the Local Government Turn Around Strategy (LGTAS), which was adopted by Cabinet as a Programme of Government in December 2009 (South African Cities Network, 2010).

Deputy Minister Carrim said that service delivery in the country was frustrated by legislative misalignment and conflicts among national government sectors, and between provincial and national government:

“Post 1994, many pieces of legislation have been passed and at times they do not talk to each other, which leads to duplications and possibly over regulation, which in turn affects a speedy service delivery decision making process” (South African Cities Network, 2010).

The Ministry acknowledged that the provision of services to citizens by government tended to take longer due to complex bureaucracy and lengthy procedures that local government often needed to follow before a service delivery-related project could even commence on the ground (South African Cities Network, 2010).

In undertaking the Legislative Review Programme, government led by CoGTA will identify legal provisions that either prevent or slow down service delivery across government, which are in the main found in the following four areas:
- Legal provisions that lead to time consuming processes which result in undue delays;
- Legal provisions (or lack thereof) that result in decision-making ambiguity, where there is uncertainty resulting in no decision being made or decisions being delayed;
- Legal provisions that impede the effective and efficient internal functioning of organs of state which consequently prejudices service delivery indirectly; and
- Legal provisions that require highly skilled, capacitated and well financed state institutions to take certain decisions or undertake actions, thereby constituting obstacles in the case of inadequately skilled, capacitated or resourced state institutions (South African Cities Network, 2010).

This comprehensive legislative review programme will be led by CoGTA and involve all affected government sector departments who will be represented in an intergovernmental coordinating committee. The review will focus on service delivery areas that include housing, health, education, transport, economic development, as well as safety and security (South African Cities Network, 2010).

According to the literature search undertaken by the researcher, very little research, as compared to other countries, is available in the South African context, in respect of quality management concepts in the private nor public sectors. This research study will examine the application of such concepts in two South African municipalities by analysing the implementation and outcomes of quality management standards and excellence models in support of the total quality management (TQM) philosophy, which are examples of performance management tools, frameworks, systems and techniques, to enhance the performance of local government.

The objectives and research questions of this research study would now be outlined.
1.7 Objectives and research questions of the study

The research problem statement is:

How are quality management standards and excellence models in support of the total quality management (TQM) philosophy be implemented in South African developmental local government to ensure that they are successfully practiced?

The aim of this research study is therefore to:

analyse the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy and developmental local government within two South African municipalities, within an institutional theory and institutional entrepreneurship framework (which will be discussed in chapters six and seven).

The objectives of the research study are therefore to:

1. Analyse how the quality management standards and excellence models in support the total quality management (TQM) philosophy have been implemented;
2. Examine if there have been any deviations from the expected direction of the programme and the reasons for and effects of these deviations.
3. Examine the internal impact of the programme on the organisational culture, personnel, structures and procedures;
4. Identify and analyse the effect of obstacles or barriers to implementation, or any unexpected opportunities that may have arisen;
5. Examine the link between institutional theory and institutional entrepreneurship; and
6. Generate insights into how these quality management standards and excellence models in support of the total quality management (TQM) philosophy could be better implemented within a developmental local government context.

1.7.1 First Research Site: Makana Municipality, Grahamstown, Eastern Cape Province, Republic of South Africa

The Makana Municipality, with its administrative headquarters based in Grahamstown in the Eastern Cape Province in South Africa was identified as the first relevant municipality where this research study was undertaken in view of the fact that it has won numerous municipal performance excellence awards. It has been the first municipality out of two hundred and eighty four in the country to have been certified to the ISO 9001 quality management standards by the South African Bureau of Standards (SABS) in eight of its municipal departments and is also one of the pioneers in using the South African Excellence Model (SAEF Model) as a management tool to assess its corporate performance.

1.7.2 Second Research Site: Drakenstein Municipality, Paarl, Western Cape Province, Republic of South Africa

The Drakenstein Municipality, with its administrative headquarters based in Paarl in the Western Cape Province in South Africa was identified as the second relevant municipality for the research study to be undertaken in view of the fact that it is in the process of implementing two (02) quality management standards, namely, the ISO 14001 environmental management standard (EMS) and the ISO 9001 quality management standard in its tourism and town planning departments. The Drakenstein Municipality is the largest local municipality in the Western Cape Province and is one of a few municipalities in South Africa to implement these two (02) quality management standards.
The ISO 14001 Environmental Management Standard is a generic framework that can be applied to both public and private sectors (van der Walt: 2004: 182). This standard provides a framework and direction, which encourage a culture of performance excellence with respect to environmental management. Local government managers could use the framework as a starting point to improve efficiencies in their municipalities, as the standard affords them an opportunity to evaluate empirical facts to determine what leads to business success and deliverables.

Both the Makana and Drakenstein municipalities have equivalent constitutional mandates and terms of references to deliver services to their local communities respectively. The potential advantage of undertaking research in four (04) quality management standards and excellence models in two separate municipalities is to obtain a holistic overview of its implementation in different environments as well as ascertaining factors that contribute to its successes and failures. Furthermore, insights can be generated in terms of how and why both municipalities resolved to implement similar quality management systems, that is, the International Standards Organisation (ISO) Standards.

All four (04) quality management standards and excellence models are in their early stages of implementation. The value in undertaking this research study during the early phase of implementation is to seek to strengthen or improve these quality management standards and excellence models, in support of the total quality management (TQM) philosophy, amongst other things, the delivery of these programmes, the quality of its implementation and the organisational context, personnel, structures, and procedures. This change-oriented evaluation approach, is intended to assess in an ongoing way, any discrepancies between the expected direction and outputs of the programme and what is happening in reality, to analysing strengths and weaknesses, to uncovering obstacles, barriers or unexpected opportunities, and to generating understandings about how these quality management standards and excellence models, in support of the total quality management (TQM) philosophy could be implemented better.
By adopting this approach, this research study will attempt to contribute positively to the accountable use of taxpayer’s funds. Furthermore, both elected and appointed officials (Councillors and Management) will at an early stage determine whether it would be prudent to invest substantial financial, human, and physical resources in programmes and projects that are intended to provide value for money to the community’s legitimate expectation of effective, efficient, and professional service delivery.

1.8 Chapter outline

In Chapter One, an introduction with a theoretical, conceptual, historical, and current perspective of local government in South Africa is presented against the background of the forces of globalisation and its effects and impacts on governments worldwide. Quality management standards and excellence models, in support of the total quality management (TQM) philosophy is introduced and discussed within this context. In Chapter Two, the total quality management (TQM) philosophy is critiqued. In Chapter Three, the implementation of quality management standards and excellence models is reviewed and critiqued, while in Chapter Four, the relationship between TQM, excellence models, and quality and environmental management standards are explored.

Thereafter, in Chapter Five, total quality management (TQM) in the public sector, with specific reference to local government is also discussed. In Chapter Six, a literature review of institutional theory is undertaken. Structuration theory and institutional entrepreneurship, as further foundational theoretical bases for the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy, are outlined discussed in Chapter Seven. The research methodology and design is presented in Chapter Eight. Chapter Nine focuses on the presentation of the findings, which are then discussed in Chapter Ten. In Chapter Eleven conclusions are reached and recommendations offered, the limitations of the study and areas for future research are presented.
1.9 Conclusion

One of the key features of the late twentieth and early twenty-first centuries is the apparent re-definition of the role and place of local government within national and global economies. Globalisation has been accompanied by changing perceptions of the role of local government within an increasingly integrated global system. These trends have gone hand in hand with a noticeable policy shift around the world, which is enhancing the status, role, and functions of local authorities, and simultaneously devolving to them many of central governments social and economic responsibilities.

Within this context of devolution, global integration, and increasing responsibilities to deliver effective and efficient services, local government has been transformed significantly in South Africa since the mid-1990s. The degree to which power has been devolved to them, the impressive range of interventions which the larger centres are tentatively initiating, and the not unimpressive results which are being achieved, place South African municipalities not on the periphery of change, but in certain senses at the forefront of the new global shift to enhance the dynamic role and place of local authorities as agents of transformation and change (Rogerson, 2000: 397; Nel, 2001: 1003).

Quality management standards and excellence models are performance management tools and techniques, widely used in the private sector, which can ensure that municipalities are effective and efficient in executing their mandates. The ISO 9001: 2008, ISO 14001: 2004, and the European Foundation for Quality Management (EFQM Excellence Model) are examples of such performance management tools. Performance management is now a legislative requirement for South African developmental local government.

The aim of the study was also formulated and outlined which is to analyse and examine the delivery and quality of implementation of quality management standards and excellence models, in support of the total quality management (TQM) philosophy in the Makana Municipality in Grahamstown, Eastern Cape.
Province and in the Drakenstein Municipality in Paarl, Western Cape Province in the Republic of South Africa.

In the next Chapter, the literature on the total quality management (TQM) philosophy would be reviewed and examined.
2.1. Introduction

Quality is not a new or recent development. Although much of the literature on the subject of quality is recent, in that it was written in the later half of the twentieth century, quality has been an integral component of cultures throughout the world for several millennia. In fact, quality has become an increasingly predominant feature of our lives. Nowadays people are constantly involved in the search for quality products, quality services, and even abstract notions such as quality time with which to share with their partners and families. The existence of this desire for quality has caused industries and organisations throughout the world to attempt to develop a philosophy, which can deliver customers the quality they require. Total quality management (TQM) is one such philosophy, which aims to provide organisations with a template for success through customer satisfaction (Walsh et al. 2002: 299)

In the era of a culture of continuous improvement, managing paradigm shifts has aroused unprecedented interest among academics and managers. Better ways of managing business processes are needed to create sustainable improvement. Excellence is the product of a complex mixture of strategic components, which need to be smoothed while the organisation transforms from one quality era to the next (McDonald et al. 2002: 20).

Emerson and Harvey (1996: 109) state that managers develop implicit theories about how organisations should be constructed and use these to guide their actions. Thus their visions of the dimensions of an excellent or an ideal organisation can inform researchers about what managers believe is important for them to achieve in their positions and important for them to pay attention in their role.
Deming is thought to be the founding father of the quality movement (Rao et al. 1996: 37). He introduced the concept of variance to the Japanese, along with a systematic approach to problem solving which was eventually called the PDCA Cycle. The main thesis of Deming is by improving quality, it is possible to increase productivity, which results in the improved competitiveness of a business enterprise (Rao et al. 1996: 37).

The quest for quality is probably more widespread and intense globally now than at any time in history (Psomas and Fotopoulos, 2009: 128). Organisations have realised that the key to increased productivity and profitability is improving quality and in order to survive competition from home and abroad, they are forced to return to the basics of better quality management and cost-competitiveness measures for their products and services (Kartha, 2004: 331). Many organisations have arrived at the conclusion that effective quality management can enhance their competitive abilities and provide strategic advantages in the marketplace (Anderson et al. 1994: 472).

In today’s business environment, the focus on quality has gone well beyond the finished product to looking at the processes of production throughout the entire organisation. No longer is quality merely a concept of meeting customers’ expectations but of exceeding them. As more and more organisations are striving to achieve and maintain competitiveness, the philosophy and concepts of TQM have emerged (Eom and Stough, 1995: 27; Sureshchandar et al. 2001: 343).

This chapter will focus on the development of the total quality management (TQM) philosophy. An examination of TQM will be undertaken and the focus will be on the private sector in view of the fact that this is where the TQM philosophy was first conceptualised and implemented. Furthermore, chapter 05 would be devoted solely to an examination of TQM in the public sector with specific reference to local government.
In light of this, the researcher submits that although TQM is a universal management philosophy applicable to both the public and private sector organisations, a substantial amount of literature has been published on quality and TQM in the private sector context and to a lesser extent in the context of the public sector and local government in particular. The principles of quality and TQM have been exhaustively debated in the literature pertaining to private sector organisations; which provides rich and penetrative insight into the implementation of quality management systems (QMS) and excellence models in support of the total quality management (TQM) philosophy.

Notwithstanding the above-mentioned, these principles and concepts and the debates surrounding them are also largely applicable to the public sector as well, with minor variations owing to the uniqueness of the public sector and local government in particular (that is, it is to a large extent a service delivery environment). It is therefore further submitted by the researcher, that immeasurable value can be obtained if a critique of the TQM philosophy, quality management systems (QMS), environmental management systems (EMS) and excellence models is undertaken in both the private sector first and then in the public sector with specific reference to local government, so as to obtain a fundamental insight, understanding and appreciation of the application of these performance management frameworks and tools in developmental local government.

2.2 Approaches to TQM

TQM can be studied from three different approaches: (1) contributions from quality leaders, (2) formal evaluation models, and (3) empirical research. Deming (1982, 1986) underlined the use of statistical techniques for quality control, and proposed his 14 principles to improve quality in organisations, based on the following ideas: leadership, an improvement philosophy, the right production from the beginning, training for managers and employees, internal communication aimed at the elimination of obstacles for co-operation and the suppression of quantitative objectives.
Juran (1986) pointed out the importance of both technical and managerial aspects, and identified the three basic functions of the quality management process: planning, organisation and control, as the stages for quality improvement; the author indicated the aim of the management is to reduce the costs of mistakes, reaching a point where the total costs of quality are minimal (Juran and Gryna, 1993). Ishkawa (1976, 1985) emphasised the importance of training, the usage of cause-effect diagrams for problem-solving, and quality circles as a way to achieve continuous improvement.

Crosby (1979) defined 14 steps for quality improvement, including top and inter-mediate management commitment, quality measurement, evaluation of quality costs, corrective action, training, a zero-defect philosophy, objective setting and employee recognition. Lastly, Feigenbaum (1991) described the notion of total quality, based mainly on leadership, and an understanding of the aspects of quality improvement, a commitment to incorporate quality in the firm"s practices, and the participation of the entire workforce, the objective being the reduction of total quality costs.

The research by all these authors show both strengths and weaknesses, for none of them offers solutions to all the problems encountered by firms (Dale, 1999), although some common issues can be observed, such as management leadership, training, employees" participation, process management, planning and quality measures for continuous improvement (Tari, 2005: 183).

The concept and philosophical under-pinnings of TQM would now be examined.

2.3 The TQM concept and philosophy

TQM is seen as a new concept and a way for organisations to improve the quality of their products and services, but it may well be the key to survival and prosperity in today"s business environment and beyond (Waddell and Mallen, 2001: 373; Yong and Wilkinson, 2001: 247). TQM establishes quality
enhancement, which is quite important for long-term effectiveness, survival and financial performance (Kuei et al. 121; Martins and Carlos de Toledo, 2000: 145; Das et al. 2000: 649). Current quality literature is based on the philosophy of TQM (Neergaard, 2002: 173). Magd and Curry (2003b: 246) poses the question: But what is TQM? Jeffries et al. (1996: 15) defined TQM as:

“a comprehensive and integrated way of managing any organisation in order to meet the needs of customers consistently and achieve continuous improvement in every aspect of the organisations’ activities”.

In addition, Ho’s (1999: 381) definition of TQM requires that everyone in the organisation, including the customers and suppliers, is involved in continuous improvement for the purpose of meeting customers’ expressed and implied requirements with the full commitment of top management. It is clear that TQM is a customer focused management philosophy that aims at the continuous improvement of the processes and management of an organisation through statistical control, procedure design, policy deployment and human resource management techniques (Au and Choi, 1999: 287). Further, TQM is intended to empower every member of the organisation, promote continuous, sustained, and long-term improvement in quality and productivity, and eliminate employees’ fear of change (Rahman, 2001: 35).

Oakland (1989) cited in Yong and Wilkinson (2001:247) described the concept of TQM as a way of managing, to improve effectiveness, flexibility, and competitiveness of the organisation to meet customer expectations and requirements. However, Oakland (1993: 16) expanded his definition of TQM as:

“...essentially a way of planning, organising and understanding each activity of the organisation and depends on each individual at each level. For an organisation to be truly effective, each part of it must work together towards the same goals, recognising that each person and each activity affects and in turn is affected by others. TQM is also a way of ridding people’s lives of
Clearly TQM is not a model or a technique, but may best be described as a management philosophy (Dale, 1999 cited in Magd and Curry, 2003b: 246; Neergaard, 2002: 173). The methods and techniques used in TQM can be applied throughout any organisation. They are equally useful in the manufacturing, public service, health care, education, and hospitality industries. The introduction of TQM has altered and re-shaped the work practices and management thinking of many organisations and it has made profound demands on every organisation.

Therefore, according to Ho (2001: 16):

“TQM provides the overall concept that fosters continuous improvement in an organisation. The TQM philosophy stresses a systematic, integrated, consistent, organisation-wide perspective involving everyone and everything. It focuses primarily on total satisfaction for both the internal and external customers within a management environment that seeks continuous improvement of all systems and processes”.

Juran (1969: 01), Ishikawa (1985: 01) and Deming (1986) share the view that an organisation’s primary purpose is to stay in business, so that it can promote the stability of the community, generate products and services that are useful to customers and provide a setting for the satisfaction and growth of organisation members.

The focus is on the preservation and health of the organisation, but there are also explicitly stated values about the organisation’s context (the community and customers) and about the well-being of individual organisation members. As Ishikawa (1985: 27) stated:

“An organisation whose members are not happy and cannot be happy does not deserve to exist”.

wasted effort by bringing everyone into the process of improvement, so that results are achieved in less time”.

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2.3.1 Assumptions about quality

The TQM strategy for achieving its normative outcomes is rooted in four interlocked assumptions – about quality, people, organisations, and the role of senior management (Hackman and Wageman, 1995: 309).

The first assumption is about quality, which is assumed to be less costly to an organisation than is poor workmanship. A fundamental premise of TQM is that the costs of poor quality (such as inspection, rework, lost customers, and so on) are far greater than the costs of developing processes that produce high-quality products and services. Although the organisational purposes espoused by the TQM authorities do not explicitly address traditional economic and accounting criteria of organisational effectiveness, their view is that those organisations that produce quality goods and services will eventually do better even on traditional measures such as profitability than will organisations that keep costs low by compromising quality (Juran, 1974: 51; Ishikawa, 1985: 104 and Deming, 1986: 11).

The strong version of this assumption, implicit in Juran (1974) and Ishikawa (1985) but explicit and prominent in Deming’s writing, is that producing quality products and services is not merely less costly but, in fact, is absolutely essential to long-term organisational survival (Deming, 1993: xi).

The second assumption is about people. Employees naturally care about the quality of work they do and will take initiatives to improve it – so long as they are provided with the tools and training that are needed for quality improvement and management pays attention to their ideas (Hackman and Wageman, 1995: 311). As stated by Juran (1974: 454), “The human being exhibits an instinctive drive for precision, beauty, and perfection. When unrestrained by economics, this drive has created the art treasures of the ages.” Deming (1986: 101) and Ishikawa (1985: 26) add that an organisation must remove all organisational systems that create fear – such as punishment for poor performance, appraisal systems that involve the comparative evaluation of employees and merit pay.
The third assumption is that organisations are systems of highly interdependent parts and the central problems they face invariably cross traditional functional lines. To produce high-quality products efficiently, for example, product designers must address manufacturing challenges and trade-offs as part of the design process. Deming (1993: 50) and Juran (1969: 80) are insistent that cross-functional problems must be addressed collectively by representatives of all relevant functions. Ishikawa (1985: 116), by contrast, is much less system-oriented: He states that cross-functional teams should not set overall directions; rather, each line division should set its own goals using local objective-setting procedures.

The final assumption concerns senior management. Quality is viewed as ultimately and inescapably the responsibility of top management. Because senior managers create the organisational systems that determine how products and services are designed and produced, the quality-improvement process must begin with management’s own commitment to total quality. Employees’ work effectiveness is viewed as a direct function of the quality of the systems that managers create (Juran, 1974: 21; Ishikawa, 1985: 122 and Deming, 1986: 248).

TQM’s origins and dissemination pattern are quite different from those of almost every other management innovation of the past half-century, and it has by-passed the leading business schools and management consulting companies. As a result, many companies have misunderstood and misapplied it, and it has not received the academic scrutiny that has served to give credence and authority to other innovations in organisation and management (Grant et al. 1994: 34). TQM calls for systemic changes in management practice, including the redesign of work, the redefinition of managerial roles, the redesign of organisational structures, the learning of new skills by employees at all levels, and the reorientation of organisational goals (Grant et al. 1994: 34).
2.3.2 Key dimensions of TQM

Several writers have attempted to define the key dimensions that constitute TQM including: Ahire et al. (2000: 23); Dale et al. (1994: 03) and Flynn et al. (1994). Spencer (1994: 446) conceptualises TQM not as a new paradigm, but as a comprehensive management practice that captures signals from established models of organisation and amplifies them by providing a methodology for use. Although different quality experts emphasise different aspects of this methodology, its major components can be summarized as follows:

**Goal.** TQM establishes quality enhancement as a dominant priority and one that is vital for long-term effectiveness and survival. It claims that improving quality can decrease rather than increase costs and facilitate attainment of other demands and objectives.

**Definition of quality.** Quality is satisfying or delighting the customer. All quality-improvement initiatives must begin with an understanding of customer perceptions and needs.

**Role/nature of environment.** TQM blurs the boundaries between the organisation and the environment. Entities previously regarded as outsiders (for example, suppliers, and customers) are now considered part of organisational processes.

**Role of management.** Management’s role is to create constancy of purpose for improvement of product and service and to create a system that can produce quality outcomes. Managers and the system, not the workers, are held responsible for poor quality.

**Role of employees.** Employees are empowered to make decisions, build relationships, and to take steps needed to improve quality within the system designed by management. Additional training and educational opportunities provide necessary skills for this broader role.
Structural rationality. The organisation is reconfigured as a set of horizontal processes that begin with the supplier and end with the customer. Teams are organised around processes to facilitate task accomplishment.

Philosophy toward change. Change, continuous improvement, and learning are encouraged. Ideally, all organisational members are motivated to improve the status quo.

Martinez-Lorente (2000: 3227) rationalised TQM into eight dimensions:

Top management support. Top management commitment is one of the major determinants of successful TQM implementation. Top management has to be the first in applying and stimulating the TQM approach and they have to accept the maximum responsibility for the product and service offering. Top management also has to provide the necessary leadership to motivate all employees;

Quality data and reporting. Quality information has to be readily available and the information should be part of the visible management system. Records about quality indicators have to be kept, including scrap, rework, and cost of quality;

Workforce management. Workforce management has to be guided by the principles of: training, empowerment of workers and teamwork. Adequate plans of personnel recruitment and training have to be implemented and workers need the necessary skills to participate in the improvement process;

Employee attitudes and behaviour. Companies have to stimulate positive work attitudes, including loyalty to the organisation, pride in work, a focus on common organisational goals and the ability to work cross-functionally;

Supplier relationship. Quality is a more important factor than price in selecting suppliers. A long-term relationship with suppliers has to be established and
the company has to collaborate with suppliers to help improve the quality of products and services;

*Customer relationship.* The needs of customers and consumers and their satisfaction have always to be in the mind of all employees. It is necessary to identify these needs and their level of satisfaction;

*Product design process.* All departments have to participate in the design process and work together to achieve a design that satisfies the requirements of the customer, according to the technical, technological, and cost constraints of the company;

*Process flow management.* Housekeeping along the lines of the 5S concept. ('5S' is the name of a workplace organization methodology that uses a list of five Japanese words, which are *seiri, seiton, seiso, seiketsu*, and *shitsuke*. Transliterated or translated into English, they all start with the letter S. The list describes how items are stored and how the new order is maintained. The decision making process usually comes from a dialogue about standardization which builds a clear understanding among employees of how work should be done. It also instills ownership of the process in each employee). Statistical and non-statistical improvement instruments should be applied as appropriate. Processes need to be mistake proof. Self-inspection undertaken using clear work instructions. The process has to be maintained under statistical control.

In essence, according to Spencer (1994: 448), TQM is a systematic approach to the practice of management, requiring changes in organisational processes, strategic priorities, individual beliefs, individual attitudes, and individual behaviours. It is not a cut-and-dried reality but an amorphous philosophy that is continuously enacted by managers, consultants, and researchers who make choices based not only on their understanding of the principles of TQM but also on their own conceptual frameworks concerning the nature of organisations.
However, according to Bergquist et al. (2005: 309), TQM has gone from a buzzword to fad in many people’s opinion. Having seen a tremendous rise of popularity in the 1980s and the early 1990s, questions of the effectiveness of TQM arose, as many of the implementers did not collect the rewards of their investments. However, there is criticism that is more recent. Park-Dahlgaard (2002) cited in Bergquist et al. (2005: 309) state that there is criticism, which refers to the position TQM has as a general management theory. The criticism here is that there is a lack of consensus about definitions and that the main characteristics of TQM are not unique at the same time, and that TQM is not linked to other management theories.

The TQM movement has often responded to criticism or to failure by picking winning strategies, adding ideas, or tools into the TQM definition. It is, therefore, difficult to give one definition of what TQM really is and what it is not, which is problematic if one is to examine the positive or negative outcome of such implementations. Several of the published definitions of TQM appear more as vague descriptions (Bergquist et al. 2005: 310). TQM has been described as a set of improvement tools useful in an organisation (Olsson and Bokor, 1995: 34), and as a management philosophy (Hackman and Wageman, 1995: 309).

TQM has also been described as a programme for changes based upon organisation culture (Witcher, 1995: 09; James, 1996 cited in Bergquist, 2005: 310), and as a management system (Boaden, 1997: 153; Dale, 1999; Hellsten and Klefsjo, 2000: 238). During the last decades, criteria for quality awards such as the Malcolm Baldrige National Quality Award have been used and seen as definitions of TQM by many different organisations in their work with Quality (Juran, 1995: 596). Some also propose that the label “TQM” should be replaced by “Business Excellence” (Dale et al. 2000: 04).

This confusion or diverging opinions is partly due to TQM evolution and that the meaning of the word quality itself has shifted over time and from author to author (Hellsten, 1997; Kroslid, 1999; Boaden, 1997: 153; Hellsten and Klefsjo, 2000: 238). There is no general agreement on where and when TQM
was first used. Leonard and McAdam (2002: 507) refer to Boaden (1997) when claiming that TQM was not developed by one person. Rather, they argue that quality efforts have always existed, in one form or another.

There are several ways of describing the evolution of TQM. Three ways of Dale (1999), Kroslid (1999) and Park-Dahlgaard (2002) are shortly described here. According to Dale (1999) cited in Bergquist et al. (2005: 310), one common description of the historical development of quality improvement is the use of four stages “quality inspection”, “quality assurance”, “quality control” and finally “total quality management”, the latter with a focus on external and internal customers, processes and quality improvements. The four stages represent the broadened and shifted focus of systems for improving and managing quality since the end of the 1970s.

Kroslid (1999) cited in Bergquist et al. (2005: 310) suggests instead that the development should be described by the use of two different and parallel “schools”, which had its starting point in “Taylorism” and has since then passed the stages “standard development” and the “zero defect principle”. On the other hand, “the continuous improvement school”, which in its early state sought to reduce variation, has been developed. The continuous improvement school grew in time to what is now known as total quality control and company-wide quality control, meaning that quality improvement should involve everything and everyone in an organisation.

A third view of the evolution of TQM is described by Park-Dahlgaard et al. (2001: 279), who has suggested that it might be seen as a continuous process, as a “fusion of eastern and western ideas”, which has gradually shaped TQM. The result is a theory, characterised by both the rational and logical parts stemming from western theorists, and by the holistic, dynamic and humanistic parts transmitted by Japanese practices, according to Park-Dahlgaard (2002) cited in Bergquist et al. (2005: 310).

There are also other developments connected to TQM. TQM is a concept that has traditionally been connected to business life, commercial and
industrial organisations for manufacturing and production. However, the
domain of TQM is changing, and TQM has been applied to public issues
(Bergquist et al. 2005: 311), which will be critically evaluated and examined in
Chapter 05. Consequently, the different views of the evolution of TQM and
the different views of the definitions of TQM generate problems both for those
practitioners who are applying TQM, and for those theorists who are studying
TQM. There are consequences when discussing the effectiveness, use, and
utility of TQM. The development of TQM implies new definitions or
modifications of existing definitions, for instance, the interpretation of the word
customer (Begquist et al. 2005: 311), which will be discussed in Chapter 04.

These ideas have exerted an influence upon later studies, in such a way that
the literature on TQM has progressively developed from these initial
contributions, identifying various elements for effective quality management.
Taking the initial research as a basis, the critical factors of TQM found in the
literature vary from one author to another, although there is a common core,
formed by the following requirements (Claver et al. 2003: 91): customer
focus, leadership, quality planning, management based on facts, continuous
improvement, human resource management (involvement of all members,
training, work teams and communication systems), learning, process
management, co-operation with suppliers and organisational awareness and
concern for the social and environmental context

Alongside these factors, identified both in theoretical and empirical studies,
there are standardised quality models used by firms in practice as a guide for
their implementation, or in order to carry out self-evaluations of their quality
practices. The main models are the Malcolm Baldrige National Quality Award
(MBNQA) model, in the USA, the European Foundation for Quality
Management (EFQM) model in Europe and the Deming Application Prize
model in Japan (Tari, 2005: 183).

In this line of work, Anderson et al. (1994: 472) strove to synthesise a theory
of quality management from research based on the Delphi method, carried
out both on academics and on managers closely related with quality, and
using Deming’s 14 principles. From their conclusions, they obtain seven concepts, which form Deming’s quality management theory: forward-looking leadership, internal and external co-operation, learning, administrative processes, continuous improvement, employees’ performance, and customer satisfaction.

Together with this study, there have been a number of contributions yielding a valid, reliable measurement tool to suitably evaluate these factors, which can help both researchers and managers who have to make decisions concerning TQM. First, one may quote the studies developing an instrument for measuring quality management, assessing its validity and reliability, applicable only to industrial firms (Flynn et al. 1994: 339; Ahire et al. 1996: 23); and second, the studies which develop a valid, reliable quality measurement instrument, applicable to both industrial and services firms (Saraph et al. 1989: 810; Badri et al. 1995: 36; Black and Porter, 1995: 149, 1996: 01; Grandzol and Gershon, 1998: 80; Quazi et al. 1998: 35).

2.3.3 Critical factors of quality management

According to the literature, the under-mentioned critical factors of quality management were identified:

In Saraph et al. (1989) and Badri et al.’s (1995) studies, the authors identified: role of divisional top management and quality policy, role of the quality department; training, product / service design, supplier quality management, process management, quality data and reporting, and employee relations.

In Black and Porter’s (1995, 1996) study, the authors identified: people and customer management, supplier partnerships, communication of improvement information, customer satisfaction orientation, external interface management, and strategic quality management.
In Ahire et al.’s (1996) study, the authors focused on top management commitment, supplier quality management, supplier performance, customer focus, SPC (statistical process control) usage, benchmarking, internal quality information usage, employee involvement, employee training, design quality management, employee empowerment and product quality.

In Grandzol and Gershon’s (1998) study, the authors focused on leadership, continuous improvement, employee fulfilment, learning, process management, internal / external co-operation, customer focus, product / service quality, operational, financial, public responsibility, customer satisfaction and employee satisfaction.

In Quazi et al.’s (1998) study the authors focused on top management responsibility, quality goals and policy, role of the quality department, training, product / service design process, integrating customer requirements, supplier selection and relationship, supplier capability, partnership with suppliers, process management, inspection policy, employee” role, quality data and reporting, quality circles, quality related performance, and supportive structure.

2.4 TQM change principles

According to Hackman and Wageman (1995: 311), TQM authorities specify four principles that should guide any organisational interventions intended to improve quality. The first is to focus on work processes. The quality of products and services depends most of all on the processes by which they are designed and produced. It is not sufficient to provide clear direction about hoped-for outcomes; in addition, management must train and coach employees to assess, analyse, and improve work processes (Juran, 1974: 211; Ishikawa, 1985: 60 and Deming, 1986: 52).

The second principle is analysis of variability. Uncontrolled variance in processes or outcomes is the primary cause of quality problems and must be analysed and controlled by those who perform an organisation”s front line
work. Only when the root causes of variability have been identified are employees in a position to take appropriate steps to improve work processes. According to Deming (1986: 20):

“The central problem of management.....is to understand better the meaning of variation, and to extract the information contained in variation”.

The third principle is management by fact. TQM calls for the use of systematically collected data at every point in a problem-solving cycle – from determining high-priority problems, through analysing their causes, to selecting and testing solutions (Juran, 1974: 221; Ishikawa, 1985: 104 and Deming, 1986: chapter 08). Although these authors (namely, Deming, Ishikawa and Juran differ in their preferred analytical tools, each bases his quality-improvement programme on collecting data, using statistics and testing solutions by experiment.

The fourth principle is learning and continuous improvement. The long-term health of an enterprise depends on treating quality improvement as a never-ending quest. Opportunities to develop better methods for carrying out work always exist, and a commitment to continuous improvement ensures that people will never stop learning about the work they do (Juran, 1969: 02; Ishikawa, 1985: 55 and Deming, 1986: 49).

The benefits acquired when TQM is implemented in organisations are examined hereunder.

2.5 Benefits of effective TQM

Youngless (2000) cited in Seetharaman et al. (2006: 681) expressed that TQM has been both praised for its ingenuity and criticised for a lack of measurable results. However, that lack of results can be due to the fact that TQM is often misunderstood. The author had briefly explained the history of TQM and then illustrated the four ideas that are involved in modern TQM, namely the fitness standard, fitness to use, fitness of cost and fitness to latent
requirements. The author also outlined the main components that contribute
to the success of TQM.

One of the good examples quoted for the improvement is the SDCA
(standard, do, check, and act). One of the benefits highlighted through TQM
is the standardisation of work, which will help to reduce the opportunity for
variance thus helping to reduce costs. The author concluded that TQM is an
effective system because it can be truly integrated at all levels of the
company. The limitation of this article is, each of the content was only
mentioned briefly and not given in detail for actual application. Youngless
(2000) cited in Seetharaman et al. (2006: 681) stated that the effectiveness of
TQM implementation was also not addressed.

In advancing the case for TQM in organisations, Porter and Tanner (2004: 21)
have examined and reviewed the wealth of empirical research conducted to
show the value that an organisation may gain from adopting a business
excellence philosophy. This work stretches back over a decade, and includes
all the major business excellence frameworks.

Hendricks and Singhal (2001) research provides compelling evidence that
business excellence is of benefit to organisations. The organisation”s
performance during implementation, which was taken to be a five-year period
before the award was given, was compared to the performance post-
implementation, which was a five-year post-award period. The performance
of the winners of quality awards was compared with the performance of
carefully chosen benchmark organisations. It should be noted that the share
price performance was analysed alongside a number of other performance
variables, such as growth in sales, return on assets, and return on sales.

The first major conclusion from the research was that there was no difference
in the performance of the award winners and the benchmark organisations in
the period prior to winning the award. The performance post-awards was,
however, significantly different. The post-implementation results indicate that
award winners out-perform benchmark organisations in a number of
performance measures, for example, operating income, sales, return on assets, and return on sales). The second conclusion was that more benefit in percentage terms is achieved by small compared to larger organisations. The third conclusion was that with stock performance, award winners outperformed the S & P 500 and the control sample of benchmark organisations. This was the case even when adjusting the benchmark portfolio for industry and size. Hendricks and Singhal (2001) cited in Porter and Tanner (2004: 52) further concluded that business excellence is not a tool or technique, a programme, or a replacement for corporate strategy, but it is a source of competitive advantage.

Zhao (undated) cited in Seetharaman et al. (2006: 683) focused on the management of inter-organisation collaboration and focused on the main theme of the current trends of inter-organisational collaboration and explored key issues raised in running collaborations. The author developed a theoretical framework on the advancement of TQM concepts to achieve the best performance and results in inter-organisational context. The author also explained in detail the pivotal issues confronting inter-organisational collaboration. The bigger challenges are conflict in different cultures and technological and commercial risks involved particularly in collaborative research and development, changing management and organisational structures. The author concluded that TQM embodies the fundamental principles for managing collaborative partnerships and can be developed and extended to help inter-organisational collaboration to achieve the best (Seetharaman, 2006: 683). The limitation of this article is that the author has only briefly discussed TQM and did not explain in detail how to relate TQM activity to inter-organisational excellence.

Ho and Fung (1994: 24) examined the special features of TQM and developed an excellence model based on some proven approaches adopted by the Japanese. Their aim was to identify the strengths and weaknesses of TQM, the logical steps toward TQM and to develop a model so that firms aiming at using TQM can achieve excellence easily. One of the key components stated is 5S, the second component is marketing, production,
and purchasing control, which are more concerned with the effectiveness rather than efficiency. The third one is quality control concepts (QCC), and the last component is the total productive maintenance, which involves everyone from the top management to the shop floor workers and promoting productive maintenance through morale-building management.

The author used the LETQMEX Model for summarizing the overall analysis of the improvement, which provides the step-by-step improvement opportunity for firms, which are committed to satisfy customers in a better way through TQM. The limitation of this article is that the authors did not address on the benefits of this improvement model from the financial perspective (Ho and Fung, 1994: 24).

Wood (2001) cited in Seetharaman et al. (2006: 685) conducted a review of TQM in one of the industry leaders – Motorola. The author had defined TQM as the process of engaging all the members of an organisation in an attempt to continuously enhance product or service quality to attain customer satisfaction. The author also criticised TQM, by stating that TQM focuses on internal processes and neglects external results. One benefit that was highlighted by the author was lower costs. The quality costs are associated to internal failure, external failure, appraisal costs, and prevention costs.

The author also explained the measurement techniques used to measure TQM results and concluded that many of the criticisms associated with TQM were the result of improper implementation. The limitation of the article is that the author did not provide any evidence on the success story of TQM implementation in Motorola. Besides this there was no quantitative data and real examples provided. The author also did not address the importance of effective communication in the implementation of TQM (Seetharaman et al. 2006: 685).

Savolainen (1999: 266) show that, in the implementation of TQM, managerial and non-managerial actors, coalition of the actors, the intensity of their actions, and organisational and environmental factors all have an impact on
how the drive for quality improvement is actually maintained and how TQM is implemented. Organisational factors include culture, type, structure, and size of organization, and the nature of business. Managerial actors have the most powerful influence on the formulation of the strategies in the companies studied but quality professionals also play a visible role.

Hillman and Keim (2001: 125) tested another principle of business excellence. A business excellence approach requires that the needs of many stakeholders must be managed to deliver sustained success. The stakeholders include the shareholders, customers, suppliers, people, and society in general. The main conclusion was that investing in stakeholder management is of benefit to organisations, but social issue participation is not.

A research study conducted by Bauer et al. (2005: 543), examined whether the successful implementation of business excellence is influenced by the organisational context within which the implementation takes place. The study found three relationships between structure and the success of business excellence implementation. The most successful implementation occurred in organisations, which were: less formalised in terms of written rules measure; less complex and less formalised in terms of supervision and autonomy.

The study concluded that organisations, which have simple and informal organisational structures will encounter fewer problems when implementing business excellence than organisations with complex and formal organisational structures.

The reasons why TQM fails during implementation in organisations will now be examined hereunder.

2.6 Reasons for TQM failure

Although it is commonly acknowledged that total quality management (TQM) makes a significant contribution to operating / corporate performance and
more importantly to a sustainable competitive advantage of many businesses (Easton and Jarrell, 1998: 253; Hendricks and Singhal, 1997: 1258), it is surprising that the factors influencing its failure have not received greater scrutiny in mainstream operations improvement and management research (Soltani and Wilkinson, 2010: 365).

Previous research has found that up to 60, 80, and even 90 percent of TQM programmes fail to achieve their intended objectives (Soltani et al. 2003: 323; 2006: 92; 2008: 125; Choi and Behling, 1997: 37; Wilkinson et al. 1998; Redman and Grieves, 1999: 45). Despite such a high rate of failure of TQM programmes, current research on operations improvement leaves an important question on the nature of TQM failure unaddressed. For instance, why do quality-focused organisations find it so difficult to establish and maintain a certain level of quality and so often experience quality crisis, thereby TQM failure? (Soltani and Wilkinson, 2010: 365).

Such lack of research has contributed to a limited knowledge of the strategic dynamics of TQM within organisations in terms of its own peculiarities, thereby thwarting understanding of the factors that contribute to its effectiveness (Ogbonna and Harris, 2005: 02).

However, despite the lack of research in this regard, there are reported cases of the reasons for the failure of TQM in the literature, which will be discussed below. Miller and Cangemi (1993: 42) state that the reason why TQM fails is because of lack of total ownership of the TQM process, trying to create TQM with the use of a consultant and lack of incentive for involvement:

*Lack of total ownership of the TQM process.* Managers cannot delegate quality. They seem to fail to understand that quality must be ingrained in everyone who receives a pay cheque from the organisation. It must be central to everyone’s job description and job role. They fail to understand that quality must be an obsession for everyone within the organisation. A common perception in upper management is that quality is the domain of the quality department. As a result, many members of top management presume that
the quality department is totally responsible for the quality in the product. Therefore, this absolves them of being personally accountable for any significant effort to increase quality. Many managers simply fail to recognise that quality really must be the foundation of their company’s strategy and strategic planning, as well as its daily operations (Miller and Cangemi, 1993: 42).

**Trying to create TQM with the use of a consultant.** Contributing to the difficulties of implementing a significant quality programme is the proliferation of consultants who regularly offer their services to organisations interested in developing TQM programmes. Ernst & Young indicated that 945 different quality management tactics were being utilised in the TQM marketplace (Harari, 1993: 33).

On occasion, consultants in the field of quality actually add to the problems of TQM programmes rather than resolve them. TQM consulting is apparently very lucrative for consultants, but the value of these consultants to the organisation needs to be evaluated carefully and the appropriate person selected to fit the facility’s needs. Further as an outsider, the consultant must bring both knowledge of TQM and understanding of the organisation together to build an atmosphere of trust in a facility. The capacity to shape a general knowledge of TQM to fit a specific organisation requires establishing open communication with all levels of the organisation (Miller and Cangemi, 1988: 26).

**Lack of incentive for involvement.** A common failure of companies, which attempt to implement TQM, is their unwillingness to provide incentive for employee involvement in the TQM process. Schein (1991: 40) reports that within 200 of the Fortune 500 manufacturing and service companies, 86 percent give quality achievement awards to individuals and teams. From that group, 75 percent provide recognition and/or rewards on a unit or plant basis. Non-cash awards are provided to personnel in 45 percent of the manufacturing facilities while service organisations are more inclined to combine cash with non-cash awards. Both manufacturing and service
organisations prefer non-cash awards for team efforts towards quality achievement. Only 6 percent of manufacturers give cash-only awards.

Miller and Cangemi (1993: 43) further states that TQM failure can also be attributed to (1) leadership failure; (2) not measuring the effects of TQM; (3) poorly developed vision / unwillingness to follow that vision; (4) poor ability to communicate with the workforce; (5) prior history of workforce produces resistance; (6) union opposition; (7) short-term profitability overrides long-term plan; (8) under-developed relationship with suppliers; (9) lack of worker empowerment; (10) support for the team concept:

(1) Leadership failure. Failure of upper and middle management to commit to the total quality process is a major barrier to TQM. Schein (1991: 40) reports that this was the most commonly cited failure to implementing a new, comprehensive programme. Harari (1993: 33) states that the TQM process, on the part of top management, often lacks the passion and the excitement that is sorely needed to ensure the success of such programmes. Muzak (1993) cited in Miller and Cangemi (1993: 44) indicates similar reasons why management has much to do with the failure of TQM programmes:

* Management often views programmes like TQM as a quick fix, something that will take care of their immediate problems, rather than seeing such a programme as a long-term investment. As a result, TQM goes by the wayside in a similar fashion to other programmes that the corporation has undertaken in the past;
* Managers and organisations often fail to “walk the talk”. For example, top management may appear personally to support TQM programmes, but frequently delegates the responsibility for implementing the programme to others lower down the organisational chain of command. These key top people then become limited in their own involvement with the programme. Consequently, top management offers little of its time to personal endorsement towards TQM’s success;
* Management often fails to understand TQM can only take place in an environment where mistakes can take place and where problems are
Management often fails to work with people who remain in the organisation after downsizing, assuring them of job less continuation in the future. For example, management must give assurances to employees that, through TQM programmes, and other productivity gains, that no employee is going to lose his or her job due to these improvements. Management often fails to let people know that they will not be replaced simply because they found a better way of doing the work. When management fails to provide these assurances, then their employees lack motivation to contribute to a process that could cost them their employment. For this reason, many TQM programmes fail because employees see them as vehicles to put themselves out of business.

(2) Not measuring the effects of TQM. A TQM programme requires measurable expectation of work and product. Menon (1992: 12) outlines the less continuous improvement steps, which are routinely followed in TQM, namely: identify the problem, quantify the problem, identify the root causes, take actions to rectify the problem, quantify the effects of the actions to determine whether the problem has been solved; and set up systems to keep the problems from recurring.

As demonstrated above, routine TQM process requires quantification of the workplace. However, often management fails to measure adequately the TQM process and therefore cannot produce tangible evidence of improvement (Sutton, 1992: 18). Benchmarks must be established and quality standards tracked against those baselines to determine the success or failure of the programme efforts (Waasdorp, 1991: 17).

(3) Poorly developed vision / unwillingness to follow that vision. Companies attempt to improve quality without a clearly-developed plan or strategy. Organisations need a long-term outline of current conditions, future goals, and specific strategies for reaching those goals developed by a wide array of personnel. This final product should be put in writing (Berry, 1991: 35). While
visions and strategies should be regarded as dynamically responding to market and technology changes, these quality strategies in American companies, as ordained by top management, seem to change with the weather. In developing a vision, the organisation must understand that the quality programme supports the company efforts to generate a cost-effective, customer-desired product. It is possible to over commit to a TQM programme in a legitimate attempt to improve quality.

Harari (1993: 33) describes the process as one in which TQM programmes demand sequential, orderly, and quite predictable processes to succeed. As a result, one sees the development of predictable, orderly, bureaucratic systems generated to support the TQM process. The result is increased forms to fill out, new committees and councils, additional meetings and so forth, and an increasing number of staff personnel to handle the entire TQM process. The author refers this the need to “police” the entire TQM process.

Unfortunately, many TQM managers see the TQM process as a number crunching, paper flowing process that usually develops a life of its own within the organisation, subordinating other routines and processes of importance to the organisation’s success. An example of how bureaucracies can develop around TQM programmes is the case of Florida Power and Light Company. The quality department utilised 85 full-time individuals to monitor over 1900 quality teams. The gains in quality were absolutely minimal; employee stress and depression because of the process were much more significant than the gains in quality. Florida Power and Light has disbanded its bureaucracy. Its TQM structure and the quality department are now headed by six individuals (Miller and Cagemi, 1993: 45).

(4) Poor ability to communicate with the workforce. Another reason TQM programmes fail is that management fails to give appropriate information to employees. For example, top management fails to help employees to be able to answer such questions as: Where are our competitors? What are our own company’s strengths and weaknesses? What are the strengths and weaknesses of our competitors? What is the information concerning the sales
and profits of our company? Who are our most significant customers? What
do our customers expect from us? How satisfied are they with what we are
giving them? In some cases, employees have come to distrust the
information, which flows from management. Frequently, underlying this
distrust has been a lack of willingness on management’s part to involve
employees in the decision-making process. A lack of fairness has been
perceived as existing in the organisation and many employees fear reactions
from management if they, the employees, attempt to identify problem areas to
the organisation (Cangemi et al. 1989: 02). As TQM is presented to the
workforce, management feels resistance as workers look for hidden agendas
and fail to accept the new procedures as genuinely seeking and valuing their
input.

(5) Prior history of workforce produces resistance. Another reason why TQM
often fails is that, due to the bureaucracies formed within an organisation, the
break up of such bureaucracies and predictable systems is discouraged by
top management. In reality, the organisation tends to find a comfort zone,
and the destruction of this status quo is fought with great rigour. As a result,
TQM programmes must fit within this bureaucracy, management’s comfort
zone, and the status quo. Miller and Harker (1986: 31) referred to this prior
history’s influence as dealing with the “cognitecture of an organisation”. The
cognitecture represents an organisation’s past history, beliefs, structure, and
procedures for doing business. Consequently, a manufacturing facility with a
20 year history of producing a product in a specified way experiences
substantial resistance as people from top to bottom ask:

“Why should we change? We have always been profitable working the old
way.” (Miller and Cangemi, 1993: 46).

However, for quality to improve, emphasis must be placed on new strategies,
new techniques, new and novel ideas, what the customer thinks, and what the
market demands. TQM also demands a bottom-up approach to quality that
emphasises patience and distrusts obvious answers, which may obscure the
deeper problems underlying quality (Catel and Mathews, 1992: 48). This is
very difficult to accomplish if top management does not lead the group in the destruction of the status quo so that there is vitality in the organisation, interest in what is best for the customer, the constant encouragement of finding new ways to improve the product throughout the entire organisation. In short, the bureaucratic, comfortable, organisational structure destroys entrepreneurship and that destruction is also the destruction of successful TQM programmes (Catel and Mathews, 1992: 48).

It has been stated that success in the business world beyond the 1990s will depend on management’s ability to instigate and nurture organisational chaos. For example, Microsoft insists on destroying its current products only to replace them with new products customers will find exciting and useful (Harari, 1993: 33).

(6) **Union opposition.** When a company-wide TQM programme is implemented, changes must occur in that organisation. Business is simply not conducted in the same manner as it had been in the past. Streamlining through downsizing and combining of areas frequently occurs as employees become extensively cross-trained and team-oriented. If the employees in the facility undertaking the TQM programme are represented by a union, the bargaining committee may be resistant to the new concepts. This resistance is frequently produced because of the fear that the changes will undermine the protection the union has built up for its workforce. The possibility of re-classification exposes some of its employees to mandatory bidding for alternate jobs as they lose their eligibility for the new classification. The union also expresses concern that seniority will be compromised. One workable approach for overcoming the union’s concerns is to include the committee in the planning process prior to the implementation of TQM. Allow them to see how job protection is possible through retraining (Miller and Cagemi, 1993: 47).

(7) **Short-term profitability overrides long-term plan.** Top management frequently fails to compensate management of the organisation for quality improvements. In other words, TQM processes are developed and passed on
to lower level management as required responsibilities of their roles. Less than 20 percent of the automobile, banking, healthcare, and computer industries, according to Ernst & Young, focus on quality performance measures such as customer satisfaction and quality defect rates, as a way of determining senior management compensation (Harari, 1993: 33). Profitability seems to be the only interest of too many organisations, not compensating top management for improvement in these afore-mentioned measures related to quality (Miller and Cagemi, 1993: 47).

(8) Under-developed relationship with suppliers. Top management fails to realise that a positive, integrated relationship with suppliers is absolutely essential to the success of TQM programmes. Concepts like trust, ethics, mutual support, and honesty are important parameters within which a company and its suppliers must begin to operate. Developing a substantially different relationship with suppliers today is absolutely essential to the success of a company and this relationship should become a part of the TQM process. Because many managers fail to understand that concepts such as these are important to the success of TQM programmes, the success of such programmes may be in jeopardy. Obviously, management must modify the perception that TQM is the province of management and teams within the organisation alone. Without a good relationship with suppliers, customers and employees, total quality is would be difficult to achieve. This means that suppliers are not, abused, threatened, cajoled, and deliberately put out of business. How can a supplier be interested in what is best for any company if that particular company hammers it and threatens its security? (Miller and Cagemi, 1993: 48).

(9) Lack of worker empowerment. Two primary issues arise to oppose TQM efforts. One is lack of recognition of the employees within an organisation as resources and customers. As internal customers of the organisation’s product, they are aware of the deficiencies of the product or process. At Federal Express an annual attitudes survey is conducted to ask employees their candid opinion of how the company is doing (Martin, 1991: 13). MCI surveys its employees every 18 months (Knapp, 1991: 10). In both the
preceding companies, the key to the survey process is the company’s response to the employee input that is responsible company action to address the major concerns of the employees, which is the second major issue of empowerment (Miller and Cagemi, 1993: 48).

The annual survey process and management’s subsequent response to the results is a positive step towards empowerment. However, to implement fully a TQM programme, employees must be involved on a daily basis in evaluating the quality efforts of their company and given authority to act when quality standards are not being met. Organisations must avoid the common error of relying too heavily on management staff for improvement of service quality in line performance.

While this group can provide research, training and strategic insight into the necessary components of a successful TQM programme, an organisation must include the line personnel in the quality-improvement process (Miller and Cagemi, 1993: 48).

(10) **Support for the team concept.** The fully functioning TQM programme relies heavily on teamwork. Some of these teams, such as *kaizen* programmes, have a very short life-span as they accomplish their purpose, and disband. Others such as cross-functional project teams may exist longer. However, the true TQM employee empowerment is embodied in self-directed work teams. These teams are theoretically given the authority to shut down equipment if they feel safety or quality standards are not being met. The capacity to implement fully such team-driven programmes has met with substantial resistance throughout the United States even though management agrees with the concept of the empowered team (Miller and Cagemi, 1993: 48).

At Milliken & Company, which manufactures carpets and is a former Malcolm Baldrige winner, Hardie (1992: 29) reports on the barriers the company has encountered. Management and associates (employees) learned that they did not really know how to communicate and particularly, how to listen to one
another. Further, since the company had previously used individual incentive programmes, it met substantial resistance in focusing its associates on quality and removing an incentive programme which paid for production and not quality. As it moved to teams, employees complained about the loss of wages and upper, middle, and lower management (in that order) had to learn the importance of the empowerment process to the future of Milliken. Training proved to be key to that conversion. In 1990, that company averaged over 90 hours of formal training per associate (Hardie, 1992: 29).

Lord and Lawrence (undated) cited in Seetharaman et al. (2006: 681) addressed the removal of barriers to successful TQM implementations. The objective of this research was to obtain a better understanding of why the implementations of TQM in some companies fail so frequently. The elements of TQM stated include: a focus on customers, continuous improvement of products and processes, employee involvement and management commitment to TQM. The key element of TQM is to involve everyone in the firm in the search for quality. The authors further stated that not only production systems but also management accounting systems should be continuously improved. Both accounting and quality control people “are likely to have analytical and statistical skills that will be useful” in performance measurement.

The limitation of this article is that the authors used only two companies for the research. The data collected, therefore may not be sufficient to reflect the actual scenario of the industry. Furthermore, the authors also did not mention the process of effective TQM implementation.

Fowler (1999: 41) reviewed the management accountant’s role in quality management. The purpose of this article was to determine whether the roles suggested by the literature are performed by management accountants when their firm implements quality management concepts and practices. The research found that although management accountants are involved in incorporating TQM concepts into the accounting function, there has been little modification of cost determination methods and limited development and use
of related performance measures.

The core factors included focus on external and internal customer satisfaction and usage of statistical data and scientific procedures to solve problems and decision-making, incorporating TQM into the firm’s strategic plan, empowerment, continuous process improvement, and active management commitment. The author further stated that the expansion of the management accountant’s role would modify three areas of management accounting: cost determination, performance measurement, and implementation of TQM principles (Fowler, 1999: 41).

Ahire et al. (1996: 08) presented an analysis on the comparison for quality management in TQM firms versus non-TQM firms. They had classified firms into four groups: high performance TQM firms, low performance TQM firms, high performance non-TQM firms and low performance non-TQM firms. The authors had discussed and stated the major reasons that caused the failure of TQM efforts. They are: lack of management commitment, unrealistic expectations, and time-frame and cost of TQM implementation, under-reliance on statistical methods and failure to develop and sustain a quality-oriented culture.

In order to do the hypothesis testing effectively, the authors had identified and developed the scaling method, using the following for TQM implementation: top management commitment, customer focus, supplier quality management, design quality management, benchmarking, statistical process control (SPC) usage, internal quality information usage, employee involvement, employee training, and employee empowerment (Ahire et al. 1996: 682). Overall, the research was undertaken systematically and they concluded that the key factor to an effective quality management system is, how well a firm practices the various elements of the TQM philosophy represented by the ten constructs above. The limitation of the study is that the author had only focused on limited aspects of quality management strategies.
Marshall-Chapman (1999) cited by Seetharaman et al. (2006: 682), explained the approach taken by a typical American company to develop the TQM improvement plan. The author examined the policy of TQM that when things go wrong, the emphasis shifts from “who did it” to “what happened and why?” TQM looks at the process. What are the steps in the process, and at which step did the problem occur? To adopt TQM, one must establish a quality culture, with employee involvement as a key ingredient. This requires more than training employees in mechanical and statistical techniques. It means educating the workforce in the new way of doing things. The author did not identify the emphasis of the solution and the problems of the organisation.

An examination of the literature pertinent to TQM suggests that the TQM strategy for achieving its normative outcomes of optimising quality, learning and cooperation (Sitkin et al. 1994: 537) is rooted in and shaped by four interlocking assumptions: (1) quality; (2) people; (3) organisation; and (4) the role of senior management (Hackman and Wageman, 1995: 309).

Traditionally, researchers have examined TQM failure at two levels: at the level of person (assumptions 2 and 4) and at the level of system (assumptions 1 and 3) (Soltani and Wilkinson, 2010: 366). However, in explaining the person or systems-level features and their impact on the effectiveness of TQM programmes, much of the research is limited in scope and with a heavy focus on:

“identifying practices and circumstances that affected TQM’s chances of success”. (Choi and Behling, 1997: 38).

Such focus, however, has restricted understanding of the exact nature of both person and system factors that may influence the effectiveness of TQM programmes as well as the dynamics of these factors over time (Soltani and Wilkinson, 2010: 366). While the afore-mentioned four assumptions – which are grouped into person and system factors – are closely inter-connected and regarded as the integral components of TQM, the role of senior management should not be viewed only as one of the assumptions about the operation of
TQM. While quality, people, and organisation may contribute to the overall effectiveness of a TQM programme, they are neither necessary nor sufficient conditions for a successful TQM implementation, simply because they are all direct functions of the quality of the systems that senior managers create. Therefore, it is possible for a TQM programme to fail even if quality, people, and organisation are sufficiently integrated (Soltani and Wilkinson, 2010: 366). Using organisational theories such as the Pelz (1951: 49) Effect and other relevant theories (for example, Likert’s, 1961) supportive relationships; Argyris and Schon’s (1974) theories of action, Soltani and Wilkinson’s (2010) study focused on the dynamics of senior management’s role and support and the way it could facilitate or hinder the process of TQM planning and implementation. The authors addressed the nature and extent of senior management’s role in establishing and maintaining an organisation-wide TQM programme, its resultant implications for other managerial levels as well as for the effectiveness of TQM itself. On many occasions, middle and supervisory level managers are frustrated with senior managers” orientations towards TQM or their requests for implementation of “yet another programme” (Kostova, 1999: 308).

In consequence, they may intentionally or not, decide not to implement TQM practices while reporting otherwise to senior managers; they may implement partial – as opposed to total – quality management; they may adopt those practices which guarantee their own self-interests (Soltani and Wilkinson, 2010: 367). In some extreme cases, they might feel so alienated from the senior management team and do not believe in their own motives and thus, do not even consider complying with implementation requests (Kostova, 1999: 308).

As a result, Soltani and Wilkinson (2010: 367), argue that the nature of senior management’s approach towards the underlying assumptions of TQM, as well as senior management’s approach toward the middle managers is a critical influence in the determination of the effectiveness of TQM programmes as well as the middle managers” downward behaviour toward first line managers in relation to the way they implement TQM programmes. The authors” study
takes the point offered by Waldman et al. (1998: 178) that little is known about the nature of effective management as organisations pursue quality improvement initiatives, and Zbaracki’s (1998: 602) research on the rhetoric and reality of TQM, use that rhetoric to develop their TQM programme, and then filter their experiences to present their own rhetoric of success, thereby developing an overly optimistic view of TQM.

While TQM failure has been extensively researched earlier, Soltani and Wilkinson’s (2010) study specifically contributes to the elucidation of middle managers’ reactions to any incongruence between senior managements’ approach to TQM with those underlying assumptions of TQM as well as their own orientations towards TQM. Hereunder, an attempt will be made to critically examine the relationship between senior and middle management in managing TQM and its consequences.

2.7 Managing TQM: senior – middle management relationship and its consequences

The term TQM has become indelibly fixed as a means of leveraging competitive advantage (Powell, 1995: 15; Reed et al. 2000: 05, Soltani and Wilkinson, 2010: 367). For TQM, there is only one approach for which to aim: being right first time and every time (Deming, 1986; Hill, 2005). This requires proactive rather than reactive thinking about managing quality. In reactive management of TQM, the emphasis is on detection, with the aim of preventing faulty work from being passed on to subsequent processes. The alternative is a proactive management aimed at preventing errors in the first place (Soltani and Wilkinson, 2010: 367).

TQM requires management by prevention not least because it results in meeting customer requirements more consistently (Oakland, 2003; Besterfield et al. 2003; Dale et al. 2007; Lagrosen and Lagrosen, 2005: 940). Indeed, most of what has been written about TQM is based on a common view of committed and proactive management (by prevention) as the primary driver (Deming, 1986; Juran, 1989; Crosby, 1979).
However, a review of the literature shows that advocates of TQM have consistently faced a battle in justifying its position (Hackman and Wageman, 1995: 309; Yong and Wilkinson, 1999: 137; Redman and Grieves, 1999: 45; Soltani et al. 2008: 125; Sitken et al. 1994; Casadesus and Karapetrovic, 2005c: 580). Such disenchantment with TQM’s inability to contribute to long-term organisational survival is echoed by Sheppard’s (1998: 53) comment that the mantra “right first time” seems to have eluded TQM itself. In reaction, a number of articles in both academic and professional journals attempted to provide reasons for why, in such an extensive and growing manner, the rate of TQM failure is high, perhaps as high as 90 percent (Hill and Wilkinson, 1995: 08; Choi and Behling, 1997: 37; Soltani, 2004: 21; Redman and Grieves, 1999: 45).

Overall, as Choi and Behling’s (1997: 38) review of the literature has found, much of the research on the topic has been concerned with:

“identifying practices and circumstances that affected TQM’s chances of success”.


Several other studies suggest that while a lack of senior management commitment is a key to TQM failure, problems of adapting human resources practices to support TQM are also major contributors to TQM’s failure (Wilkinson, 1992: 323; Dean and Bowen, 1994: 392; Waldmam, 1994: 510; Snape et al. 1995: 42; Walker, 1992: 473; Holpp, 1989: 23). Lastly, the broad
and somewhat “catch all” category of poor implementation has been found to contribute to TQM failure (Numeroff, 1994: 93; Becker, 1993: 30; Taylor, 1997: 567; Doyle, 1992: 12; Ghobadian and Gallear, 1996: 83; Sitkin et al. 1994: 537; Cole, 1993: 07). While the foregoing analysis highlights a variety of reasons for TQM failure, it does not elucidate the relative impact of each factor on TQM. Thus, what is considered to be a major determinant of TQM failure in one study may not even be considered in another (Soltani and Wilkinson, 2010: 368).


“Actually, most of this book is involved with leadership. Nearly, every page heretofore and hereafter states a principle of good leadership”.

Juran et al. (1995: 128) assert that:

“attaining quality leadership requires that upper managers personally take charge of the quality initiative”.

Nor are quality gurus alone in suggesting that basic quality responsibility rests in the hands of company top management (Feigenbaum, 2004). For example, Mauro and Mauro (1999: 37) state that:

“...any individual or organisation that wishes to take their initial steps on their journey toward quality must begin with s near sighted examination of its organisation leadership capability and culture”.
Management commitment through the adoption of a highly consistent approach toward TQM practices has been designated as the prime factor or "the fundamental driver" (Kanji, 2001: 259) in other frequently cited texts (Saraph et al. 1989: 810; Black and Porter, 1996: 01; Garvin, 1988; Dale, 2003; Oakland, 2003). For Besterfield et al. (2003: 01):

"only by changing the actions of management will the culture and actions of an entire organisation be transformed".

The paramount importance of senior management’s orientation for the successful implementation of TQM programmes can also be seen in the attention given to it in many quality awards across the world (NIST, 2003; EFQM, 2006; Deming Prize, 2008). One explanation for this is that senior managers create the organisational systems that determine how products and services are designed and produced (Hackman and Wageman, 1995: 311).

Although the foregoing discussion highlights the need on the part of senior management to learn and practice “the new philosophy” (Deming, 1986), little is known about the reality of the nature of senior management’s orientations to TQM and its implications for middle managers' own approach to TQM (Soltani and Wilkinson, 2010: 369).

There is also little information regarding the nature of middle managers’ reactions and responses to any such incongruence, especially given the role they play in the process of enacting TQM (Soltani and Wilkinson, 2010: 369). Although middle managers are regarded as the key players in effective implementation of TQM programmes (Hill, 1991: 541; 1995: 33; Dale and Barlow, 1984: 22; Psychogios and Wilkinson, 2007: 1042), it is also known that managers at middle and supervisory levels might be seen to be less than fully supportive of the introduction of TQM (Rees, 1995: 99; Marchington et al. 1992; Hill, 1991: 541) as middle and junior managers view TQM: first, as making their jobs more demanding both in terms of the time involved and the need to acquire people management and technical skills (Redman and Grieves, 1999: 45); second, as resulting in employees questioning their managerial decisions, followed by placing such managers under greater
scrutiny from senior managers; third, as reducing their discretion followed by a fear of loss of control due to the empowerment of shop-floor employees (Dopson and Stewart, 1993: 10) and lastly, as resulting in shop-floor employees challenging and questioning their authority.

For the sake of parsimony, Wilkinson et al. (1994: 397) summarise the general malaise surrounding the state of middle managers in the context of TQM by arguing that middle and junior managers feel pressure from above and below by its introduction – an indication or symptom of resistance to TQM as the most widely used strategic change programme. These findings, however, do not draw any definite conclusions with regard to how middle managers might get by in such a context (Soltani and Wilkinson, 2010: 369).

Using the Pelz (1951: 49) Effect, the aim of Soltani and Wilkinson’s (2010: 365) study was to present an alternative and more specific explanatory account of TQM failure by a more explicit focus on: first, the congruency towards TQM; second, whether and how such (in)congruence moderates middle managers’ own orientations towards TQM; and finally, the resultant implications for the effectiveness of TQM (Choi and Behling, 1997: 37; Waldman et al. 1998: 177; Soltani, 2005a: 796; 2005b: 463; Dean and Bowen, 1994: 392; Waldman, 1994: 510; Snape et al. 1995: 42; Staw and Epstein, 2000: 523).

Soltani and Wilkinson”s (2010: 365) argument is as follows: senior management’s orientation towards the underlying assumptions of TQM are not only a major factor influencing TQM effectiveness but more importantly moderate and influence the middle management”s orientations toward both first line managers and TQM. The Pelz Effect focuses on the leader”s upward / hierarchical influence within the organisation. It argues that leader behaviours that facilitate members” goal achievement are highly correlated with favourable attitudes among group members only when the leader also has strong influence within the organisation. This ability of a leader”s upward organisational influence to moderate the impact of a leader”s downward
behaviour has subsequently become known as the Pelz Effect (Jablin, 1980: 210).

The Pelz Effect is relevant to Soltani and Wilkinson’s (2010: 369) study in that the dynamics of managing TQM practices, the degree of congruence or otherwise between senior management’s orientations and TQM underlying assumptions, and the resultant implications for middle managers own orientations and TQM itself have such a structure as vice-president (VP) quality behaviours and orientations towards TQM influence middle managers” TQM intended goal achievement. Given that, the senior-middle management relationship has a Pelz Effect structure, it becomes important to specify the dynamics of such a relationship in terms of the nature of senior management”s orientations, its resultant implications for middle management”s orientations and its consequences for the effectiveness of TQM programmes (Soltani and Wilkinson, 2010: 370).

While consistency or congruency between senior management”s approach to TQM and the underlying assumptions of TQM would result in positive outcomes and possible supportive behaviour on the part of other managerial levels, the problem arises from incongruence between senior management”s approach and the underlying assumptions of TQM. Clearly, incongruence between senior management”s orientations and TQM underlying precepts is based on the assumption that senior managers” understanding of TQM is different from the core idea of TQM. Assuming this to be the case, senior managers pursue their own rationale for adoption of TQM, their own way of planning and implementing TQM, which is quite different from the reality of TQM (Soltani and Wilkinson, 2010: 370).

Because senior managers adopt and implement TQM based on their own understanding and specific rationale, this might highly likely diverge from the understanding and orientations of middle managers. However, the question of how such assumed incongruence or goal conflict may be reduced requires further investigation. Thus, the primary research objective of the authors study was to determine the nature, extent, and implications of such a
relationship for effective adoption, planning, and implementation of TQM programmes. More specifically, the authors argue that senior management’s orientation towards TQM is a critical influence in the determination of the nature of middle management’s orientation and consequently the degree of TQM effectiveness (Soltani and Wilkinson, 2010: 370).

Soltani and Wilkinson’s (2010: 370) study also fits the notion of Likert’s (1961) supportive relationships. The authors argue that senior management exerts a major influence in establishing the tone and atmosphere of the TQM organisation by their support and commitment towards the underlying principles of it (Likert, 1961). In a TQM-focused organisation, it is argued that senior management must demonstrate a clear commitment to improvement throughout the organisation by adhering to TQM principles and creating a supportive atmosphere and a co-operative rather than a competitive relationship with middle and first line managers as well as non-managerial employees (Soltani and Wilkinson, 2010: 370).

Furthermore, middle management’s orientation towards TQM and their supportive behaviour towards middle managers. Such combining of upward and downward managerial (top and middle) behaviours provides a crucial, as Likert put it, “linking pin” between managerial and non-managerial employees and the TQM organisation (Likert, 1961; Anderson et al. 1990: 20). Despite the frequent previous calls for exploring the dynamics of managerial relationship and its implications for TQM effectiveness (Wilkinson et al. 1998; Shiba et al. 1993; Dean and Bowen, 1994: 392; Soltani et al. 2008: 125; Choi and Behling, 1997: 37; Waldman et al. 1998: 177; Knights and McCabe, 1998: 433; 1999: 197; Balogun and Johnson, 2004: 523; Willmott, 1993: 515; Maitlis and Lawrence, 2003: 109), so far little has been done.

Consistent with previous research (Legge, 1995: 19; McCabe and Wilkinson, 1998: 18; Wilkinson and Wilmott, 1995; Rees, 2001: 743), the central messages of Soltani and Wilkinson’s (2010: 388) study can be summarised as follows:
Despite TQM being around for many years, and despite the case study organisations being at the leading edge, in practice TQM is still driven by an inspection and quality control approach, rather than “right first time”;

TQM is still a top-down process based on a culture of procedure-dominated with a heavy bureaucratic base;

Senior managers focus on control, especially of the workforce, rather than long-term, continuous improvement;

Organisations are still hierarchical, as opposed to the image of post-bureaucracy; and

TQM in practice is still a long way from the rhetoric of the textbooks.

It is therefore not surprising to argue that there is no evidence that TQM principles have become any more embedded than they were when TQM was new, and that this result is convincing not least because the three chosen organisations in their study really were leading edge cases that should exemplify current best practice (Soltani and Wilkinson, 2010: 389).

The reasons and the rationale why senior and middle management decide to embark upon implementation of TQM within their organisations will now be explored. The literature reveals that initiatives by management may be influenced by rational and irrational factors. This will now be examined.

2.8 Drivers of the selection of management initiatives

The selection of management initiatives may be based on both systematic evaluation and other less rational influences, including the fashion phenomenon, impulse, persuasion, power, or culture (Sturdy, 2004: 155). There are two fundamental views regarding the adoption of management initiatives – rational view (organisational behaviour theory, general management theory, strategic decision-making theory, and manufacturing and operations strategy theory) and irrational view (fashion-setting, pay-off, strategic fit, and organisation fit).
2.8.1 Organisational Behaviour Theory

The organisational behaviour theory states that the diffusion of ideas fluctuates like fashion, and that the popularity of the idea depends on the power of the fashion-setters, for example academic “gurus”, consultants, and hero managers (Greatbatch and Clark, 2005; Jackson, 2001b).

Rogers (1995) identifies the four key elements of diffusion as being: (1) innovation; (2) channels of communication; (3) time; and (4) a social system. Boje et al. (1997: 631) stated that:

“New programmes often are introduced at points of crisis attributed to failure of the old programme or at the point that organisations worldwide including consulting firms are seeking to change for a new fashion”.

These theories of fashionable management ideas focus upon irrational behaviour, informality, intuitive, and emotional influences in decision-making.

2.8.2 General Management Theory

In contrast, general management theory, in particular the areas of strategic decision-making and operations strategy, emphasise and support the importance of a rational, structured, and systematic decision-making process (Thawesaengskulthai, 2010: 159).

Management fads have been widely and critically discussed in general management publications (Nohria et al. 2003: 42; Miller and Hatwick, 2002: 26; Gibson and Tesone, 2001: 122). Many authors have suggested that managerial audiences have become sceptical, more conscious about fashion setting and engage in a deeper level of critical questioning about the theoretical and empirical foundations of new ideas. They have also proposed guidelines and questions to be raised, before adopting a new management idea. These suggested questions for consideration include: (1) payoff; (2) endurance; (3) company”s priorities; (4) company”s capability and resources;
(5) cost and time to result; and (6) organisational culture (Miller and Hatwick, 2002: 26; Gibson and Tesone, 2001: 122).

Although general management theory has created an awareness of rational-decision making and suggested some useful criteria, it does not provide a clear process and methodology to evaluate these factors. However, the strategic decision-making theory has clarified the process. It describes decision-making based on a combination of both a “bounded rational” and a political process (Eisenhardt and Zbaracki, 1992: 17; Eisenhardt, 1999: 65). To increase the likelihood of a rational decision being made, more information with diverse viewpoints is required; hence, building collective intuition, stimulating constructive conflict, maintaining time pacing, and avoiding politics are the keys to strategy (Eisenhardt, 1999: 65). Two questions frequently asked by strategic decision-makers are: (1) “Where do you want to go?”; and (2) “How do you get there?” (Eisenhardt, 1999: 65).

2.8.3 Strategic Decision-Making Theory

The strategic decision-making theory incorporated these questions into a structured, step-by-step, and sequential process starting from identifying strategic gaps in relation to the company’s internal and external environment (for example, strengths and weaknesses, opportunities and threats), then formulating objectives, identifying criteria and finally making choices (Bhushan and Rai, 2004; Harrison, 1999).

2.8.4 Manufacturing and Operations Strategy Theory

Matching and alignment between an action plan and organisational focus and context is an important key concern in manufacturing and operations strategy theory (Hill, 2000; Platt and Gregory, 1990: 05; Slack and Lewis, 2002; Voss, 1995: 05; 2005: 1223). This theory holds that the degree of fit between the chosen initiative and the company’s focus and context (such as competitive priorities, capability, resource usage, and so forth) has a significant impact on performance (Sousa and Voss, 2001: 383). This shows that operation
strategy thinkers would firstly and most importantly ask the question “Where are we now?” and provide strategic decision-makers with a tool or framework to compare action plans with the organisation’s health and success as the main criteria (Thawesaengkulsulthai, 2010: 160).

Three prominent frameworks for developing an operations strategy that fits the organisation are: (1) the Hill framework; (2) the Platts-Gregory procedure; and (3) the Slack and Lewis importance / performance matrix (Thawesaengkulsulthai, 2010: 160). Combining these various academic discourses has enriched understanding of the adoption phenomenon and has shaped the content for selection criteria.

In summary, the four relevant theories, namely: organisational behaviour theory, general management theory, strategic decision-making theory and manufacturing and operations strategy theory, have provided a conceptual background to the selection factors and required process. Although strategic decision-makers may focus their decision on the company’s strategic priorities, it is clear that irrational influences cannot be neglected in the overall selection decision. Indeed, they should be surfaced and if possible re-integrated into the rational decision picture (Thawesaengkulsulthai, 2010: 161).

2.9 Developing the quality management selection theory

Thawesaengkulsulthai (2010: 161) developed the quality management selection theory from a conceptual background underpinning literature in quality management, operations strategy and organisational behaviour, and a triangulation of the three in-depth case studies of Thai companies in Thailand as well as a number of interviews with experts in quality management. The quality management selection phenomena are explained in five sections: (1) triggers or motivations for the adoption; (2) management dilemma – initiative fatigues; (3) the historical selection process; (4) the four main selection views; and (5) the consequences of each selecting decision.
2.9.1 Triggers for adoption

From all interviews with quality management experts, motivations for the adoption of TQM and continuous improvement (CI) initiatives could be grouped into two:

(1) the external factors (that is, institutional push, trade barriers, and company image); and
(2) the internal factor (that is, the need to be competitive) (Thawesaengskulthai, 2010: 161).

Based on the three case studies (namely, Case A: Thailand industrial conglomerates; Case B: Thailand conglomerates; and Case C: US wholly owned multi-national company), the motivation for the adoption of quality management and improvement initiatives are:

(1) the need to survive, as well as to sustain the company”s competitiveness;
(2) The mind-set of never-ending improvement;
(3) The creation of a quality culture; and
(4) Improvements in productivity, cost, and customer satisfaction (Thawesaengskulthai, 2010: 161).

These motivations drive companies to search for and implement new improvement programmes. This finding in Thailand is coherent with the study of triggers to the adoption of management initiatives in the UK (Leseure et al. 2004: 169) and the persistence of TQM in New Zealand (Venkateswarulu and Nilakant, 2005: 807). As external factors, TQM and ISO 9001 are still popular in Thailand partly because of continuous support from government-related institutions, which educate and motivate Thai companies in the adoption of TQM and improvement initiatives. The Office of the National Accreditation Council (ONAC) supports the adoption of ISO 9001, while the Thailand Productivity Institute (TPI) provides all kinds of consulting services for improvement initiatives, and the Foundation for TQM in Promotion in Thailand
(FTQM) promotes the TQM philosophy. As internal factors, many companies in Thailand realised the need for and value of continuous improvement in order to survive in a highly competitive environment, improve their operational effectiveness and profitability, and create company reputation (Thawesaengkulthai, 2010: 163).

2.9.2 Management dilemma: initiatives fatigue

The development of TQM in the three case companies reveals an enlargement in the scope of TQM, which has expanded from focusing solely on quality to organisational improvements. A large number of the adopted improvement initiatives were plotted in series over time. Three cases show that the adoption of these programmes consumes a large amount of time and resources (20 – 80 percent of their time spent on the activities) (Thawesaengkulthai, 2010: 163).

The problems of initiative fatigue and the difficulty of managing all improvement programmes at the same time were revealed in all three case companies. Indeed, the evidence signifies the need for a company to manage and carefully select both old and new improvement activities to avoid the problem of initiative overload and ensure successful implementation (Thawesaengkulthai, 2010: 163).

2.9.3 The historical selection process

According to Thawesaengkulthai (2010: 163), both external and internal triggers enhance the role of experts to give advice on management fashion. Nevertheless, all interviews with experts reveal that experts do not simply recommend a fashionable programme, but that a number of reasons were raised to justify their choice. Degree of fit to the organisation and Thai culture (organisation fit) and alignment to the company’s vision (strategic fit) are major considerations for the selection of improvement initiatives. Current approaches to the selection of improvement initiatives could be divided into
two main directions: (1) a universal approach; and (2) a gap analysis approach.

The universal approach is based on the expert’s rule of thumb, which is an approximate principle based on experience. Many experts suggest the adoption of TQM and CI initiatives from easy to more difficult ones laying the standard and awareness before implementing other advanced programmes. According to the interviews, common steps proposed by Thawesaengskulthai (2010: 163) are:

1. basic activities of 5S, QCC, and suggestion system;
2. ISO 9001;
3. TQM or Six Sigma; and
4. Application for quality awards such as the Thailand Quality Award (TQA).

The gap analysis approach is proposed, which follows a typical strategic decision-making process of identifying strengths and weaknesses of the company (where / how are we?) and matching them with the vision and expectation of top management (where do we want to go?). Moreover, additional studies of organisational culture and readiness in the company (for example, experience with quality tools, employees’ capability) are conducted. Although the rule-of-thumb approach is simple, it does not consider the company’s vision, needs, and readiness. Hence, the gap analysis is more appropriate; this is also suggested in the literature and its considerations (strategic fit and organisation fit) are then incorporated into the selection framework to provide a recommended choice to a company. Based on the three case companies, although there is no evidence of a structured selection process or framework, a number of criteria were used to justify adoption of initiatives in each case (Thawesaengskulthai, 2010: 164).
2.9.4 The four main selection views

On the basis of the previously mentioned triggers, main criteria which influence the choice made, based on three case studies and interviews with quality management experts, can be grouped into four selection views: (1) fashion-setting; (2) pay-offs; (3) strategic fit; and (4) organisation fit. These four criteria are central categories to describe adoption phenomena, as they appeared frequently in the data, and were used and suggested by all empirical case studies. Nevertheless, the emphasis given to each one varies among cases and programmes depending on the company’s context and needs at the time (Thawesaengskulthai, 2010: 164).

Case A and Case B adopted the programmes with the aim of improving their operating performance as well as developing their employees; hence, Thai culture became one of their key concerns. Case C focused on cost improvement and building the system, and not on people development. This result aligns to the operations strategy theory (Voss, 2005: 1223) that the selection needs tailoring to the company context, focus, and time (Leseure et al. 2004: 169). Hence, to support the selection decision for improvement initiatives a directive, not prescriptive, approach is more suitable, which can be tailored to the company’s context (Thawesaengskulthai, 2010: 165).

Additionally, after the company decides what to adopt, there are barriers to the execution, such as resistance to change, lack of co-operation from employees, and lack of resources to implement the change. Hence, understanding critical success factors during the selection decision is important in helping managers work towards a successful implementation. Common critical success factors of these improvement initiatives include top management commitment, positive employee attitude, clear communication, and rewards and recognition schemes. All these elements have been incorporated into the selection framework (Thawesaengskulthai, 2010: 165).

The adoption of improvement initiatives is described below in four selection views through a paradigm model referring to Strauss and Corbin (1998: 127).
2.9.4.1 Selection view 01: fashion setting

This fashion-setting selection view represents a company’s decision to adopt a programme according to suggestions from fashion-setters – consulting firms, management gurus, business mass-media publications, and business schools. The company, as a fashion adopter, takes up the programme (phenomenon) because fashion setters create and disseminate improvement initiatives, and some of them (for example, consultants) persuade and facilitate the implementation (causal condition). Existing fashion users, especially in developing newly industrialised countries, are keen to adopt new initiatives, continuously seek to obtain competitive differentiation through adoption, and follow fashion setters (contextual condition). Fashion setters who determine popular initiatives, the longevity of the programme, and time lag in dissemination (intervening condition) induce the company to adopt new fashionable programmes according to their recommendations (action). This fashion setting leads organisations to change more frequently and raises the problem of initiative fatigue (consequence) (Thawesaengskulthai, 2010: 165).

Although the adoption according to fashion is perceived as irrational and is denied as a reason by rational managers, fashion is actually an influential factor in the early stage of decision-making in many companies. Case A adopted TQM as suggested by Dr Kano. Case B has adopted many programmes recommended by best practices and experts. Case C implemented Six Sigma and lean because they showed high benefits at General Electric Company. Moreover, experts provide recommendations of widely accepted and new-trend programmes. David and Strang (2006: 215) assert that:

“fashion consumers who decide to follow the management fashion are unlikely to make discriminating judgments about fashion suppliers”.

Adopting initiatives purely by the consultants without having expertise in the area, is not recommended (Dvorak, 2006: B5; Miller and Hartwick, 2002: 26; Gibson and Tesone, 2001: 122). Empirical studies in Thawesaengskulthai’s
research accept the influence of fashion for adoption; however, the other three selection views are regularly addressed to rationalise the selection decision. Many decision-makers (for example, Case A, Case B) justify their fashion influence on the ground of improving customer satisfaction — a pay off.

2.9.4.2 Selection view 02: pay-off

The pay-off selection view has a linkage with fashion-setting. It presents the company’s adoption of programmes according to the managers’ expectations of and desire for potential pay-offs (phenomenon) (Thawesaengskulthai, 2010: 165). Fashion setters (particularly business mass-media publications and consultants) disseminate the programme and suggest the promised benefits attached to the initiative (causal condition). According to Thawesaengskulthai and Tannock (2008: 366), the claimed pay-offs summarised from TQM and CI literature could be grouped into seven categories, namely: (1) shareholder; (2) company performance; (3) marketing performance; (4) customer satisfaction; (5) human resources; (6) process improvement; and (7) organisational impact.

With the accessibility and availability of the claimed pay-offs (contextual condition), managers are able to seek a pay-off reason to justify their adoption (action). However, the credibility of the claimed pay-off (influential publication, empirical evidence, and consensus agreement on the claim) affects the quality of their selection decision (intervening condition). Hence, managers need more empirical evidence of pay-offs (action) to enhance their confidence in the decision-making (consequence). Moreover, more empirical research studies on the effectiveness of improvement initiatives are needed and the role of fashion setters is important to disseminate the claimed pay-offs (consequence) (Thawesaengskulthai, 2010: 166).

Pay-off is an essential criterion for adoption. Empirical studies in Thawesaengskulthai’s (2010: 166) research show that all companies and experts rationalise their adoption of all TQM initiatives according to the pay-
offs. Indeed, there is a relationship between adopting new business ideas and perceived business performance (Staw and Epstein, 2000: 523). Therefore, companies believe that it is better to adopt new initiatives than to do nothing. However, there are some companies that disregard the waves of new management initiatives because the initiatives do not fit their company’s objectives. According to the Chief Executive of A.T. Kearney:

“The reason why a firm does not surf in and out of management trends, for example TQM, is because TQM had never been a significant part of its business” (Dvorak, 2006: B5).

This consideration for the adoption is called strategic fit (Thawesaengskulthai, 2010: 166).

2.9.4.3 Selection view 03: strategic fit

The strategic fit selection view describes the adoption considering the alignment of the improvement initiatives to a company’s vision or objectives and / or a company’s needs and weaknesses (phenomenon). In this selection view, firms assess the improvement programmes in which they are interested against their objectives. The programmes, which could maximise the company’s prime goals show a higher degree of fit and tend to be adopted (Thawesaengskulthai, 2010: 166).

The typical operational objectives such as cost, quality, speed, dependability, and flexibility (Slack et al. 2006) are frequently used to measure a company’s performance. This strategic fit selection view regularly occurs in a multinational company and a conglomerate (contextual condition) where the corporate company sets a corporate policy or global guideline that emphasises the strategic direction of the firm and directs the selection decision (causal condition). For instance, some of the adopted programmes are ordered as an obligatory company-wide implementation, such as the GMP and PE framework in Case C, and TQM in Case A (causal condition). As a result, the adopted initiatives show higher alignment to the company’s
objectives and the results can be measured according to the performance objectives of the firm (consequence) (Thawesaengskulthai, 2010: 166).

Nevertheless, a national subsidiary of a global company may have a specific need to implement its own programme; for example, Case C needed a management platform for continuous improvement and created its own CIP programme. In addition, companies may adopt a programme which is fashionable in its location and country context, with the objective of gaining higher recognition in the local society (action); for example, Case A obtained ISO 9001 certification, an internationally recognised standard, and was requested to apply for TQA (intervening condition). Therefore, the adopted programme may or may not maximise the company’s competitive priorities since the justification for the adoption is not directly the company’s objectives (consequences) (Thawesaengskulthai, 2010: 167).

2.9.4.4 Selection view 04: organisation fit

The organisation fit selection view represents the adoption of initiatives according to the compatibility between the programme and the organisational context (phenomenon) (Thawesaengskulthai, 2010: 167). To achieve organisation fit, the company assesses the initiative against the company’s context such as company capability and readiness, national and organisational culture, achievement feasibility, and infrastructure. Thai organisations (for example, Case A and Case B) and Thai experts in quality management consider organisation fit as a major criterion for adoption (contextual condition) because they want to ensure a successful execution of the programme and avoid the risk of failure (Thawesaengskulthai, 2010: 167).

Additionally, some companies (for example, Case A, Case B) expect the adopted initiatives to build an organisational culture (causal conditions). The initiative may be adopted and adapted to suit and fit the organisation (action). If the adopted initiative does not match the organisation, for example if it is against the culture, or there is a lack of resources (intervening condition), it will be deserted. As a result, the adopted programme has less conflict in
implementation and the company reduces the risk of change since it is more appropriate to the company context (consequence). Moreover, the programme is likely to be integrated into an organisational culture (Thawesaengskulthai, 2010: 167).

The unresolved issues pertaining to TQM implementation would now be addressed.

2.10 Unresolved issues in the evidence

Which elements of TQM are most important? This question has been approached from three perspectives. The first group of studies investigates the effects of different elements of TQM on performance. Four studies (Brah et al. 2000: 1293; Powell, 1995: 15; Rahman, 2001(b): 201; Samson and Terziovski, 1999: 393) suggest that a number of soft TQM practices are the secret to successful performance, though hard practices cannot be completely discounted. For example, Powell’s (1995: 29) research on manufacturing and service firms finds that when time since TQM adoption, industry, and firm size are held constant:

“TQM success appears to depend critically on executive commitment, open organisation and employee empowerment, and less upon such TQM stables as benchmarking, training, flexible manufacturing, process improvement and improved improvement”.

Other authors provide some dissenting evidence, placing the soft and hard practices alongside one another (Forker et al. 1997: 1681; Tan et al. 1999: 1034). Martinez-Lorente et al. (2000: 3240) indicate:

“That the key elements of a TQM policy are workforce management, and the use of quality management-related design tools”.

The findings of Tan et al. (1999: 1034) again indicate the inconsistent nature of results in studies examining the relative effects of TQM practices on
performance. The authors place the hard practice of performance data alongside the soft characteristics of management commitment to quality, involvement of the quality department and social responsibility.

The second group of studies are that of Hendricks and Singhal (1997: 1258), Easton and Jarrell (1998: 253), Chandler and McEvoy (2000: 43), Kunst and Lemmink (2000: 1123), Douglas and Judge (2001: 158), and Sim (2001: 373) explore the degree of TQM implementation. These studies broadly conclude that comprehensive implementation is necessary to achieve improved performance. Douglas and Judge’s (2001: 164) analysis of hospitals is typical of these studies finding:

“strong empirical support for a positive relationship between the degree of TQM implementation and organisational performance”.

The authors go on to argue that implementation and attitude toward TQM are paramount:

“TQM appears to be more than an either / or proposition. Our study reveals that one important aspect of TQM success is the degree to which the entire TQM philosophy has been implemented: the rhetoric that surrounds it and the mere presence of a TQM programme are not sufficient for success”.

(Douglas and Judge, 2001: 165).

The third group of studies tests theoretical models of TQM implementation and performance (Anderson et al. 1995: 637; Flynn et al. 1995: 659; Forza and Filippini, 1998: 01; Ho et al. 2001: 529; Rungtusanatham et al. 1998: 77). These studies show the interactions and relationships between TQM practices and demonstrate how they affect performance. Forza and Filippini (1998: 01) conclude that it is not the inter-connections between individual TQM practices that are paramount, as argued by Anderson et al. (1995: 637) and Rungtusanatham et al. (1998: 77), but between the groups of hard and soft TQM practices.
The lack of clarity over the role of different practices (noted within these studies and above) led Ho et al. (2001: 529) to develop a mediation model built on the findings of Flynn et al. (1995: 659). The authors hypothesised that core (hard) TQM factors (product design, process management, quality data and reporting, supplier quality management) mediate the relationship between supportive (soft) TQM factors (role of top management, role of quality department, employee relations, training) and quality performance. The authors’ study of 25 electronic companies in Hong Kong concludes that hard practices are a strong mediator but that both sets of practices are interdependent and necessary:

“Better quality performance can be achieved through the successful implementation of the core practices. Successful implementation of the core practices, in turn, is apparently achieved through embracing the supportive practices”. (Ho et al. 2001: 546).

These studies, which offer a weighted support score of 67, 2 percent, suggest that the impact of TQM is conditioned by the relationship between its elements. Simple additive models are unable to capture the complexity of these mediated relationships (Boyne and Walker, 2002: 123).

Which aspects of performance are affected by TQM? Measure of product or service quality are adopted as the dependent variables in seven studies, for example, customer satisfaction (Anderson et al. 1995: 637; Forker et al. 1997: 1681) and responsiveness (Youssef et al. 1996: 127). Business performance is used in a further eight studies. This includes financial measures (Easton and Jarrell, 1998: 253; Hendricks and Singhal, 1997: 1258) or financial performance combined with other variables (Martinez-Lorente et al. 2000: 3227).

Four studies used quality and business performance measures (Brah et al. 2000: 1293; Kunst and Lemmink, 2000: 1123; Sim, 2001: 373; Tan et al. 1999: 1034). These studies produced very different support scores. Those using quality performance measures provided the highest weighted support
score (72, 6 percent), followed by those that combined quality and business success (50 percent). Those studies using business performance alone reported a 46, 2 percent support score, even though TQM is argued to result in competitive advantage. Studies reporting on quality performance alone offer strikingly different findings from those that use only business performance. One explanation is that excessively high quality could lead to a lower market share (and ultimately drive a firm out of business) (Boyne and Walker, 2002: 124).

Under what circumstances does TQM work? The conflict between the contingency approach in the management literature and the one-size-fits-all philosophy of TQM is an area worthy of further consideration (Boyne and Walker, 2002: 124). Nine studies argued against the one-size-fits-all assumption, explicitly from the aims of their studies or implicitly through their approaches, for example, by examining the interaction between TQM and other variables such as marketing (Martinez-Lorente et al. 2000: 3227). Forker et al.’s (1997: 1681) study concludes that the behaviour of other firms further up the supplier chain influences the quality performance of the firms they studied.

Douglas and Judge (2001: 158) conclude that the positive relationship between TQM and performance is moderated by organisational structure, whereas Chandler and McEvoy (2000: 43) argue that human resource management practices mediate the TQM-performance relationship. The studies of Youssef et al. (1996: 127) and Sim (2001: 373) identify the highest gains in performance when TQM is implemented alongside other management practices, such as just-in-time procurement. Flynn et al. (1995: 683) also concluded that the TQM-performance hypothesis is contingent on organisational context:

“There are other factors that contribute to competitive advantage....Focusing solely on quality improvement may not be a sufficient means for a plant to attain and sustain competitive advantage”.
The results of the remaining 10 studies suggest that the impact of TQM is not contingent on other variables (Boyne and Walker, 2002: 124). Easton and Jarrell (1998: 253) note that internal changes to organisational size do not adversely affect financial performance in firms implementing TQM. Brah et al. (2000: 1293) explore rivalry and entry barriers in the service sector but conclude that the key impact on performance was the degree of TQM implementation. Samson and Terziovski (1999: 393) and Kunst and Lemmink (2000: 1123) do not find that different national characteristics influence the TQM-performance relationship. Anderson et al. (1995: 655) conclude that:

“the results of this study provide a glimpse of the cross-cultural validity of the proposed theoretical relationships”.

A number of studies that implicitly adopt a universalistic stance recognise the need for additional research in different contexts to further verify their findings (for example, Hendricks and Singhal, 1997: 1258). In general, however, the research evidence from the studies for and against the one-size-fits-all hypothesis is not statistically different. Those studies that test for contingency effects, arguing that TQM is not a universal formula, have a weighted support score of 51, 9 percent, whereas the support score for those that uphold this assumption is 46, 3 percent. These inconclusive results strongly imply that additional research is required to further illuminate this debate (Boyne and Walker, 2002: 125).

A detailed evaluation of the evidence confirms the authors’ earlier judgment that the results do not provide overwhelming support for the TQM-performance hypothesis. The strongest support comes from studies that look at the overall implementation of TQM and / or and the inter-relationships between its component parts. The evidence also suggests that TQM is more likely to affect quality performance than business performance. However, the empirical evidence offered to date is unable to offer clear guidance on the circumstances under which TQM works best (Boyne and Walker, 2002: 125).

The future development of TQM will be now be addressed.
2.11 The future of TQM

Dale et al. (2001: 439) argue that TQM is still in the early stages of theory development and that future theoretical development incorporating “appropriate management theories” needs to be realised before TQM can reach a “refined” stage of development. Van der Wiele et al. (2000: 50) contend that the progression of self-assessment from an ISO to business excellence model environment is an indicator of TQM growth and development. Moreover, business process re-engineering (BPR), six sigma and other developing methodologies are steps along this pathway of development (Dale and Lascelles, 1997: 418; Kruger, 2001: 146). With the pace of change becoming more large scale, there is a need for both academics and practitioners to both determine and predict the future direction and development of TQM, to address these issues (McAdam and Henderson, 2004: 51).

McAdam and Henderson (2004: 51) poses the questions: assuming TQM’s impact on organisations will continue, what types of TQM-based improvement initiatives will develop in the future to meet the anticipated organisational and market changes? Will the TQM of the future be unrecognisable from the current form or will there be a clear line of continual development? Future predictions in times of rapid change are notoriously unreliable, however, the determination of the key driving forces for future TQM development would be helpful, both for organisational planning and directing research efforts (Wilkinson and Willmott, 1994: 799). Based on Dale et al.’s (2001) contention that TQM theory is still in the early stages of development, there exists an opportunity to influence the future development of TQM and to ensure the philosophy will continue to enable organisational change in times of uncertainty and change (McAdam and Henderson, 2004: 52).

Hermel (1997: 131) has stated that TQM has moved from a predominantly narrow and mechanistic focus to include more subjective and broader organisational philosophy. This broader approach has led some writers to refer to the key theoretical constructs of TQM, rather than devising succinct
definitions. Thus, based on the work of Dale et al. (2001), Hermel (1997), Hackman and Wageman (1995) and DeCock and Hipkin (1997), TQM is defined as embodying the following constructs: (1) TQM is strategically linked to the organisational goals; (2) Customer satisfaction and understanding is vital within the organisation; (3) Employee participation and understanding at all levels is required within the organisation; (4) There is a need for management commitment and consistency of purpose within the organisation; and (5) The organisation is perceived as a series of processes, which incorporate customer supplier relationships (McAdam and Henderson, 2004: 52).

Thus, a broad and inclusive TQM definition is used, avoiding the restrictive dangers of narrow mechanistic “codicils” (Wilkinson and Willmott, 1994: 799). Dale et al. (2001: 439) conclude:

“TQM is a continuum of theories, touching soft and hard aspects of organisations”.

2.11.1 Influencing factors for the future of TQM

A review of the TQM literature, in the widest definition, resulted in a number of grounded influencing factors being constructed. The approach used was that of Strauss and Corbin (1990) cited in McAdam and Henderson (2004: 53) where theory is viewed as being constructed over time to form a body of knowledge. Thus, full use can be made of TQM experience, case and other related data. The approach suits the current body of TQM knowledge that often is not suitable for more hypo-deductive style research. The factors were divided into two broad categories, namely internal and external influencing factors for the future of TQM. Internal refers to issues within the TQM movement while external refers to issues in the environment in which TQM is placed (McAdam and Henderson, 2004: 53).
2.11.1.1 Internal influencing factors

Although TQM, in its current terminology, has only emerged in the management literature over the past 21 years, the antecedents of the movement have been in existence for much longer. Wilkinson and Willmott (1994: 799) refer to the shaping influences of the twenty-first century through information and control theory (1930s), work study, and operations research in the 1950s, 1960s, and 1970s. These influences have shaped aspects of current TQM. Dale et al. (2001: 439) conclude that this has led to TQM being the major development within operations management. While these influences are largely mechanistic, the Hawthorne studies in the 1920s, socio-technical theory of the 1950s and organisational development approaches, have all added a more organismic influence to TQM (McAdam and Henderson, 2004: 53).

In reviewing the development of TQM, Spencer (1994: 446) identified both organismic and the mechanistic approaches as two paradigms within TQM. Furthermore, Spencer (1994) demonstrated that each of these two streams were extrapolations of their historical development. In particular, the mechanistic approach of TQM was found to be insular and grounded in quality assurance (DeCock, 1998: 144). In summarising the work of Spencer (1994) and others in this area, Dale et al. (2001: 439) concludes that two main areas emerge:

“...the two main areas being positivistic and phenomenological. Research into TQM can be undertaken using both these paradigms”.

In summarising, both mechanistic and organismic aspects of TQM are identified, where mechanistic is mainly positivistic, deductive, and incremental in its approach to change. Organismic is more phenomenological and inductively based and allows for large-scale change or discontinuities (McAdam and Henderson, 2004: 53).
Extrapolation. These findings indicate that part of future TQM is likely to retain a mechanistic paradigm, which will have characteristics, associated with quality assurance and product quality. Further advances in statistical and computational processing can only enhance this development. Thus, the influence of Deming (1986) on TQM will continue. This branch of TQM has been relatively impervious to multi-discipline influences in academia and practice and therefore current developments are likely to be extrapolated into the future. It is likely that there will be similar terminology and possible development of more mechanistic initiatives in the area of TQM performance measurement (McAdam and Henderson, 2004: 54). Dale et al. (2001: 439) refers to the operations management bases of TQM as contributing to this incrementalism. For example, the current six-sigma developments within TQM in operations, when critically evaluated, is found to be based on the statistical and incrementalism side of TQM (Kruger, 2001: 146).

Paradigm shifts / re-definition. Spencer's (1994) concept of the organismic paradigm as a basis for large scale or discontinuous change in TQM can be developed further by considering post-modernism and critical perspective transforming paradigms (McAdam and Henderson, 2004: 54). DeCock (1998: 144) argue that successive transformations of post-modernism and critical perspectives has shaped TQM and will continue to do so. Post-modern challenges can be applied to each of the TQM concepts to deconstruct them (DeCock and Hipkin, 1997: 659). Critical perspectives should then be applied to the challenged concepts and transformed concepts articulated. Thus, the organismic paradigm can be used to lead to large-scale transformation by using concepts from other management fields, namely critical theory and post-modernism. This view is supported by Dale et al. (2001: 439) who stated in relation to the large-scale future development of TQM:

“to extend the scope of TQM theory it is necessary to incorporate appropriate management theories into its development. Much remains to be done”.

If the key concepts of TQM can be transformed, then there exists the possibility of future TQM development, which are a quantum development,
rather than an extrapolation of past advances. Therefore, an opportunity exists for improved organisational application and improved theoretical underpinning, which in turn can lead to future TQM development (McAdam and Henderson, 2004: 54).

The paradigm shifts of TQM (Spencer, 1994; Wilkinson and Willmott, 1994; DeCock, 1998) over the years can be seen in a number of “resonating” developments (Grint, 1997: 731), where large-scale changes to TQM have taken place:

- development of human resources and empowerment concepts (Grint, 1997: 731);
- improvements in productivity management, supply chain management (Mohanty, 1998: 753);
- the award processes (Malcolm Baldrige, European Business Excellence);
- the emergence of business processes and business process re-engineering (Davenport et al. 1996: 53);
- new methods for cultural change management (Camison, 1998: 479);
- new approaches to strategic management (Madu and Chu-Hua, 1994: 225);
- development of innovation approaches, e-business and TQM (Tidd et al. 1999); and
- influence of applications in different sectors (van der Wiele and Brown, 1998: 50).

These factors have influenced and shaped TQM and in turn have been influenced and shaped themselves, in a reflexive manner. Giroux and Landry (1998: 183) describe this development as the TQM discourse shifting with time. Thus, an examination of the paradigm / re-definition aspects of TQM, demonstrates that future TQM development is likely to include large-scale shifts compared to the present format. These shifts are likely to include re-
definition of terminology, especially concerning the use of the word quality (for example, re-engineering and knowledge management) (McAdam and Henderson, 2004: 55).

2.11.1.2 External influencing factors

According to McAdam and Henderson (2004: 56), the technology, markets, and environmental drivers are all classed as external drivers, or those factors, which will influence the future of TQM from without the TQM discourse.

Technology. The ever changing and rapidly developing area of technology is considered to be a driver in its own right. The scope of influence of technology on any discourse is vast, however, the current discussion is limited to two prevalent aspects as being illustrative, rather than comprehensive. The areas briefly considered are information system databases and e-business (McAdam and Henderson, 2004: 56). New developments in information systems databases can play a key role in shaping TQM’s influence on business processes, especially processes requiring complex customer data (Venkatraman, 1994: 73).

For example, modern database technology linked to the internet provide organisations with opportunities that existing operations / marketing processes find difficult to accommodate (Postma, 1998 cited in McAdam and Henderson, 2004: 56). The challenge is to determine how existing operations / marketing processes can be changed to maximise the effectiveness of this new technology and hence enable the creation of new market opportunities. Ultimately, this challenge will inform the future development of TQM methodologies (McAdam and Henderson, 2004: 56).

Davenport (1993) cited in McAdam and Henderson (2004: 56) views information technology (IT) as one of several enablers to bring about change in processes and the achievement of positive results involving a carefully considered combination of both technical and human enablers. These arguments are likely to be projected into any future TQM scenario. Research
also confirms that whilst IT plays a major role in TQM, future innovations at the organisational, managerial, and human levels of organisations are essential if true improvements are to be made (Lee and Dale, 1998: 214). Postma (1998) cited in McAdam and Henderson (2004: 56) has characterised this era by stressing the need for management to act according to the information held in databases rather than that acquired through research and generic models. Thus, TQM will be informed and shaped by customer requirements reflected in accurate data and information systems (Aurand et al. 1996: 06).

From a cursory view, the rapid development of e-business would have appeared to have by-passed the TQM discourse given the paucity of systematic research specifically on e-business and TQM. However, many of the aspects of e-business are addressed by TQM principles without the use of e-business terminology (McAdam and Henderson, 2004: 56). For example, Morency (2000: 104) and Biggs (2000: 64) list business process mapping and improvement, competitive intelligence (benchmarking), customer knowledge, supplier and network relations as key elements of an e-business strategy. All of these issues have been addressed in the TQM literature, however the full effect of technology on these issues, as represented in e-business has not been fully investigated. For example, the role of e-business in relation to TQM-based methods such as BPR and customer-supplier –chain issues needs clarification.

Ang and Finlay (1999: 42) and Forza (1995: 69) state the need for more studies in the area of IT as applied to TQM principles. Palmisano (1998: 38) describes e-business as operating in three ways: first, applying technology and know how to improve internal processes; second, applying this process approach to customers and suppliers; third, improving customer service by tapping into the reach and availability of the internet. Thus, these principles will shape, and be shaped by, TQM in the future. One example could be the increased use of e-business technology such as option finder within the TQM management decision-making process (Option-finder is a touch pad electronic aid for self-assessment scoring using the business excellence model).
Therefore, technology is likely to continue to be a key driver of TQM, shaping its future through e-business and IT.

Markets. Globalisation among organisations responding to improved communications and market opportunities is resulting in “virtual” organisations. These organisations or business units retain core skills but also have the ability to rapidly exploit emerging market opportunities (McAdam and Henderson, 2004: 57). Demerest (1997: 374) contends that as integrated structures increase the organisational boundaries will become fluid and groups of “entrepreneurial cadres” will spontaneously form, directed from a “virtual” centre, thus questioning the concept of corporate headquarters. These networks will be able to respond rapidly to localised customer needs (Craven et al. 1996: 203). Key factors in these networks are the dynamics of organisational change, customer characteristics, and core competencies (Achrol, 1991: 77).

TQM has a key role to play in these developments, however, TQM itself must be developed to meet this market challenge. A key tenet of TQM is customer satisfaction. In this situation, the organisational and customer satisfaction demands are likely to be significantly greater than those experienced before. Gunneson (1997) cited in McAdam and Henderson (2004: 57) contends that a “healthy quality process” will always ensure a quality product / service, whatever the operational circumstances. The author sees empowered network teams and organisations as an opportunity for strategic quality improvement teams to function in an optimal manner.

There is also an opportunity for increased TQM-based learning and development in these networks (Beer et al. 1990: 158). The TQM of the future must also address the issue of diversity for network organisations acting in fragmented markets. Diversity in this context refers to the different organisational forms of the networks caused by local market conditions. For example, flexible organisations such as Hewlett-Packard, allow groups and teams in different geographical areas to select their own TQM approaches.
based on market and customer needs, rather than imposing normative central office dogma (Coulson-Thomas, 1994: 06).

In summary, the future of TQM as influenced by market changes is likely to result in less structured TQM approaches and more devolved, empowered, customer facing TQM activity. While TQM exponents may argue that these elements have been in existence for some time, there is clearly a need for TQM to become more mobile and agile to meet such challenges. Possible resultant future developments in TQM initiatives may include empowered team approaches and coping with diversity. Further large-scale changes in TQM-based customer-supplier chain relationships are also likely (McAdam and Henderson, 2004: 58).

Environmental. There is an increasing trend towards improved environmental performance and socially responsible business practices (Axelrod, 2000: 01). TQM is already intrinsically associated with this movement through the International Standard for Environmental Management Systems ISO 14000, and quality award models. The ISO 14001 standard, although extrapolated from ISO 9000 thinking, has many features, which indicate an acceptance of larger scale change such as commitment to improvement, employee involvement, prevention, and continuous process improvement (Cascio and Baughn, 2000: 126).

However, as Cascio and Baughn (2000: 126) state:

"when implemented, ISO 14001 establishes an institutional discipline".

Thus, elements of extrapolation remain. Allen et al. (2000: 602) point out that:

"environmental management systems are now seen as high priority in many forward looking organisations".

Thus, the challenge for the future development of TQM is to ensure TQM-based environmental standards are both proactive in nature and dynamic in
their evolution (Allen et al. 2000: 602) and to develop initiatives that will encourage these attributes within the international standard, such as Kanji and Asher’s (1993) model cited in McAdam and Henderson (2004: 58).

2.12 Conclusion

A literature review and examination of TQM was undertaken, and in doing so, it is recognised that the emphasis on quality and continuous improvement has led organisations to adopt TQM. Organisations have realised that the key to increased productivity and profitability is improving quality and in order to survive competition from home and abroad, they are forced to return to the basics of better quality management and cost-competitiveness measures for their products and services. Many organisations have arrived at the conclusion that effective quality management can enhance their competitive abilities and provide strategic advantages in the marketplace.

Organisations, both public, and private sector, are constantly facing the challenge of “doing more with less”. In many sectors, the regulatory controls have become more stringent ensuring that what was acceptable in the past is not acceptable now. It is not possible for an organisation to stand still and remain competitive or being seen as giving value for money. Customers expect to see improvements and demand ever higher standards. Systems for improving and managing quality have evolved rapidly in recent years. During the last two decades or so, simple inspection activities have been replaced or supplemented by quality control, quality assurance has been developed and refined, and now most companies are working towards total quality management (TQM). In this progression, four fairly discrete stages can be identified: inspection, quality control, quality assurance, and TQM.

TQM literature is based largely upon case studies, anecdotal evidence, and the personal prescriptions of the recognised gurus of the discipline, including Deming, Juran, Crosby, Feigenbaum, and Ishikawa (Black and Porter, 1996: 01). From this base, a wide range of management issues, techniques and approaches have been collected together under the general banner of TQM.
These include issues such as process management, leadership, supplier management, quality systems, statistical process control, teamwork, quality policies, zero defects, training, planning, measuring quality costs, using customer feedback and benchmarking (Black and Porter, 1996: 01).

A literature review of the previous empirical studies on TQM suggests that researchers have defined TQM practices in various ways although they are complementary to each other (Prajogo and Sohal, 2003: 903; Terziovski and Samson, 1999: 226). For example, quality practitioners have developed certain propositions in the areas of quality management. Their insights into quality management provide a good insight of quality management dimensions (Zhang, 2000).

TQM is often regarded as a “fallen star”, since TQM was difficult to apply practically to companies (Dale et al. 2000: 04). A detailed evaluation of the evidence confirms that the results do not provide overwhelming support for the TQM-performance hypothesis. The strongest support comes from studies that look at the overall implementation of TQM and / or and the inter-relationships between its component parts. The evidence also suggests that TQM is more likely to affect quality performance than business performance.

However, the empirical evidence offered to date is unable to offer clear guidance on the circumstances under which TQM works best (Boyne and Walker, 2002: 125). However, Kim et al. (2010: 694) argue that it is not time to judge whether TQM succeeded or failed. The main reason for this line of reasoning is that TQM has constantly evolved.
CHAPTER 03:
EXCELLENCE MODELS AND QUALITY MANAGEMENT STANDARDS

3.1 Introduction

Defining and implementing quality has always been a problem. Today, organisations approach quality using a wide range of frameworks and models for implementation, based on the work of well-known theorists and academics as well as practitioners. The widespread application of the new ISO 9000:2000 and the business excellence movement through the American and European quality awards are the prevailing approaches to quality improvement according to the majority of quality academics. Both provide a basis for the implementation of a total quality management (TQM) philosophy, a “unique” way of improving organisational performance and attaining competitive advantage (Vouzas, 2007: 21).

Porter and Tanner (2004: 65) state that the late 1980s and early 1990s saw a global realization of the strategic importance of quality, and many countries established programmes to recognise quality and excellence. These initiatives followed the earlier example of Japan, which started to recognise quality practices with the launch of the Deming Prize in 1951. The structure and criteria for these award programmes elevated quality to a strategic level, and resulted in some of the concepts of business excellence with which we are familiar today. The majority of these programmes have undergone continuous improvement in framework design and award administration (Porter and Tanner, 2004: 65).

Excellence models, with specific reference to the European Foundation for Quality Management (EFQM) Model, the ISO 9001: 2008 (QMS) and the ISO 14000: 2004 (EMS), which were identified as some methodological practices, tools and techniques of the critical factors (CFs) of the total quality management (TQM) philosophy in chapter 02, namely: continuous
improvement, process management and organisational awareness and concern for the social and environmental context (Tari, 2005: 188) would now be examined in detail in this chapter.

Significant shifts in competitive edge have been sharpening the needs for continuous improvements and breakthroughs on quality (Pun et al. 1999: 606). Many organisations have taken their initiatives to employ different quality awards and standards in one form or the other to document, implement quality assurance practices, and verify continued compliance. For instance, the Malcolm Baldrige National Quality Award (MBNQA) in the United States of America, the European Quality Award (EQA) in Western Europe, Australian Quality Award (AQA), the Thailand Quality Award (TQA), the Kenyan Quality Award (KQA) and the South African Excellence Foundation Award (SAEF), are some of the prestigious awards established with a view towards increasing the quality awareness and competitiveness in their respective countries (Tummala and Tang, 1994: 40; van der Wiele et al. 1997: 236; Marwa and Zairi, 2008: 249; Thawesaengskulthai, 2010: 156).


In 1993, the ISO established a Technical Committee (TC207) to develop and produce a set of unified, voluntary standards for environmental management that could be accepted and implemented worldwide. ISO 14000 has been developed to help any company in any country to meet the goal of “sustainable development” and environmental friendliness. The ISO 14000
family of standards (that is, ISO 14001, 14004, 1410, 1411, and 1412) were published as an official document in 1996 (Quazi, 1999: 303).

The quality and environmental management standards, namely ISO 9000 series and ISO 14000 series are regularly updated. In respect of ISO 9001, the last update was in 2008 and the standard is now referred to as ISO 9001: 2008 quality management standard (QMS). In respect of the ISO 14001, the last update was in 2004 and the standard is now referred to as the ISO 14001: 2004 environmental management standard (EMS).

Some empirical studies also found that there has been a strategic quality movement to integrate ISO 9000, ISO 14000 and TQM practices (Chin et al. 1995: 20; Pun et al. 1999: 606). Moreover, awareness of the environmental compliance requirements has also imposed pressures on business enterprises in industry. ISO 14000 has gone through a very rapid process for the world to agree upon an environmental management standard comparable to the ISO 9000 quality management standard (Kuhre, 1995 cited in Pun et al. 1999: 607; Hale, 1997: 39). With the emergence of ISO 14000, companies with business units certified to ISO 9000 should consider the possibility of integrating the two management systems and also incorporating safety and health standards (Struebing, 1996: 23; Hale, 1997: 39, Beechner and Koch, 1997: 33).

Excellence models as a methodological practice, technique, or tool in support of the critical factor (CF) of the total quality management (TQM) philosophy, namely: continuous improvement would now be examined.

3.2 Excellence Models

Whilst most excellence approaches can trace their roots to TQM, the excellence concept as described in most excellence models is more holistic in nature than the earlier models of TQM. In particular, business excellence or organisational excellence provides for a complete integration of the improvement activity into the organisation. National quality awards play an
important role in promoting and rewarding excellence in organisational performance (Porter and Tanner, 2004: 04). There has been a surge of interest in the excellence model from a variety of public sector organisations resulting in the European Foundation for Quality Management (EFQM) developing a version of the model for the public sector (Hides et al. 2004: 194).

3.2.1 The concept of excellence

According to Vouzas (2007: 23), Peters and Waterman”s (1982) best selling book *In Search of Excellence* actually set the birth for the excellence movement and the establishment of various quality awards around the world. The emergence of excellence and the publicity gained so far led Dale et al. (2000: 04) to wonder if:

“quality and TQM simply been scrubbed out and replaced by excellence, or is excellence different in some important ways from TQM?”

Hermel and Ramis-Pujol (2003: 230) describe a so-called evolution of excellence based on a series of phases started from the pre-excellence and leading to today”s excellence which is described as an:

“innovative integrated development which is fundamentally viewed as a combination of strategic management and change”.

Oakland (2001: 04) is of the view that achieving organisational excellence often requires a mind-set change to break down existing barriers, but it must start at the top where serious commitment and leadership must be demonstrated. The chief executive must accept the responsibility for commitment to organisational excellence, which focuses on the customer needs, but middle management also have a key role to play in communicating the changes required.
Maritz (2003: 53) argues that the aim of dealing with change, developing organisational competence, embracing the principles of continuous improvement and TQM, and establishing these through the process of strategy development and formulation, is to achieve unparalleled levels of organisational or business excellence. Organisational excellence is not a goal in itself, but rather a journey of continuous improvement and innovation, with the aim of meeting the ever-increasing demands of a multitude of stakeholders.

According to Porter and Tanner (2004: 06), the core themes of excellence are:

**Leadership.** The specific leadership behaviours of setting a clear direction and values for the organisation, creating customer focus, and empowering the organisation and its people in the pursuit of excellence are key to all excellence approaches;

**Customer focus.** The customer is the final judge of product quality and service delivery. Customer loyalty and retention are best achieved by understanding the current and future needs of current and prospective customers. The voice of the customer is critical in designing the product or service „offer”, and in designing the processes that impact on the customer;

**Strategic alignment.** All the excellence models stress the importance of strategic development, alignment, and planning. In this respect, an excellence approach can be differentiated from many TQM-type programmes, where a lack of strategic integration frequently results in bolt-on quality programmes;

**Organisational learning, innovation, and improvement.** Stimulating individual and organisational learning, innovation, and improvement through the effective sharing of knowledge and information is a critical element in an excellence approach;
People focus. An organisation’s success is highly dependent upon the knowledge, skills, creativity, and motivation of its people. This „people potential” is best harnessed through shared values supported by a culture of trust and empowerment. Valuing people is a critical element in an excellence approach;

Partnership development. Organisations need to develop longer-term strategic mutually beneficial partnerships with a range of external partners, including customers, suppliers, and education organisations. Successful longer-term partnerships focus on delivering sustained value for the partners;

Fact-based processes management. Processes are the „engines” that deliver every organisation’s value proposition. The focus of all excellence approaches is on designing processes to meet customer requirements, systematically managing processes based on facts, and improving processes based on customer feedback and feedback from the process itself. Process capability is based on the ability of the organisation’s processes to meet customer requirements;

Results focus. Excellence is concerned with creating value for all key stakeholders, including customers, employees, suppliers and partners, the public, and the community at large. Balancing the needs of all these key stakeholders is a critical part of developing successful strategies.

Social responsibility. Responsibility to the public, ethical behaviour and good citizenship are important in an excellence approach, and are critical to the longer-term interest of the organisation.

Dunn and Mathews (2001: 125) state that excellence is not solely the domain of the business sector; users and customers of the voluntary sector should also have access to the best. Lee (2002: 142) state that the core principles of TQM encourage business practices that will satisfy customers, reduce costs, increase productivity, and enhance quality of outputs. In short, TQM practices help enhance business excellence.
The achievement of business or organisational excellence is at the core of TQM. Results are the milestones of achievement and progress. If they are not captured on a regular basis, it becomes very difficult to maintain momentum, commitment and, more importantly, the motivation and desire to achieve higher performance standards. Furthermore, the results captured must be consistent with the pursuit of improving the organisation’s overall performance. This requires a fundamental understanding of how sustained excellent organisational results are achieved (Porter and Tanner, 2004: 04).

Quality, as perceived by the customer has been shown to be directly associated with profitability, and many studies have suggested a strong and identifiable link between a TQM approach and superior financial performance (Porter and Tanner, 2004: 04).

The various frameworks in the form of National Quality Awards would now be discussed.

### 3.2.2 National Quality Awards (NQAs)

Several of the leading gurus have produced broad frameworks for implementing and sustaining competitive advantages through quality management. These include Crosby’s “14 steps”, Deming’s “14 points” and Juran’s “10 steps”. Literature studies have often identified key differences between these prescriptions, and no single model has yet established itself as a basis for total quality management theory. This has meant not only an absence of a practical model that could be used by organisations in developing their TQM systems, but also a lack of easily applied methods for identifying areas for improvement in current TQM programmes (Black and Porter, 1996: 02).

Throughout the world several quality frameworks have been established to advance TQM, mainly modelled on the Malcolm Baldrige or the EFQM frameworks. The national quality awards provide a structured and integrated management system upon which organisations are able to build upon their earlier successes as well as identify areas that have been addressed less
rigorously and improve upon them (Zairi, 2005: 82). The frameworks provide descriptions of the essential features, characteristics and approaches of organisational systems that promote sustainable and excellent performance (Djerdjouri, 2004: 120).

Miguel (2006: 626) contends that introduction of quality management frameworks based on national quality awards enhances quality awareness, which leads to improved service quality and organisational performance. In a sense therefore, national quality awards stimulate excellence in the respective national economies of application. Zairi (2005: 82) citing Evans and Lindsay (2001) posit that various quality awards instituted by several countries have helped promote awareness of quality and productivity, facilitated exchange of information among organisations as well as encouraged organisations to adopt strategies to improve quality, productivity, and competitiveness.

Jager (1996: 17) suggest that a national award may be a trigger and a further spur to organisations to develop continuous improvement activities. A national award thus creates opportunities for organisations to share information on and experience of successful quality strategies. Miguel (2001: 260) citing Ghobadian and Woo (1996) argues that the broad aims of NQAs are to:

- increase awareness of the importance of the “quality of offerings” and interest in “quality management”, because of their contribution to superior competitiveness;
- encourage systematic self-assessment against established criteria and market awareness simultaneously;
- prompt co-operation between organisations on a wide range of non-commercially sensitive issues;
- stimulate sharing and dissemination of information on successfully deployed strategies and on benefits derived from implementing these strategies;
- promote understanding of the requirements of the attainment of
“quality excellence” and successful deployment of “quality management”; and

- stimulate organisations to introduce “quality management”, improvement processes.

Miguel (2001: 260) further observes that NQAs are built on a set of values and concepts that are consistent with those of highly successful organisations, namely: customer driven quality, results orientation, leadership commitment, long-term view of the future, people recognition, public responsibility, management by processes and facts, proactive actions and rapid responses and continuous improvement and learning.

Similarly, Tan (2002: 165) posits that NQAs play an important role in promoting and rewarding excellence in organisational performance. NQAs thus help raise the quality standards of companies and the profile of the country as a whole, and recommend the following when establishing an NQA: government and private sector support, adoption of a model, inclusion of SMEs, quality maturity level, cultural difference, global competitiveness factors (customer satisfaction, human resource management, partnership development), assessment process, selection of examiners, level of award recognition, award promotion and evaluation of the award programme.

Equally, Xie et al. (1998: 30) maintain that NQAs play an important role in promoting and rewarding quality and business excellence as they represent a country’s efforts to enhance trans-national reputation in this increasingly competitive world market. The author’s findings established nine common criteria that cut across the NQAs, although emphasis in weighting varied from country to country based on a country’s economic development status. The nine common criteria were: leadership, impact on society (contributions to society and environment), resource management (information, technology, material, and finance), strategy, and policy, human resource management, process quality, results, customer management and satisfaction and supplier / partner management and performance.
Similarly, Tan et al. (2003: 37) in a compilation of 53 NQAs observed that economic, cultural and demographic background of each country must be taken into consideration in designing a NQA programme and set forth the following guidelines: government and private sector partnership, support and commitment, establishing an NQA administering organisation, determination of various NQA categories, determination of the number of awards to be presented annually, selection, recruitment and training of examiners, assessment process, compilation and distribution of feedback reports, continual review and improvement of NQA model and concepts, promotion of the practice of self-assessment, the assessment process, and provision of the platform for sharing total quality practices.

It's perhaps with this in mind that McDonald and Zairi (2002: 20) contend that the main driver in TQM initiatives as represented in the Baldrige criteria is the leadership that creates values, goals and systems; and guides sustained quality activities with the ultimate performance objective being delivering customer satisfaction and market success. Hence, greater emphasis should be laid on leadership when setting up a NQA, which is any new NQA should encourage the growth of effective leaders at both private and public sector if the intended benefits are to be realised (Marwa and Zairi, 2008: 251).

Organisations pursuing an excellence strategy soon recognized that the award frameworks offered more than just a vehicle for recognition. The frameworks were seen to be best-practice models for implementing excellence strategies, performing self-assessments, benchmarking and, ultimately, delivering improved performance (Porter and Tanner, 2004: 65).

According to Dalrymple et al. (1999: 138), business and performance excellence models underlie America’s Malcolm Baldrige National Quality Award, the Canada Awards for Excellence, European Quality Award, Australian Quality Award, Japan Quality Award and most other international quality awards. While providing a means of evaluating applicants for quality prizes, such models are more typically applied as self-assessment models intended to identify organisational strengths, weaknesses, and areas for
improvement for the purpose of strengthening organisational efficiency, effectiveness, and competitive position.

Miguel and Augusto (2005: 01) state that quality and business excellence awards that recognize excellent organisational performance have emerged as a significant component of the productivity and quality promotion strategies of many countries. Today there are, at least, 76 countries with award programs and 3 “regional” awards, namely: Asia Pacific Quality Award, Ibero-American Quality Award, and European Quality Award (Miguel and Augusto (2005: 01).

The European Foundation of Quality Management (EFQM) uses the term „business excellence” to mean outstanding practice in managing organisations and achieving results; based on fundamental quality management concepts. The USA Congress used TQM concepts to determine sets of standards of excellence for their Malcolm Baldrige National Quality Award (MBNQA) (Naguib, 2001: 31; Naylor, 1999: 37; Hesselink & Van den Assem, 2002: 139 and George et al. 2003: 122). Tanner and Tantawy (2001: 184) state that organisations across Europe have been implementing business excellence, if one includes American-based organisations that adopted the Baldrige Award, since 1987.

Although the EFQM Excellence Model is based on TQM principles and largely ignores the specific use of quality management tools and techniques, the desire to succeed at business excellence may, ironically, compel organisations to turn increasingly to the use of initiatives, tools, and techniques that will deliver desired results. It is inconceivable that these tools and techniques will not include, largely, historic quality methods. Business excellence and quality can and must complement each other if they are to provide organisations with the operational and business success they aspire to, which is necessary for survival in today’s market (Tanner and Tantawy, 2001: 184).

Kanji (2001: 259) and Dubrovski (2001: 920) argue that the excellence models are transforming the way people work, with low-cost opportunities to
quickly expand markets globally and deliver better, more personalized customer service. The challenge of business excellence today is to turn the organization’s vision into reality (Kanji, 2001: 259). The task is to build a well-integrated TQM base in order to utilise the critical success factors of the organisation. Organisations that have achieved a higher level of business excellence have demonstrated very high growth in their customer base, thus improving overall profitability and stakeholders’ values (Dubrovski, 2001: 920).

Organisations need baseline data to gauge their current levels of performance. Self-assessments against quality and excellence frameworks and models are a method to obtain this information.

3.2.3 Self-assessment

There has been considerable interest in the process of quality management self-assessment in recent years with a rapid increase in the number of companies which have started or are planning to start self-assessment activities (Van der Wiele and Brown, 1999: 238; Ahmed et al. 2003: 43). Internationally, the application of self-assessment has been found to result in a wide range of benefits (Shergold & Reed, 1996: 48 and Young, 2005: 34).

Notably, self-assessment provides (Shergold & Reed, 1996: 48 and Young, 2005: 34): a rigorous and structured approach to business improvement; an assessment based on facts and not individual perceptions; a means to achieve consistency of direction and consensus on what needs to be done by everyone in the organisation, sharing the same conceptual base; a means to educate people in the organisation on how to apply, in a meaningful way, the principles of, for example, TQM and business excellence; a means to integrate various quality initiatives into normal business operations; a diagnostic tool; an objective assessment against a set of criteria, which is internationally accepted; a means of measuring progress over time through periodic self-assessment; process induced improvement actively focused where it is most needed; a means to create enthusiasm amongst the people within the organisation, involve them in the improvement process and give
fresh impetus to their performance excellence; opportunities to promote and share excellent approaches within different areas of the organisation or with other organisations of a similar or diverse nature; opportunities to recognize both progress and outstanding levels of achievement through internal awards; a link between what the organisation needs to achieve and how it applies strategies, business plans and processes to deliver its objectives; and a means to benchmark internally as well as against other organisations.

The primary purpose of undertaking self-assessment should be to drive business improvement. However, the process of self-assessment does not in itself improve the organisation. Self-assessment provides a „moment in time” picture of the status of the organisation, usually expressed in terms of strengths, areas for improvement, and a score (Caffyn, 1999: 1151).

Most organisations undertaking the self-assessment will generate well in excess of a hundred areas for improvement, ranging from issues that need a strategic decision through to specific immediate solutions (George et al. 2001: 573). Grouping improvement opportunities will often help and there are many other parameters, which can also be taken into account to help the prioritisation process. Having prioritized the actions, the greatest chance of ensuring they are implemented is for them to be included in the organisation’s business planning process (George et al. 2001: 573).

The European Foundation for Quality Management (EFQM) Business Excellence Model is widely recognised as a representative theory to improve traditional total quality management (TQM) by expanding the narrow quality-oriented concept into a holistic management concept (Kim et al. 2010: 684). The EFQM model will now be examined.

3.2.4 European Foundation for Quality Management Business Excellence Model (EFQM Model)

The EFQM model (See Appendix 1), an integrative business system, covers all management activities composed of input, process, and output (Black and
The EFQM Business Excellence model is a framework to assess organisations for the European Quality Award that aims to develop awareness of the importance of quality in the intensified global market (Evans and Lindsay, 2005 cited in Kim et al. 2010: 685). The objective of the EFQM model, proposed in 1992, is to support organisations to achieve business excellence through continuous improvement and deployment of processes (Anderson et al. 2003: 01). The model's most important assumption is that excellent performances (for example, customer, and financial performance) are derived through five enablers (for example, leadership, people, and processes). Based on the premise, the model is divided into two areas – that is, enabler and results – and allocates balanced weights (50 – 50) between the two areas (Kim et al. 2010: 685).

In particular, the results are comprised of people results, customer results, society results and key performance results. The resulting criteria thus cover both tangible and intangible performance (for example, employee's capability, strong relationship with customers and organisational reputation.

Using the model, organisations can develop tangible and intangible-oriented indicators, measure their performance periodically, and develop relevant enablers (Kim et al. 2010: 685). In organisations, the EFQM model is widely used in different ways: as a tool for self-assessment; as a way to benchmark with other organisations; as a guide to identify areas for improvement; as the basis for a common vocabulary and a way of thinking; and as a structure for the organisation's management system (European Foundation for Quality Management, 2006 cited in Kim et al. 2010: 685).

Similarly, the EFQM model has been explored in terms of different tools for systematic performance management (Wongrassamee et al. 2003: 14), self-assessment (Tari, 2006: 170), teamwork development (Castka et al. 2003: 149), integration issues (Davies, 2008: 383) and benchmarking (Castka et al. 2004: 571). Among them, self-assessment is regarded as one of the most interesting topics for both researchers and companies implementing the

This is because the self-assessment enables organisations to identify their strengths and areas for improvement. Based on the outcomes of the self-assessment, organisations can gain more objective and holistic views by comparing their results with other organisations. At the operational level, the outcomes also encourage managers not only to determine which key areas should be managed, but also to monitor a variety of activities in a controlled manner (Kim et al. 2010: 686).

In April 1999, the EFQM revised the model and there was a noticeable switch in language from “quality” to “excellence”. Indeed, the word “quality” does not appear in either the sub-criteria or the areas to address in the revised model. The name of the European Quality Award (EQA) was also changed to the EFQM excellence award, with the word “quality” stripped out. This change in focus from TQM (or quality) to business excellence has led to considerable disquiet among traditional TQM practitioners (Dale et al. 2000: 04; Adebanjo, 2001: 37).

The change in focus from quality to excellence was believed to relate to the strong mechanistic history of TQM. Researchers found that it was difficult to convince managers in departments such as sales and production to take responsibility for quality. Such managers thought TQM to be the sole responsibility of the quality department when they saw the word “quality”. It was evidently difficult to broaden the ownership of TQM from the quality department to all levels in an organisation and to enable the whole organisation to understand the philosophy (Adebanjo, 2001: 37). In contrast, the presentation of the excellence model made it easily adaptable across the whole organisation (Sun et al. 2004: 137).

The EFQM believed the shifts in business emphasis and new management ideas in the model would fulfil the requirements of large, small, and medium-size enterprises in the private and public sectors. Their objective then
became to provide a model that ideally represents the business excellence (TQM) philosophy and which can be applied in practice to all organisations irrespective of country, size, sector or stage along their journey to excellence (Sun et al. 2004: 137).

However, the revision to the European TQM model raised much discussion, including debates over the merits and disadvantages of the shift from TQM to business excellence and the exclusion of “quality” from the EFQM Excellence Model. Researchers criticised the excellence model on the grounds that although it is based on TQM principles, it largely ignored the specific use of quality management tools and techniques. The desire to succeed at business excellence thereby ironically excluded the essential initiatives, tools and techniques, which would deliver desired results to organisations. Some chief executives fed up with excellence without performance, have started to return to quality (Dale et al. 2000: 04; Adebanjo, 2001: 37).

It is possible that the wide acceptance of business excellence has slowed down the growth of the use of classical quality management tools and techniques (Adebanjo, 2001: 37). With the change of focus from “quality” to “excellence”, newcomers to the quality movement may be distracted from the important aspects of the movement and get lost in understanding what has gone before and the heritage of the quality luminaries. The shift away from quality management basics to a point-scoring mentality may have contributed to this distraction. Many organisations (mainly those with a lack of experience of continuous improvement) now emphasise scoring points against the criteria of award models and have moved away from the fundamental basics of the technical essence of quality. The excellence model became another organisational control system, which has to be manipulated and “beaten”, with high scores attained and improved upon (Sun et al. 2004: 138).

According to Adebanjo (2001: 37) the basic idea behind the European Quality Award (EQA) was to:
“reflect shifts in business emphasis and new management ideas as well as fulﬁl the requirements of large, small, and medium-sized enterprises in the private and the public sectors. Their objective became: to provide a model that ideally represents the business excellence (TQM) philosophy that can be applied in practice to all organisations irrespective of country, size, sector, or stage along their journey to excellence”.

On the other hand the Malcolm Baldrige National Quality Award (MBNQA) in the USA:

“ [...] aims to promote the understanding of the requirements for performance excellence and competitiveness improvement, the sharing of information on successful performance strategies and the beneﬁts derived from using these strategies” (Withers and Ebrahimpour, 1996: 08).

Bohoris (1995: 30) in a comparative analysis of the two main awards stated that quality awards” assessment procedures seem to be the only comprehensive means available to date by which TQM initiatives can be thoroughly monitored and assessed, providing any business with a competitive internal mechanism necessary to face the imposition of future new barriers to trade in the form of technical or quality standards requirements. McDonald et al. (2002: 20) state that the literature on the MBNQA and EQA awards reveals that:

“ [...] both encourage continuous improvement of leadership techniques, strategic plans, company processes, and stakeholder relationships, through the analysis and change of business results”.

However, the application of TQM in Europe was not as successful as it had been in Japan. It was unexpected that TQM in Europe was reported to be bureaucratic, while the original intention of TQM was supposed to be ﬂexible (Sun et al. 2004: 135). A large study of 600 companies in 20 countries suggested that the application of management approaches in different countries is affected by the socio-economic context of the countries.
(Blackmon et al. 1998 cited in Sun et al. 2004: 135), whereby the same method may be successful in one country but not in another. Another big survey of 500 countries (Ahire et al. 1995: 08) found that less than one-third of the respondents had achieved something and that about two-thirds of the TQM programmes had ground to a complete halt. Another longitudinal study revealed that after four years, ten out of 38 companies considered their TQM programme to have failed (Taylor and Meegan, 1997: 669).

Eventually, business excellence literature is mostly based on rhetoric and “good stories” of EQA and MBNQA awarded organisations in Europe and the USA. Only recently a number of studies tried to investigate the effect of the EQA and MBNQA on business results (Vouzas, 2007: 23). McAdam (2000: 314) argue that:

“[…] organisations scoring over or around 600 points on these models are deemed to have reached a state of excellence. However, the failure of many of these organisations to maintain their positions shows that a defined state of organisational excellence does little to bolster business confidence beyond the hype of quality or excellence awards”.


According to Dale et al. (2000: 04), the EQA:

“[…] acted in response to the perceived tarnished image of TQM, whilst the consultancies sought to address the diminishing demand and increasing competition for their services”.

McAdam and O’Neill (1999: 191) further state that:

“[…] the EQA model does not formulate strategy, nor does it properly evaluate strategy, rather it evaluates the process of forming strategy”.
However, in his Last Word Conference in 1994 (Abraham: 1995: 30), Juran predicted for the future of quality as:

“quality competition will intensify with multinationals and common markets there will be intense demands on suppliers. ISO 9000 will sweep across the world. Awards, for example, Baldrige and European Quality Award, will supply intense stimulus and there will be a growth in awards worldwide”.

According to Ho (1997: 282) Juran’s predictions have happened and will continue for years to come, particularly on the last two. Unlike ISO 9001, self-assessment models, such as the European Quality Award (EQA) Model, are telling organisations what they should do. It is up to the individual application to respond on how they did it and support with evidence.

At the end of 1998, EFQM had 785 fully-fledged members and it is evident that more and more companies are using the business excellence model as the means of assessing corporate excellence (Azhashemi and Ho, 1999: 40). The EFQM’s Quality Award Model continues to be successful and is used by some 10 000 organisations across Europe (Sun et al. 2004: 135). A number of research studies have investigated the correlation between the adoption of the holistic quality award models (such as the EFQM excellence model) and improved organisational results. The majority of such studies show a positive linkage (EFQM, 1999 cited in Sun et al. 2004: 135).

The EFQM’s TQM model effected good performance in many European countries and the chief executives of the participating companies claimed that the excellence model brought great success in their businesses (Azhashemi and Ho, 1999: 40; Sanghera, 1999: 21; Dale et al. 2000: 04).

3.2.5 Excellence models in the public sector

Sinha (1999: 414) state that in some countries, governments are imposing business excellence in order to drive up the level of service provided by public sector organisations. Such is its importance, the EFQM Excellence Model
was cited in the 1998 United Kingdom White Paper “Modern Local Government: In touch with the people”.

According to Porter and Tanner (2004: 50), the EFQM Excellence Model has had major benefits for the UK public sector. The major benefits include driving continuous improvement, and these improvement activities are supported in most cases by integrating the improvement activities with the business plan. Leadership is a key enabler for success, and „interference” from central government a potential barrier. A final key learning point is the need to install monitoring mechanisms.

A survey of 3500 public sector organisations revealed that 44 percent of public sector organisations were using the model, with 81 percent of the users believing that the model was an effective tool within their organisations (Adebanjo, 2001: 37).

The SAEF Model (which will be outlined hereunder) was developed by the South African Excellence Foundation (SAEF) in 1997, and builds on the experience of the Malcolm Baldrige Quality Award and the European Foundation for Quality Management. The SAEF Model has been adopted throughout the countries in the Southern African Development Community and is duly recognised by both the Malcolm Baldrige National Quality Award (MBNQA) and the European Foundation for Quality Management (EFQM) (SAEF, 2007).

3.2.5.1 South African Excellence Model (SAEF Model) for Local Government

The South African Excellence Model (SAEF Model) website (http://www.saef.co.za): (12/03/2007) provides a comprehensive overview of the South African Excellence Model (SAEF Model). The SAEF Model is a framework for assessing the excellence of an organisation. The SAEF aims to maintain and promote the SAEF Model in support of national economic
competitiveness and good governance; train assessors in the use of the Model; and manage a National Awards process.

The SAEF supports organisations throughout South Africa to participate in self-assessment and continuous improvement activities, by applying the SAEF Model as a diagnostic framework in order to achieve overall competitiveness; good governance; satisfied customers, employees, suppliers and partners; credibility as trading partners; business and community approval; and significant gains in business results and productivity (http://www.saef.co.za).

The SAEF Model has also been adopted for the Local Government Sector. The model provides a non-statutory framework for management education, self-assessment, and continuous improvement for municipalities. It is a diagnostic tool, which allows municipalities to assess their levels of efficiency and effectiveness, identify gaps in their processes, and institute significant performance improvements to achieve higher levels of competitiveness (SAEF, 2007).

3.2.5.1.1 Principles of the South African Excellence Model (SAEF Model)

The SAEF Model is underpinned by the principle that customer satisfaction, people satisfaction, supplier and partnership performance and social responsibility are achieved through leadership that drives strategy and planning, a customer and market focus, people management, resources and information management to achieve excellent results.

Leadership. Considers how leaders of all levels inspire a culture of continuous improvement through their behaviour and the example they set. A key element is visible involvement in the setting and supporting of client-orientated goals, balanced with political targets. Leaders need to show a clear understanding of who their various clients and stakeholders are and
their differing requirements. Leaders should demonstrate clear commitment to staff, clients, and stakeholders.

_Policy and strategy._ How the institution formulates, deploys, reviews, and turns policy and strategy into plans and actions. Policy and strategy will address internal culture, structure, and operations with regard to the priorities, direction, and needs of clients, stakeholders, community, and politicians. Institutions should establish and describe their policy and strategy including their processes and plans and show how they are appropriate, as a cohesive whole, to their own circumstances.

_Customer and market focus._ How the institution determines the needs, requirements, and expectations of clients and stakeholders, enhances relationships, and determines satisfaction of clients and stakeholders.

_People management._ The people of the institution include all the staff and others who directly or indirectly serve clients. It is about what an institution does to release the full potential of its people. It considers the development of people, their empowerment to deliver improvements and considers dialogue up, down, and across the institution.

_Resources and information management._ How the organisation manages and uses resources and information effectively and efficiently.

_Processes._ How processes are identified, designed, managed, evaluated, and improved. Critical processes relate to the delivery of key services and the support processes essential to the running of the organisation. A key to the identification, evaluation, and improvement of processes should be their contribution and effectiveness in relation to the mission of the institution.

_Impact on society._ What an institution achieves in relation to local, national, and international society at large. This includes the perception of the institution’s approach to quality of life; environment and the conservation of global resources; institutions own internal measures of effectiveness; and its
relations with other authorities and bodies, which affect and regulate its business.

Customer satisfaction. What the institution is achieving in relation to the satisfaction of its external clients and stakeholders. What levels of client satisfaction does a local government achieve? For example, what does measurable citizen feedback show? What image do citizens have of the municipality?

People satisfaction. Demonstrate the performance of the institution in satisfying the needs, requirements, and expectations of its people. This should be done by presenting results, trends, targets, and comparisons with competitors or “best in class” institutions. Information on the relevance of the measurement to the institution’s people should also be presented.

Supplier and partnership performance. What an institution is doing to ensure that suppliers and partners are providing optimum service.

Organisational results. What the organisation is achieving in relation to its planned business objectives and in satisfying the needs and expectations of everyone with a financial interest or other stake in the organisation.

According to the South African Excellence Foundation (2004), self-assessment is a comprehensive, systematic, and regular review of an organisation’s activities and results referenced against a benchmark of business excellence. The self-assessment process allows the organisation to clearly identify its strengths and areas in which improvements can be made, and culminates in planned improvement actions, which are then monitored for progress.

3.2.6 Drivers toward continuous improvement with the use of excellence models

The success of improvement programmes does not so much depend on
individual quality tools and techniques, as on a range of general management practices, including: top management commitment and continuity, resource investment, instalment of a TQM champion, change management, establishment of trust and communication, employee empowerment and motivation, common metrics across the organisation, a step-wise problem solving approach, and standardised analysis using quality tools (Choo et al. 2007: 918; Easton and Jarrell, 1999: 89; Ehigie and McAndrew, 2005: 925; Hodgetts et al. 1999: 37; Powell, 1995: 15; Soltani et al. 2005: 1009; Venkateswarulu and Nilakant, 2005: 807).

Organisations that develop these practices create resources that are difficult to imitate, and thereby produce competitive advantage (Choo et al. 2007: 918; Powell, 1995: 15). A number of researchers have examined and validated the Baldrige excellence model or framework, and found it to be valid as a continuous improvement programme (Evans and Jack, 2003: 07; Flynn and Saladin, 2001: 617; Pannirselvam and Ferguson, 2001: 14; Wilson and Collier, 2000: 361).

In addition to formal external assessments via the award programmes, excellence models generally encourage the use of the criteria for self-assessment (Williams et al. 2006: 1287). Self-assessment can drive organisational excellence performance as long as an improvement plan results from the feedback exercise, outcomes link to the business planning process, senior management monitors measurement targets relating to the improvement plan, and business unit management presents improvement plans to senior management (Van der Wiele et al. 1996: 84).

A structured way of prioritising “opportunities for improvement” identified through either self – or external assessment, helps to ensure that actions are strategically beneficial to the organisation (Samuelsson and Nilsson, 2002: 10). Some argue that successful implementation of continuous improvement programmes requires radical change resulting not only in the redistribution of resources and power, but also in a paradigm shift toward a culture that
challenges basic assumptions about the nature of the organisation (Deming, 1986; Sousa and Voss, 2001: 383).

Major change initiatives, such as the implementation of excellence models, may require an extended period of sense-making and consensus generation factored into the planning of change initiatives (Easton and Jarrell, 1999: 89). Van de Ven and Poole (1995: 510) distinguish between “prescribed” (that is, incremental) or “constructive” (that is, radical) motors of change; while Reger et al. (1994: 577) argue for something in between, suggesting that a “tectonic” rate of change:

“an intermediate level whereby change is perceived to be sufficiently large to overcome cognitive inertia, but is not so great.....that it overwhelms the organisation” –

will be most effective to implementing an excellence model implementation programme. To make better progress, Sandbrook (2001: 89) suggests that:

“...although the model is about both (enablers and results), the emphasis needs to be more about „results“, about defining purpose and deciding how to measure it correctly, than about focusing on „enablers“ in the absence of a clearly defined purpose”.

Brown (2001) emphasises the importance of investing the time and resources to develop a set of consistent and reliable performance measures that are balanced across the results sub-sections, and include past, present, and future perspectives (that is, leading and lagging indicators).

3.2.7 Elements and barriers impacting on the effective implementation of excellence models

There are a number of elements, which affect the effective implementation of EFQM excellence model (Davies, 2008: 385). First, it needs to be noted that there are limitations of self-assessment (against the EFQM Excellence Model)
as a method of data collection. Hides et al. (2004: 194) reported that the self-assessment process was dependent upon good data collection. Karapetrovic and Wilborn (2001: 366) pointed out the reliability and completeness of the collected data as a possible downside for self-assessments. Since different approaches to self-assessment use different tools, some (such as the questionnaire approach) will inherently collect less accurate and comprehensive data, for example on strengths and areas of improvement, than the others (for example, the award simulation).

This view is echoed by Hides et al. (2004: 194). This choice from the various approaches to self-assessment links to the second element affecting effective implementation, that of EFQM maturity. EFQM (2003) recognise that organisations, on their journey to excellence, may show different levels of maturity. Svensson and Klefsjo (2006: 299) warn that, if the organisation has not reached the necessary maturity level, it is probably a waste of resources to start a comprehensive self-assessment project. Hides et al. (2004: 196) report that the long-term nature of the EFQM Excellence Model makes it unsuitable for “quick fixes” whilst Karapterovic and Willborn (2001: 366) link the choice of the self-assessment approach to the level of maturity of an organisation and the intensity of effort invested in the self-assessment. For example, with a lower effort and at the beginning of the “excellence journey”, less complex designs of the questionnaire and matrix-chart approaches are suggested, whereas the award simulation model is recommended for mature organisations with a higher invested effort (Davies, 2008: 385).

Dale (2002: 28) suggest that thought is given to evaluation of this linkage between the TQM maturity of an organisation and the self-assessment approach adopted, and the relationship with resources and costs. This then links to the third element, availability of resources in terms of commitment, time, energy, information and finance (Hides et al. 2004: 194; EFQM, 2003), which will impact on the thoroughness of the self-assessment. The fourth element affecting effective implementation is that of organisational culture (Shih and Gurnani, 1997: 15; Samuelsson and Nilsson, 2002: 10; Sousa-Poza
et al. 2001: 744). These authors argue that culture plays a key role in shaping all quality management activities.


Furthermore, the literature on implementation of prevention-based Baldrige-type programmes identifies a wide range of barriers including: lack of top management commitment and/or participation, lack of vision, planning and/or constancy of purpose, limited resources, fear of change, work overload, lack of comprehensive quality improvement education, lack of customer orientation, lack of clear measurement systems, lack of staff involvement, and complacency (Ahire et al. 1995b: 277; Soltani et al. 2005: 1009). Other potential barriers may be the lack of perceived benefits stemming from the excellence model programme (Hendricks and Singhal, 2001b: 269; Li and Rajagopalan, 2008: 61), or general implementation missteps (Beer, 2003: 623; Hackman and Wageman, 1995: 309; Samson and Terziovski, 1999: 393). In addition, programmes introduced in a top-down manner may not lead to fundamental and persistent corporate transformation (Beer, 2003: 623; Beer et al. 1990: 158; Schaffer, 1988).

Another conceptual “barrier” may be that improvement activities designed to increase the excellence model score may not always be the most important improvement initiatives that the organisation needs to undertake at a particular time (Rusjan, 2005: 363). Hence, the drive for organisational excellence and the rate of increase in score may slow as resources are diverted to more pressing issues. Thus, the improvement in score may not be linear but may be more akin to the innovation S-curve shape where there is a path of slow early momentum, rapid acceleration and then slow down (Christensen, 1992: 334; Twiss, 1986). Organisations may experience a
slowdown in the rate of score improvement until they innovate in one or more of the award categories (Angell and Corbett, 2009: 175).

One of the barriers to an organisation improving its score is that the criteria change to a greater or lesser degree in most years. Over the last few years, for example, the excellence model criteria has placed additional emphasis on ethical behaviour in the wake of the Enron and other scandals in the USA, thus leading to an expansion in the results category with the addition of a subsection focused on “leadership outcomes” (Angell and Corbett, 2009: 175). Likewise, the evaluation of enabler categories has expanded to four factors including approach, deployment, learning, and integration (NIST, 2008). All of these changes can make it difficult for organisations to keep up; especially given the rapidly changing business environment most organisations face (Angell and Corbett, 2009: 175).

One of the key factors to emerge from the literature as impacting on the effective implementation of the EFQM Excellence Model is that of integration (Davies, 2008: 386), which will be discussed below.

### 3.2.8 Integration of excellence models with organisational processes

Bauer (2002), in researching the implementation of business excellence, found some support for the argument that successful implementation was aided by integration. Several issues emerge from the literature that suggest that implementation of the EFQM Excellence Model is more likely to be successful if it is integrated into the organisation and its processes in various ways (Davies, 2008: 386). These are reviewed below.

#### 3.2.8.1 Multi-level use of the EFQM Excellence Model

In the implementation of TQM, Thiagarajan et al. (2001: 289) recommend establishing activities in all the levels of the organisation. The author suggests that this might also be applicable with the EFQM Excellence Model
having the effect of a “tap root”, helping to ensure integration into the organisation.

3.2.8.2 The use of the EFQM Excellence Model in Strategic Planning

Chin and Pun (2002: 272) argue that TQM is part of the business planning process and should be integrated with other strategies. Conti (1997) believes that self-assessment and the subsequent improvement planning should be integrated into the company planning cycle and particularly strategic planning as the implementation of specific improvements might need the strategic allocation of resources. Alternatively, if improvements are not feasible or too expensive, then the strategic goals of the organisation might need to be reviewed and amended.

Wells (2001) recommends that self-assessment is integrated into the existing strategy framework and Henderson et al. (1999: 389) argue that strategic and operational plans should be formulated for business improvement. Van der Wiele et al.’s (1996: 84) survey identified linking the outcomes of the self-assessment to the business planning process as one of the five most important steps in the self-assessment process. The respondents learned as a result of the first self-assessment that there is a need to make self-assessment an integral part of the business planning process. Lewis (1999: 10) describes how most departments in Southwark Municipal Council had difficulty in embedding the assessment processes into planning and review activity whilst Munro-Faure and Munro-Faure (1994: 254) state that:

“Quality Improvement requires careful planning to ensure a long-term strategic focus coupled with short-term action-oriented performance goals”.

Elmuti et al. (1996: 29), in their investigation of TQM in US higher education institutions, found that one common mistake made was not using strategic issues to drive the implementation. This is supported by the work of Bardoel and Sohal (1999: 263), who found that one of the reasons for the failure of
TQM was the fact that it had not been integrated into the strategic planning systems of the organisation. Zink and Voss (1998: 01) argue that the vision of business excellence has to become an integral part of corporate planning in German universities. Pupius (2002) elaborates on this by arguing that EFQM self-assessment should form part of an integrated planning process in UK higher education institutions. It appears that linking EFQM Excellence Model self-assessment with the strategic planning processes has the potential to help integrate the EFQM Excellence Model into the organisation’s processes and thus aid effective implementation (Davies, 2008: 387).

3.2.8.3 The use of the EFQM Excellence Model in performance management

Poirier and Tokarz (1996) list the integration of performance management / appraisal into the TQM process as one of the twelve critical TQM factors. This view is supported by Cullen and Holingum (1987) who argue that each functional manager should have quality objectives that are set annually. Oakland (1999) explains that performance review techniques such as self-assessment are useful in identifying improvement opportunities and motivating performance improvement whilst Koehler and Pankowski (1996) describe a case in which quality criteria were integrated into performance appraisals. Thiagarajan et al. (2001: 289) and Beatham et al. (2005: 42) advocate the identification of critical success factors (CSFs) aligned with company policies and the definition of key performance indicators (KPIs) for each CSF.

There appears to be some evidence in the literature to support the notion that the linking of performance management with EFQM Excellence Model usage would be a key issue in improving the integration of the EFQM Excellence Model into an organisation, thus aiding effective implementation (Davies, 2008: 387).
3.2.8.4 **Alignment of the EFQM Excellence Model with other organisational systems**

Melan (1998: 126) analysed 11 Baldrige application summaries and identified having a system for sustaining the intervention as one of the factors for successful implementation. Poirier and Tokarz (1996) list the alignment of organisational systems as one of 12 critical TQM factors. More specifically, Oakland (1999) explains that the key is to align the employees of the business with the core processes of the organisation. Dale *et al.* (1998: 46) emphasise the need to integrate the use of the EFQM Excellence Model into other management activities and Oakland (2000), describing the TQM implementation at the University of Bradford Management Centre, explains that it was seen as essential to fully integrate any TQM initiatives into the Management Centre’s management systems.

Jackson (2001: 157) offers an interesting perspective on integrating TQM tools into organisations. The author emphasises the positive effect of the tool facilitating activities that are already in place. As a result people are more comfortable with this situation than they would be in one in which existing processes were being completely discarded for new ones. If the EFQM Excellence Model can be aligned with activities, which are already taking place within an organisation then it is more likely to become integrated into the organisation and thus aid effective implementation (Davies, 2008: 387).

3.2.8.5 **Staff involvement and teamwork**

Holmes and McElwee (1995: 06) discusses the concept of “soft HRM [Human Resource Management]”, which accepts the idea of resourceful humans who have something to offer and can contribute to organisational development and the achievement of excellence. Poirier and Tokarz (1996) list empowerment / involvement as one of 12 critical TQM factors and Harvey (1995) explains that a central tenet of TQM is that every employee has an important role to play in improving the quality of the product or process. Poitier and Tokarz 91996: 137) state that:
“No improvement process would be successful without dedicated people”.

Mersha (1997: 170) argues that:

TQM success is unthinkable without the full and active involvement of all employees”.

Vrakking (1995: 31) argues that the chances of successful implementation increase if employee participation is applied correctly and in a controlled manner. Mersha (1997: 170) continues this argument by highlighting that the failure to empower individuals and teams is one of the factors, which results in failed TQM implementations. Thiagarajan and Zairi (1997: 270) argue that TQM succeeds only with employees” involvement in the TQM process and their commitment to its goals. Taylor and Hill (1992: 04) and Jackson (2001: 157) argue that every effort must be made to involve organisational members as fully as possible in continuous improvement activities, while Tiagarajan et al. (2001: 289) recommend maximising internal stakeholders” involvement.

Munro-Faure and Munro-Faure (1992) argue that TQM requires the harnessing of the skills and enthusiasm of everyone in the business. Antony et al. (2002: 551) however found a lack of employee involvement when researching TQM implementation in Hong Kong industries. The authors thought that this could be attributed to managers feeling threatened by the idea of delegating authority and empowering employees. The research of Samuelsson and Nilsson (2002: 10) has shown that the chosen approach to self-assessment must foster staff participation. Conti (1997) recommends that self-assessment teams should be the main mechanism for gaining staff involvement.

Taylor and Hill (1992: 04) recommend team working as an important vehicle for promoting employee involvement. Bardoel and Sohal (1999: 269) found that the formation of teams was fundamental to the implementation strategy of TQM for small companies and Oakland (1999) argues that the complexity of most processes places them beyond the control of any one individual and
thus the only efficient way to tackle process improvement is through the use of some form of teamwork. This, the author indicates, relies on the premise that people are most willing to support any effort in which they have taken part or helped to develop. This view is supported by Munro-Faure and Munro-Faure (1994) who state that individuals must be actively involved in improvement.

Mersha (1997: 164) indicates that co-operation and teamwork are necessary ingredients for TQM success and Ho and Wearn (1996: 35) recommend establishing improvement teams to gain staff involvement. The UMIST-TQM implementation framework (Chin and Pun, 2002: 278), recommends the establishment of teamwork that is designed to become part of the organisation’s method of working. Chapman (2000: 30) describes the implementation of the EFQM Excellence Model in two cases in which internal improvement teams were set up with clear support, in terms of resources and priority, from senior management.

All the companies studied by Kraschol and Tannock (1999: 418) emphasised the importance of group activity in their TQM programmes and this is supported by the work of Van der Wiele et al. (1996: 84) who noted from their survey of EFQM members that one of the learning points from the first round of self-assessments in respondents was that there was a need to develop teamwork. It appears therefore that the involvement of staff and the use of team working are key issues if integration is to be achieved (Davies, 2008: 389).

The ISO 9001: 2008 quality management standard (QMS) as a methodological practice, tool, or technique of the critical success factor (CF) of the total quality management (TQM) philosophy, namely process management would now be examined.
3.3 ISO 9000 Quality Management Standards

The importance of quality to any and all organisations is well known and a multitude of philosophies, management systems, tools and techniques exist with which it may be embedded into everyday working practices (Rowland-Jones et al. 2005: 26). Amongst these quality initiatives the ISO 9000 suite of standards is viewed as being able to deliver significant improvements to organisations in a variety of business contexts and sectors by structuring and optimising the internal processes (Martinez-Costa and Martinez-Lorente, 2003: 1179; Khan and Hafiz: 47). This has been seen to result in tangible improvement to product quality (Noori, 2004: 228; Mahadevappa and Kotreshwar, 2004: 295; Thomas and Webb, 2003: 573). However, this has not always generated immediate financial benefits (Tsekouras et al. 2002: 827; Wayhan et al. 2002: 217).

The ISO 9000 standards originated from the army procurement systems used during World War II. These systems led to the development of the BS 5750 quality management standard by the British Standards Institute in 1979. In 1987, the BS 5750 British Standard was revised and was adopted as the ISO 9000 international standards (Franceschini et al. 2006: 523). However, criticisms against the ISO 9000: 1987 standards led to their revision in 1994 (Hanas and Luczak, 2002: 127). Taking into account the TQM characteristics that were absent in the ISO 9001/2/3:1994 standards (for example, continuous improvement, customer focus, employee involvement, and empowerment), the ISO Technical Committee revised them and published the ISO 9001: 2000 standard in December 2000 (Sun et al. 2004: 131). ISO 9001: 2008 is the latest version that was published in November 2008 in order to replace the year 2000 version of the standard.

The ISO 9000 standard does not attempt to measure the quality of the products or services of companies, that is, they make no reference to achieving a certain objective or result. They are, instead, standards, which establish the need to systematise and to formulate company tasks with the objective of producing products, or services that meet customer demands. In
other words, they are a management tool based on the systematisation and formalisation of tasks in order to obtain uniformity in the product and to conform to the specifications established by the customer (Anderson et al. 1999: 28).

It is also interesting to note that though the implementation of ISO 9000 has become a global phenomenon there still appear to be some areas where the adoption of the standard has lagged behind (Thomas and Webb, 2003: 573). The growing concern over the ability of ISO 9000 to deliver quality improvements by way of improved business performance and greater customer satisfaction may in fact be due to its process-centric approach (Fisher, 2005: 257; Schenkel, 2004: 1155). It has also been suggested that ISO 9000 be just the first step towards achieving a total quality management (TQM) system (Chang and Lo, 2005: 57; Ruzevicius et al. 2004: 173; Ho, 1994: 74).

3.3.1 An introduction to the “new” ISO 9001:2008 QMS

ISO 9001: 2008 (See Appendix 2) and ISO 9004: 2009 (See Appendix 3) introduces no new requirements. It only introduces clarifications to the existing requirements of ISO 9001: 2000, based on eight years of experience of implementing the standard worldwide. It also introduces changes intended to improve consistency with ISO 14001: 2004 (Psomas and Fotopoulos, 2009: 128). According to Praxiom Research Group Limited (2009), the clarifications and modifications made by the new standard are the following:

- It emphasises the need to ensure that the outsourced processes comply with all customer and legal requirements;
- It has expanded the definition of documentation to include all the processes records of the quality management system (QMS);
- It stresses that the management representative must be a member of the organisation's own management and not an outsider;
• It emphasises that the competence of anyone and everyone who carries out any QMS task must be assured;
• It clarifies the term “work environment” that refers to working conditions including physical and environmental conditions as well as things like noise, humidity, lighting and weather;
• It clarifies that customers’ post-delivery requirements include things like warranty provisions, contractual obligations and supplementary services (such as recycling and final disposal);
• It makes it clear that product design and development review, verification and validation activities can be carried out and recorded separately or in any combination;
• It states that design and development outputs could include information that explains how products can be preserved during production and service provision;
• It refers to the need to control monitoring and measuring equipment (instead of controlling devices);
• It suggests that there are many ways to monitor and measure customer satisfaction;
• It explicitly states that a record of internal audit activities and results must be maintained;
• It mentions that the impact each process has on the overall effectiveness of the QMS and on the ability to meet product requirements must be considered; and
• It stresses that records must indicate who releases products for delivery to customers.

It is generally accepted that the ISO 9001:2000 standard is much more in line with TQM than the previous versions. However, the gap between ISO 9001:2000 and TQM and the way to effectively reach business excellence in a specific business environment are still under question. The findings from the study of Magd (2006: 132) seem to confirm the assertion that the ISO 9001 certification constitutes a base for, or is at least complementary to TQM. This
can be said due to the fact that the researched companies were hoping to implement TQM in the near future, as they wanted to go further than simply maintaining ISO 9001 in order to achieve long-term success.

The results from the study of Tari (2005: 182) showed that the certified companies must improve their people orientation and use quality improvement techniques and tools to a higher extent in order to progress towards TQM. The author concluded that if the final company’s objective is to maintain the ISO 9001 certificate, it will stay at a basic TQM level and will show no interest towards a wider development of quality management components. However, if the company wishes to go beyond ISO 9001, it must improve all TQM aspects in order to improve its competitiveness. In practice, the next step could be the use of the EFQM model to define improvement activities.

The basic conclusion drawn from the study of Gotzamani et al. (2007: 388) was that the ISO 9001 certification indicated an improved EFQM enablers’ performance, especially in the category of process management. Even more, it was indicated that the certification motives are particularly significant for the contribution of certification in excellence performance. The contribution of the standard was indicated to be higher for organisations that implement it focusing mainly on true quality improvement of their internal operation and their final products and services. The results also revealed that the efforts after certification should focus on the “soft” elements of TQM (leadership, employee participation and empowerment and customer relations), since these were the ones with the least improvement from certification.

Terziovski and Power (2007: 141) found that the promotion and facilitation of a quality culture can be achieved through ISO 9001 implementation and the quality auditor is an important player in the process. The relationship between quality culture – ISO 9001 certification and improved business performance was moderately strong, especially in SMEs certified for longer periods. Finally, it was found a weak relationship between management responsibility and
value derived from ISO 9001 certification, especially in SME certified for less than five years.

In view of the fact that this research study is conducted within local government in the public sector, a brief outline of the guidelines for use in local government of the ISO 9001 quality management standard is presented hereunder for the purpose of contextualising the discussion.

3.3.2 ISO 9001: 2008 (Guidelines for use in Local Government)

In terms of the ISO 9001: 2008 (IWA 4:2009, Quality management systems - Guidelines for the application of ISO 9001:2008 in local government) (See Appendix 4), one of the great challenges that societies face today is the need to develop and maintain citizens' confidence in their governments and their institutions. In this respect, local governments have an important role to play in creating sustainable local communities in which quality, cost effective and consistent public services help to promote sustainable economic prosperity and social justice at the local level, by deploying and interacting with national and regional policies in a consistent and compatible way (International Standards Organisation, 2009).

In extreme cases, local governments can provide stability and promote accountability and governance when these are lacking at the regional or national sphere (International Standards Organisation, 2009). By securing a high quality performance of the municipal government, public policies coming from other government levels can be corrected and improved, allowing the whole system to become stronger (International Standards Organisation, 2009). This type of coherent approach will help build reliable and consistent governments, at the local, regional, and national level.

Although the needs and expectations of local citizens can vary significantly in different parts of the world, local governments worldwide are experiencing higher levels of democracy and pluralism, which requires them to increase their ability to carry out their mandates in an effective and transparent
manner. This in turn requires sound management of the different resources and processes available to local government in order for these to work together coherently and effectively as a system.

The International Standards Organisation General Guidelines for Local Government (2009) help local government organisations relate the concepts of quality management as described in the ISO 9000 family of standards with the practice and terminology commonly employed in the local government context. Certification of the quality management system by external parties is not a requirement of this guide, although local governments may choose to seek certification to ISO 9001:2008 if they wish.

Internal quality audits can provide the verification of compliance with the requirements, in conjunction with the control of complaints or claims from customers, users, citizens and the local community in general. Any quality management system will be influenced by the different policies, objectives, diverse work methods, resource availability and administrative practices that are specific for each local government. Therefore, it may be expected that the details of each quality management systems will vary in each local government.

ISO 9001:2008 states that, in order for an organisation to be successful, it needs to be guided and controlled in a systematic and transparent way (International Standards Organisation, 2009). This is particularly true for local government, where transparency and accountability to its citizens are vital in order to gain their trust and confidence. Sustainable success will only result from the implementation of an integral quality management system that addresses the needs and expectations of all interested parties.

The quality management system of a reliable and successful local government should therefore cover all activities and processes that can affect its ability to satisfy the requirements of its “customers” / citizens as well as those of other interested parties, such as regional or national governments. For local governments to be able to adopt a process approach, it is important
for them to be able to recognise the different kinds of processes that are needed for them to provide reliable services to their customers/"citizens". There are various kinds of processes involved, including management, operational, and support processes, as well as the core processes needed to provide the local governments' services.

According to the International Standards Organisation (2009) for each process, it should be possible to identify:

- Who is the customer? (Who receives the output from the process?). This might be an internal customer, within another area of the same local government, or an external customer such as a citizen who is receiving a service;

- What are the main inputs to the process? (For example, information, legal requirements, national and/or regional government policies, materials, and energy, human and financial resources);

- What are the desired outputs? (For example, what are the characteristics of the service to be provided?);

- What controls are needed to verify the process performance and/or results?

- What is the interaction with other local government processes? (Outputs from one process typically form inputs into other processes).

Typical examples of some local government processes according to the International Standards Organisation (2009) include:

- Strategic management processes to determine the local government's role in the socio-economic environment;
- Provision of resources and the capacity to provide the local government services;
- Processes needed to maintain the work environment;
- Preparation, revision and updating of development plans and work programmes;
- Monitoring and assessment of the service provision process;
- Transparent internal and external communication processes; these should include citizen involvement mechanisms that promote dialogue with internal and external interested parties to encourage a shared understanding on local government issues, aspects and performance;
- Processes to address emergency preparedness and response to crises.

A quality management system is therefore a management tool in which a local government can direct and control its activities in order to satisfy the needs and expectations of the local community (International Standards Organization, 2009).

3.3.3 ISO 9001 certification motivations and benefits, barriers and drawbacks


However, as this standard becomes a customer requirement for some organisations, management may be tempted to implement it superficially with minimum disruption to the organisation and regardless of potential internal benefits or implications of certification. When such is the case, ISO certification tends to become an end in itself rather than a management tool intended to foster quality practices. Likewise, integration of this quality
management system into the entire organisation is unlikely and potential internal benefits may go unnoticed (Boiral and Roy, 2007: 227). This discrepancy between external requirements and internal practices or benefits can transform ISO 9000 into a kind of “rational myth” (Meyer and Rowan, 1977) somewhat dissociated from daily activities and implemented essentially to comply with institutional pressures (Boiral, 2003: 720).

Nevertheless, these institutional pressures are not the only rationale behind ISO 9000 certification. Many studies suggest that quality improvement or organisational effectiveness rank among the main drivers of ISO 9000 implementation (Standards Council of Canada, 2000; Gotzamani and Tsiotras, 2002: 151; Douglas et al. 2003: 507). However, internal requirements for implementing the standard are not necessarily aligned with external pressures for certification. The possible disconnection between these two types of motivations can lead to paradoxes or contradictions between the institutional or commercial legitimacy associated with ISO 9000 and its internal relevance or efficiency. Analysing these paradoxes contributes to a better understanding of the driving forces behind ISO 9000 adoption and effectiveness (Boiral and Roy, 2007: 227).

3.3.3.1 ISO 9001 certification motivations

The implementation of a quality management system, and its subsequent certification, is a voluntary process, supported by the organisation’s own motivations, goals and policies (Sampaio et al. 2009: 42).

ISO 9001 certification motivations can be classified according to one out of two main categories: internal and external motivations (Sampaio et al. 2009: 45). Internal motivations are related with the goal of achieving organisational improvement, while external motivations are mainly related with promotional and marketing issues, customer pressures, improvement of market share and so on (Buttle, 1997: 936; Jones et al. 1997: 650; Mo and Chan, 1997: 135; Brown et al. 1998: 273; Bryde and Slocock, 1998: 467; Lee and Palmer, 1999: 887; Lipovatz et al. 1999: 534; Escanciano et al. 2001a: 192; Gustafsson et
ISO 9001 certification is frequently used mostly as a marketing tool (Poksinska et al. 2002: 297). Jones et al. (1997: 650) defined two organisation types, according to their main purpose for achieving certification: the “non-development companies”, which are those whose primary reason for seeking certification is driven by the mentality of “achieving a certificate”; and the “developmental companies”, which are the firms that adopt quality certification because of their belief in the internal benefits that can derive from it.

In more detail, Magd and Curry (2003c: 381) concluded that the most important reasons for certification, among Egyptian companies, were the following: “improve the efficiency of the quality system”; “pressures from competitors / foreign partners”; “to maintain / increase market share”; “to meet government demands”; and “to comply with customers” requirements”. Some companies also stated that without ISO 9001 certification they could not achieve a significant amount of contracts (Douglas et al. 2003: 316).

Corbett et al. (2003) cited in Sampaio et al. (2009: 45), based on an international survey, concluded that the main motivations for ISO 9001 certification are as follows: “quality improvements”; “improvements in corporate image”; “marketing advantage”; and “customer pressure”. Concerning US companies, one of the most important underlying reasons for becoming certified is the existence of commercial relationships with European markets (Bhuiyan and Alam, 2004: 10).

Over the past decade, the ISO 9000 standard has literally become an international benchmark in the field of quality management (Boiral and Roy, 2007: 227; Sampaio et al. 2009: 38). In 2005, more than 600 000 organisations throughout the world adopted the standard and the number of
ISO 9000 certificates has risen continuously since its inception in 1987 (Boiral and Roy, 2007: 227).

This rapid development is driven by external as well as internal factors. Indeed, ISO 9000 certification is both a commercial tool and an internal management system (Boiral and Roy, 2007: 227). Studies on motivation and the organisational implications of ISO 9000 implementation have emphasised these two complementary dimensions. Most of these studies (Carlsson and Carlsson, 1996: 36; Standards Council of Canada, 2000; Acharya and Ray, 2000: 261; Douglas et al. 2003: 316; Costa and Lorente, 2004: 20; Bhuiyan and Alam, 2005: 199) have shown that commercial aspects constitute a determining factor in the decision to implement the standard. In many cases, actual or potential customer requirements clearly represent sufficient motive to adopt ISO 9000, irrespective of the internal implication of such a process.

However, internal benefits associated with the adoption of the standard are also strong motivating factors. Contrary to external pressures which are market-dependent, internal motivations are based on anticipated improvements to practices and internal performances resulting from ISO 9000. Such improvements are direct corollaries of ISO standard recommendations, implementation, and degree of adaptation to the specific needs of each organisation. Since, these needs vary, internal motivations to adopt the standard may differ significantly from one firm to the next (Boiral and Roy, 2007: 228).

However, the benefits of the standard on an organisation’s internal practices and performance seem uncertain. If ISO 9000 certification can effectively contribute to generating more rigour, it is often accompanied by more bureaucracy, a lack of employee commitment and frequent challenging of audit process credibility (Mispeblom, 1995; Seddon, 1997; Boiral, 2003: 720). Moreover, studies have yielded contrasting results regarding the improved performance of certified organisations.


Nevertheless, most of these studies are based on a narrow and linear view of performance that fails to consider some organisational problems resulting from certification (Boiral and Roy, 2007: 228). Indeed, performance evaluation too often remains based on traditional and narrow criteria (Herman and Renz, 2004: 694; Zellars and Fiorito, 1999: 37; Tsui, 1990: 458; Cameron, 1986: 539). By focusing on criteria such as quality improvement, cost reductions, and sales growth, most studies tend to overlook internal problems that can temper perceptions regarding the benefits of management practices such as ISO 9000. To avoid a monolithic view of effectiveness, an assessment of organisational performance should not ignore ineffectiveness criteria that may question the apparent success of some practices (Cameron, 1984: 235).

According to Boiral and Roy (2007: 228), most of these internal problems are related to human resources, bureaucracy, auditing and overall confidence in
the standard’s proposals. First, the mobilisation of human resources appears to be both one of the main difficulties associated with implementing the standard and a key factor for a successful certification process (Briscoe et al. 2005: 309; Gustafsson et al. 2001: 232; Fuentes et al. 2003: 664; Carlsson and Carlsson, 1996: 36). Second, the adoption of ISO 9000 can create more bureaucracy (Dissanayaka et al. 2001: 29; Mispelblom, 1995; Seddon, 1997; Boiral, 2003: 720).

Third, some studies have emphasised the pervasive effects of auditing processes: costs, red tape and superficial checking, auditors’ lack of credibility, and so forth (Walgenbach, 2001: 693; Boiral, 2003: 720). Last minute preparation for an audit is not uncommon, revealing a lack of integration of the standard (Naveh and Marcus, 2005: 01). Finally, managers and employees may be dubious and mistrustful about the intrinsic relevance of ISO 9000 proposals, causing them to pay lip service only to the system (Mispelblom, 1995; Boiral, 2003: 720).

In spite of the numerous studies on the impacts of ISO 9000, few of them have resulted in a clear typology or analysis framework that sheds light on the links between the type of motivations underlying the adoption of ISO 9000 and benefits or internal problems associated with this adoption. The development of such a typology was initiated in a qualitative study on the perceptions of the ISO 9000 system (Boiral, 2003: 720).

Boiral’s (2003: 720) study showed that adherence to ISO 9000 was often superficial or ritualistic, depending on perceptions of the system’s reason for existence. The analysis of these perceptions led the author to identify three groups with different rationales for integrating the standard. The first and largest group, ritual integrators, considered that requirements met by the standard were more commercial than internal. In their opinion, integration of the standard was fairly superficial and intended primarily to pay lip service, especially during the certification audit. In the opinion of the second group, quality enthusiasts, not only was ISO 9000 certification intended to meet marketing requirements, but the system was also perceived as intrinsically
relevant, useful, and efficient for management purposes. Finally, the third group or dissidents considered ISO 9000 implementation to be a bureaucratic iron cage whose internal as well as external legitimacy were questionable.

These three differing rationales for integrating the standard led to a less monolithic and more configurational view of certification, most often characterised in terms of global impacts rather than different patterns of attributes encouraging performance. However, the relationships between the three integration rationales of ISO 9000 and organisational performance remain unclear, given the qualitative nature of the study conducted by Boiral (2003: 720) (Boiral and Roy, 2007: 229), the limited scope of the sample and its heterogeneity.

Moreover, this typology does not consider situations where the standard is viewed primarily as a management tool rather than a marketing tool. Even the main driver of ISO 9000 certification, some organisations may be eager to adopt the standard because of the relevance of its recommendations and not because of external impetus (Boiral and Roy, 2007: 229). In a study conducted among 1220 certified organisations, Buttle (1997: 939) found that marketing motivations were less important in seeking certification than the search for process improvement and profitability. Other studies have stressed that internal benefits ensuing from certification, such as improving rigour in management, procedure documentation, or error reduction were often greater than commercial and external benefits (Walgenbach, 2001: 693; Dissanaya et al. 2001: 29; Santos and Escanciano, 2002: 321). These results give credence to the claim that, for some organisations adopting ISO 9000, expectations of the internal benefits of certification may exceed external motivations.

Boiral and Roy (2007: 229) argue that in light of the situation that broadens the analysis framework proposed by Boiral (2003: 720), four groups of different rationales for adhering to ISO 9000 were identified based on the relative importance of the external and internal motivations for adopting the standard, namely:
- **Quality enthusiasts.** Who consider that the standard meets strong internal as well as external requirements; therefore, they appear to be the most convinced of the relevance of this system;
- **Ritual integrators.** Who consider that the adoption of the standard is justified primarily by commercial pressures and that its usefulness as a management tool is very debatable;
- **ISO integrators.** Who believe that the internal improvements that the standard can bring about are more important than its commercial aspects; and
- **Dissidents.** Who are characterised by relatively weak internal and external motivations: they appear to be the most inclined to contest the standard’s legitimacy.

By considering the relative influence of both external and internal motivations, the framework helps to shed light on some of the paradoxes of ISO 9000 certification. Indeed, the intensity of external pressures to adopt the standard is not necessarily related to the intensity of internal motivations for the standard. This possible dissociation between the quest for external legitimacy and the quest for internal efficiency has been emphasised by neo-institutional theory (Boiral and Roy, 2007: 230).

According to institutional theory, external pressures lead organisations to adopt similar practices and structures (DiMaggio and Powell, 1983: 147; Kostova and Roth, 2002: 215). Conformity with these models of management stems more from a process of institutional mimesis than from a genuine concern for efficiency (Zbaracki, 1998: 602; Selznick, 1996: 270). This conformity also reflects a “cult of reason” (Meyer and Rowan, 1977: 340) related to the use of managerial methods considered as legitimate. The frequent decoupling between these methods and the real practices or needs of organisations result in “myths” and “ceremonies” intended to meet external environment requirements superficially (Meyer and Rowan, 1977: 340; De Cock, 1998: 144).
In the case of ISO 9000, these external requirements are expressed essentially through commercial pressures in favour of a management system considered to be a rational and recognised way of dealing with quality issues. These requirements may not meet the needs, culture, managerial style, or size of an organisation, hence leading to the adoption of ISO 9000 as a sort of managerial fashion based on rhetoric rather than the internalisation of new practices (Abrahamson, 1991: 586), and possibly reinforcing some internal problems associated with certification.

These organisational problems, as well as the benefits ensuing from certification, are expected to be related to both internal and external motivations for adopting ISO 9000 and consequently, to the different rationales for adhering to this standard, namely quality enthusiasts, ritual integrators, ISO integrators and dissidents. These expected relations raise two basic questions:

1. To what extent are the four rationales for adhering to ISO 9000 related to business impacts and benefits arising from certification?

2. How do organisational problems and internal consequences of certification differ between these rationales? (Boiral and Roy, 2007: 230).

Concerning business impacts of certification, it is reasonable to assume that the benefits of ISO 9000 will improve as internal motivations increase. Indeed, these motivations reflect coherence between the standard's proposals and organisational needs, thereby encouraging greater mobilisation in favour of ISO 9000 (Boiral and Roy, 2007: 230). Accordingly, some studies suggest that the positive effects of certification are related to management's willingness to make ISO 9000 a genuine tool for improving quality practices (Gotzamani and Tsiotras, 2002: 151; Douglas et al. 1999: 316; Withers and Ebrahimpour, 2000: 431; Poksinska et al. 2002: 297; Llopis and Tari, 2003: 304).
This link between expectations about the efficiency of some practices or behaviours and individuals’ mobilisation has been demonstrated by organisational and psycho-cognitive studies (Chinander, 2001: 276; Bandura, 1986; Vroom, 1964). From this perspective, the more management believes that ISO 9000 will meet internal organisational requirements such as rigour of quality practices or control of employee behaviour, the more management should be inclined to support the system and improve its efficiency. Consequently, it may be surmised that quality enthusiasts and ISO integrator rationales are positively associated with improvements of organisational effectiveness and the business impacts of certification (Boiral and Roy, 2007: 231).

These businesses impacts also depend on the intensity of external pressures favouring certification (Bhuiyan and Alam, 2005: 199; Santos and Escanciano, 2002: 321; Huarng et al. 1999: 1009). If ISO 9000 is an important requirement to garnering new contracts, penetrating new markets, or ensuring customer loyalty, it is reasonable to expect that certification will lead to improvements in commercial performance. Thus, it may be assumed that the quality enthusiasts’ rationale is associated with higher business impacts than the ISO integrators rationale, whose external pressures remain lower. For, the same reasons, business impacts should be higher with the ritual integrators’ rationale than the dissidents’ rationale. Nevertheless, as claimed by institutional theory, these commercial improvements may be disconnected from the internal and intrinsic effectiveness of the standard (Meyer and Rowan, 1977: 340; Zbaracki, 1998: 602; DiMaggio and Powell, 1983: 147). Consequently, one may conclude that the ritual integrators rationale remains associated with a relatively weak general performance (Boiral and Roy, 2007: 232).

Concerning the organisational problems of certification, it may be assumed that a lack of internal motivations for adopting the standard tends to reinforce human resource problems, bureaucracy, and a lack of confidence in the auditing process, as well as in the intrinsic relevance of ISO 9000 proposals. Indeed, the lack of internal motivations for adopting the standard may reflect
the absence of a quality culture, making it more difficult to achieve consistent success with ISO implementation and total quality management practices (Fluentes et al. 2003: 664; Adebanjo and Kehoe, 1999: 633; Briscoe et al. 2005: 309).

In addition, the auditing process may be seen as superficial and bureaucratic leading to criticism of the auditors, the certification rationale, and the ISO 9000 approach. Because they are characterised by low internal motivations, dissidents”, and ritual integrators” rationales should be more wary of the certification process (Boiral and Roy, 2007: 232).

Furthermore, according to Boiral and Roy (2007: 232) contrary to internal motivations, external pressures should have a more ambiguous impact on internal problems associated with certification. On the other hand, external pressures could encourage internal support and create a momentum to better integrate ISO 9000 in daily activities. This support can reduce problems related to human resources and bureaucracy. It can also contribute to mitigating criticism of the auditing process and the ISO 9000 approach. On the other hand, external pressures can exacerbate internal problems and resistance to the standard by forcing people to adopt a management system that is not necessarily well understood and accepted inside the organisation.

In this case, external pressures are expected to lead to a more critical perception of ISO 9000, which might be viewed as a sort of iron cage (Weber, 1968) making the organisation more rigid and more bureaucratic. From this standpoint, it may be assumed that ritual integrators” and quality enthusiasts” rationales lead to more internal problems than ISO integrators” and dissidents” rationales.

Depending on the different integration rationales of ISO 9000, expectations concerning business impacts and organisational problems of certification may also be influenced by some contingent factors, in particular firm size. Indeed, some studies have emphasised that it is generally easier for large organisations to implement ISO 9000 or garner benefits from this system than
it is for SMEs, whose more informal structure and relationships are not necessarily well adapted to such a formalised management system (Briscoe et al. 2005: 309; Caliser et al. 2001: 429; Gustafsson et al. 2001: 232; Lee and Palmer, 1999: 887; Bhuian, 1998: 28).

Thus, one may assume that internal problems regarding ISO 9000 certification will be more intense for SMEs, adoption of the standard is motivated more by external pressures than by internal motivations. Consequently, the dissidents’ rationale should be more frequent within SMEs than large organisations (Boiral and Roy, 2007: 232).

### 3.3.3.2 ISO 9001 certification benefits


Casadesus et al. (2001: 327) proposed a classification for ISO 9001 benefits based on the perceived benefits obtained, suggesting four organisation types: “companies with high internal benefits (HIB)”; “companies with moderate internal benefits (MIB)”; “companies with high external benefits (HEB)”; and “companies with moderate external benefits (MEB)”. Casadesus and Karapetrovic (2005: 120) studying the relationship between the “new” and the “old” ISO found that “the evaluation of the new ISO 9001:2000 standard is generally positive. Although “product quality improvements” are often quoted
as an important ISO 9001 benefit, such an improvement may not be a direct result of a quality management system implementation (Withers and Ebrahimpour, 2001: 139).

The ISO 9001 certification represents a worldwide phenomenon and if this standard is correctly implemented and understood, as opposed to being used just as a marketing and promotional tool, there seem to be significant benefits derived for the organizations that do so – both internal and external ones (Sampaio et al. 2009: 38). Amongst the major findings of the study of van der Wiele et al. (2005: 101) was an overall positive perception of the value of the ISO 9001: 2000 standard and a consistently higher appreciation of the 2000 version compared with the 1994 version.

The surveyed companies thought that the ISO 9001: 2000 standard had achieved many of its goals and it was seen as an improvement in relation to the 1994 version. Magd (2008: 173) found that the vital benefits derived from implementing the standard were the improved documentation and efficiency of the quality system. Magd (2006: 132) also showed that the three most important benefits achieved were improved efficiency of the quality system, better documentation procedures and increased quality awareness in the companies. Gotzamani et al. (2007: 388) found that the greatest improvements from ISO 9001 certification were the following: establishment of a formal process management system, systematic recording of process performance data, and systematic monitoring of internal indicators related to customer satisfaction and demand for quality proofs from partners.

According to the results of the study of Jang and Lin (2008: 194), the implementation of the ISO 9001 standard directly and positively influences operational performance and indirectly affects market performance, which in turn has a positive impact on business performance. The study of Bayati and Taghavi (2007: 140) showed that acquiring ISO 9001 certification improves the performance of small and medium enterprises (SMEs). In other words, SMEs achieve benefits from ISO 9001 certification. However, the results
obtained were inconclusive in terms of cost reduction potential of achieving ISO 9001 certification at SMEs.

The same consideration applied to resource efficiency results. Prajogo (2008: 603) found that the benefits from ISO 9001 certification were mainly internal rather than external, and these were sustainable over time. The results from the study of Boiral and Roy (2007: 236) demonstrated that the four groups of companies created according to their motivation (quality enthusiasts, ritual integrators, ISO integrators, and dissidents) did not perceive the same level of benefits. It was observed an increase in business benefits associated with the level of motivation.

Among the four groups, the “quality enthusiasts” noted more positive business-related impacts, while the dissidents noted significantly fewer business benefits. Hence, when the standard was motivated by both internal and external factors, benefits such as cost reduction and improved quality were higher. Likewise, when both internal and external motivations were low (dissidents), business benefits were also low. Overall, it seemed that internal motivation had the most impact on business performance. For instance, “ISO integrators” noted a higher level of benefits than did the “ritual integrators”. Singh et al. (2006: 122) found that there were great differences between manufacturing and service companies in terms of benefits gained. The service group regarded increased customer loyalty, improved employee morale, improved response to customer needs, and increased market share as lower benefits of ISO 9001 than the manufacturing group.

On the other hand, the service group considered the increased quality of customer service, improved documentation and fewer mistakes and defects as marketing tools to be of greater benefits than the manufacturing group.

### 3.3.3.3 Relationships between ISO 9001 motivations and benefits

There is a consensual opinion that ISO 9001 benefits are related with company certification motivations, that is when companies become certified
based on internal motivations the derived benefits are fulfilled on a more global dimension. On the other hand, when companies implement ISO 9001 based mostly on external motivations, improvements obtained are then mainly of an external nature (Jones et al. 1997: 650; Brown et al. 1998: 273; Gotzamani and Tsiotras, 2002: 1326; Poksinska et al. 2002: 297; Corbett et al. 2003; Llopis and Tari, 2003: 304; Williams, 2004: 74).

Companies that sought quality certification for “developmental reasons” have experienced more internal benefits from certification (Jones et al. 1997: 650). Brown et al. (1998: 273: 273) argued that companies driven by internal reasons to seek certification have a more positive perception about improvements achieved. The manager that sees certification as an opportunity to improve internal processes and systems, rather than simply wanting to get a certificate on the wall, will get broader positive results from ISO 9001 certification. Gotzamani and Tsiotras (2002: 1326) stated that companies seeking ISO 9001 certification mainly based on external motivations will also achieve mostly external benefits, while those who seek certification based on true quality improvement will get benefits mainly in terms of internal operations improvement (Poksinska et al. 2002: 297; Williams, 2004: 74).

Llopis and Tari (2003: 304) suggest that companies more concerned about internal reasons are those that: obtain higher profits deriving from the implementation of a quality system; reach a greater practical implementation of quality management principles; and are most likely to progress towards total quality management (TQM).

3.3.3.4 ISO 9001 benefits: time evolution

There is evidence in the literature that ISO 9001 perceived benefits do decrease over time (Jones et al. 1997: 650; Terziovski et al. 2003: 580; Casadesus et al. 2004; Casadesus and Karapetrovic, 2005a: 105, 2005b: 120). Jones et al. (1997: 650) stated that there was no evidence to state that certified companies progressively experience more beneficial outcomes from
ISO 9001 certification. In fact, results have indicated that, on the opposite side, companies appear to experience declining benefits over time.

As organisations move along the quality journey and their quality systems mature, the manager's ISO 9001 certification perceived benefits do indeed diminish (Terziovski et al. 2003: 580). Juran (1999) cited in Terziovski et al. (2003: 580) stated that:

“...it appears that companies that are at the beginning stages of their quality journeys find that the ISO 9000 series of standards provides them with a guide for implementing a basic quality system. But for companies with good quality systems, the standard often just adds costs, delays and burdensome documentation, rather than providing any competitive advantage”.

Therefore, according to Juran (1999) it could well be the case that ISO 9001 certification relevance decreases for companies that reach mature quality systems and aim for best practices in continuous improvement.


3.3.3.5 ISO 9001 barriers and drawbacks

Since the introduction of ISO 9001 there were a series of controversies and doubts over its role and significance in improving product and service quality, achieving internal and external customer satisfaction and improving performance (Dick, 2000: 365; Van der Wiele et al. 2000: 50; Withers and

According to Douglas et al. (2003: 316):

“ISO 9000 is a multi-million-pound industry with many individuals and organisations reliant on it for their livelihood, including quality consultants, lead auditors, internal auditors, supplier auditors, quality representatives/managers and software designers/sellers as well as the numerous training companies and certification bodies and their employees”.

However, other authors, among them Kartha (2002: 01), argue that the new standards main purpose is to assist organisations to:

“identify mistakes, streamline their operations, and be able to guarantee a consistent level of quality”.

Vouzas and Gotazamani (2005: 259) state that:

“[...] careful analysis of the ISO 9000:1994 standards” requirements compared to the basic principles of TQM and the requirements of the two most representative business excellence awards, the European Quality Award and the Malcolm Baldrige National Quality Award, reveals several main shortages”.

The authors argue that the old ISO 9000: 1994 series lacked strategic quality planning, top management commitment, and focus on customer satisfaction and systematic training in quality. Furthermore a number of studies (Douglas et al. 2003; Vouzas and Gotazamani, 2005; Kufidu and Vouzas, 1998: 818; Seddon, 1997: 162; Stevenson and Barnes, 2001: 45; Buttle, 1996: 40; Curkovic and Pagell, 1999: 51) strongly criticise the previous ISO 9000 series claiming that it is a paper-driven process, is lacking human resource content and context, is too general, not related to TQM main principles, is costly and relies heavily on external auditors. Finally, Brown et al. (1998: 273) in a study
in small size organisations found that there was a relatively high level of
disappointment of the ISO 9000 certification regarding issues such as
standards interpretation and assessors’ knowledge of specific industry.

The new revised standard was launched at the end of 2000 and, according to
Beckford (2002: 01), is:

“an attempt to harmonize all the standards and remove the manufacturing
bias”.

Several authors stated that the ISO 9000:2000 is directed towards
and Douglas (2003: 88) argue that organisations in order to achieve
the new ISO 9000:2000 should demonstrate that have quality processes and
procedures in place, but they are sceptical about what happens after ISO
9000 certification.

Vouzas and Gotazamani (2005: 259) argue that there is no really negative
impact but mention that the perceived benefits are less than the previous
standard and that the level of reported benefits of ISO 9001/2/3: 1994
decrease with time, evidenced by two empirical studies conducted in 1998
and 2002. Overall, they argue that there is “an erosion” of the perceived
usefulness of ISO 9001:2000 in the future, especially in terms of short-term
benefits.

The study of Martinez-Costa and Martinez-Lorente (2007: 484) showed that
the effect of the ISO 9001: 2000 was an increase in operational costs that was
not compensated for the increase in sales turnover and profitability. More
specifically, the certified companies, that they studied, obtained considerably
less earnings and return on assets during the three years following
registration and had a noticeable increase in operational costs for the same
period, contrary to sales and personnel expenses that remained unchanged.
The ISO 9001: 2000 registered companies studied by Casadesus and
Karapetrovic (2005: 105) also reported lower levels of satisfaction with the
benefits of the standard, in comparison with the ISO 9001/2/3:1994 registered ones.

Martinez-Lorente and Martinez-Costa (2004: 260) further argue that organisations certified by ISO 9000 may have achieved partial compliance to TQM. However, the authors claim that it is only the:

“first part of the way, not its end, because there is a large amount of TQM requirements that ISO 9000 does not satisfy”.

Terziovski and Samson (1999: 226) conducted a survey of four thousand Australian and New Zealand organisations in order to test the strength of the ISO 9000 certification status. The effect of ISO 9000 led to an interesting conclusion. The authors found that ISO 9000 certification was not shown to have a significantly positive effect on organisational performance in the presence or absence of a business excellence environment. This supports the view that, on average, ISO 9000 certification has little or no explanatory power regarding organisational performance. Based on the results of this study, the authors believe that ISO 9000 certification can contribute to organisational performance if a climate of change is created. However, this is not yet happening on a widespread basis. ISO 9000 certification may act as a foundation on which to build a quality organisation where it is implemented as part of the business excellence philosophy and methods.

Vouzas and Gotzmani (2005: 260) argue that the ISO 9000 standards contribution to business excellence and total quality management is also viewed negatively in that the standards drive organisations away from the more holistic and demanding theories and paradigms, like TQM and total customer satisfaction, emphasising conformance, and standardisation over customer satisfaction, innovation, and improvement. However, according to Tsiotras and Gotzmani (1996: 64), the success or failure of the standards does not depend on the adequacy of their requirements, but rather on the company’s ability and willingness to implement them correctly.
The real benefits of the standards can be achieved only if the companies that implement them fully realise both their potential and limits. Certification alone without the proper development and continuous improvement of a dynamic quality assurance system, continuously adapting to the variable external requirements, will not bring the positive results expected to provide the basis for TQM and business excellence (Vouzas and Gotzmani, 2005: 261).

Dearing (2007: 25) argue that the root flaw of ISO 9000 is its reliance on third-party audits. A lesser flaw is the requirements that do not contribute to controlling or improving quality, and do not even contribute to the work of auditors and registrars. More than half of the requirements of ISO 9000 do not contribute directly to controlling or improving quality.

Zeng et al. (2007: 06) explored the barriers to implementation of ISO 9000 in China and identified how these barriers can be overcome. The authors found that ISO 9000 international standards have been widely accepted by many organisations across all industrial sectors in China. The number of companies has been increasing. There are many stories of successful adoption of ISO 9001. However, the problems, which affect the sustainability for implementing the standards, need to be highlighted such as the short-sighted goal for “getting certified”, over-reliance on the ISO 9001 standard, viewing the standards as merely a mandatory requirement (and no wholehearted commitment) in some industries; and following others (the trend) in certification.

With regard to effective audit of ISO 9001, Zeng et al. (2007: 06) found that there is a lack of commitment from some certifying bodies, excessive competition between certifying bodies; and offering of a total packaged service from consultancy to certification by certifying bodies. Based on the analysis, Zeng et al. (2007) concludes that the government should strengthen supervision and control in order to improve effective audit of ISO 9001 standard, which is dependent on the establishment of a proper legal framework and enforcement schemes.
The obstacle most frequently cited in the literature, regarding ISO 9001 certification, is the lack of top management involvement during the implementation process, which is known to be crucial for its success (Brown et al. 1998: 273; Stevenson and Barnes, 2001: 45; Torre et al. 2001: 355; Douglas et al. 2003: 316). Other barriers identified by companies are the following ones: high implementation and maintenance costs, despite of its decrease over time (Leung et al. 1999: 675; Stevenson and Barnes, 2001: 45; Casadesus et al. 2004 cited in Sampaio, 2009: 47); lack of auditors’ knowledge concerning specific industries; excessive auditors support over paperwork; different standard interpretations among auditors; ethical issues related with certification bodies (Brown et al. 1998: 273). Brown et al. (1998: 273) also concluded that SMEs face restrictions concerning financial, human, and material resources.

The major disappointment pointed out by ISO 9001 certified companies is that organisations requiring their suppliers to become ISO 9001 certified in order to do business are still using suppliers without ISO 9001 certification (Brown et al. 1998: 273; Douglas et al. 2003: 316). It is important to mention that “customer pressure” is one of the main motivations mentioned by companies to achieve ISO 9001 certification. For many organisations, ISO 9001 certification is a “necessary evil”, forced upon by purchasers, particularly large organisations, which sometimes are not themselves ISO 9001 certified.

3.3.3.6 Impacts on organisational performance

A number of studies have been carried out that try to relate the impact of quality management practices over organisational performance. The majority of them conclude that there is a positive relationship between the implementation of quality management practices and organisational performance involvement (Mann and Kehoe, 1994: 29; Maani et al. 1994: 19; Wisner and Eakins, 1994: 08; Adam et al. 1997: 842; Curkovic and Pagell, 1999: 51; Terziovski and Samson, 1999: 226; Gupta, 2000: 451; Romano, 2000: 38; Withers and Ebrahimpour, 2000: 431, 2001: 139; Lee et al. 2001: 604; Singels et al. 2001: 62; Boutler and Bendell, 2002: 37; Dick et al. 2002: 51).
Results obtained by Gupta (2000: 451) show that ISO 9001 certified companies do differ positively from non-certified ones on “technological management”, “quality management control”, “causes of poor quality” and “quality control techniques used”. Romano (2002: 38) reports statistically significant improvements after ISO 9001 certification, concerning “quality performance in production and on the reliability of the production system” and “external quality performances”. The author also observed that “non-quality costs” diminished significantly after ISO 9001 certification. Ozgur et al. (2002: 57) point out that the level of usage for the majority of quality tools is higher in ISO 9001 certified firms. Concerning the services sector, Dick et al. (2002: 30) concluded that ISO 9001 certification makes a strong difference in the ways quality is perceived and measured.

Although the majority of the studies carried out state that there is a positive relationship between ISO 9001 certification and performance, as was just mentioned, there is also a group of authors that did not find enough evidence to support such a relationship (Terziovski et al. 1997: 01; Quazi et al. 2002: 53; Conca et al. 2004: 683). Results obtained by Terziovski et al., (1997: 01) showed that the presence or absence of ISO 9001 certification is a poor predictor of organisational performance and quality. Quazi et al. (2002: 53) concluded that there was no statistically significant relationship between ISO 9001 certification status, quality management practices and quality results.

According to Sampaio et al. (2009: 48), there seems to be, however, a strong relationship between the companies” certification motivations and the corresponding results obtained. When firms simply react to external pressures for getting certified, they may face ISO 9001 registration as a prime objective of itself, adopt a minimalist approach to achieve it, and thus achieve limited internal performance improvements.
3.3.3.7 Impacts on financial performance

According to Garvin (1984) cited in Sousa and Voss (2002: 91) the effect of quality over business performance, now looked strictly from a financial perspective, can be based upon two main routes: manufacturing and market. In the manufacturing route, improving internal process quality, results in better operational performance, which leads to business financial performance. In the market route, improvement of product quality will influence marketing business performance, and from there result in financial performance improvement as well.

According to Sousa and Voss (2002: 91), quality management practices have a significant and strong impact on quality and operational performance. However, their impact over business financial performance is weaker and not always significant. Brust and Gryna (2002: 64) stated the following five economic areas where quality assumes a paramount importance: (1) exports competitive advantage; (2) national trade deficits; (3) economic growth; (4) productivity and customer satisfaction; and (5) standardisation. A systematic approach to quality improvement results in two key factors that drive financial performance: (1) it generates greater value for customers, building market share and revenues; and (2) it lowers costs, increasing margins and asset usage (George, 2002: 32).


Heras et al. (2001; 2002a: 72; 2002b: 774), regarding better financial performance presented by ISO 9001 certified companies, argued that:

- one must consider the multitude of variables that influence or can influence a company’s business financial performance;
- it is important that the characteristics of the samples used are analysed in greater detail, because it is possible that higher profitability of the certified companies may have to do with the fact that certified firms belong to activity sectors that enjoy greater profitability levels; and
- higher profitability rates verified among ISO 9001 companies may be related with the most profitable companies, being those that have a greater propensity to become ISO 9001 certified.

Overall, no consistent evidence could therefore be found in the literature concerning the real ISO 9001 impact over companies’ business financial performance. Therefore, according to Sampaio et al. (2009: 50), there seems to be room for conducting additional work in order to analyse:

- what is the real ISO 9001 certification impact over business financial performance, if any;
- if “quality organisations” are indeed more profitable and competitive than the others; and
- if companies that become certified base on internal motivations have, different results, also from a financial perspective, as compared to the ones that become certified based mostly on external motivations.

As Heras et al. (2001; 2002a: 72; 2002b: 774) have already stated, one must consider that there is a multitude of variables that could influence a
company’s business financial performance, and thus it is very important to define a group of variables which must reflect the impact of quality management system implementation over company financial performance. It is also important, in order to properly analyse this issue, to reduce the influence of company activity sectors, sizes or other masking factors, because these may also mislead some of the conclusions that one may reach regarding the real impact of ISO 9001 certification over financial results.

Research on ISO 9000:2000 all over the world is still ongoing and the perceived benefits and its integration to other quality initiatives is expected to clear the picture and provide a basis for further improvement of the standard (Laszo, 2000: 336; McAdam and Jackson, 2002: 255; Najmi and Kehoe, 2000: 226), as was seen in the 2008 revision.

However, Conti (1999) cited in Vouzas (2007: 23) believe that the new revised ISO 9000:2000 series of standards is a significant improvement on the previous version in terms of its conceptual simplification, its process-based vision and its acknowledgement of the importance of customer satisfaction as a key requirement for verifying the effectiveness of the quality system. The basic principles on which the new standards’ requirements are based are much more TQM-orientated (Vouzas, 2007: 23).

Another quality management standard, namely the ISO 14001: 2004 Environmental Management Standard (EMS), as a methodological practice, tool, and technique in support of the critical success factor (CF) of the total quality management (TQM) philosophy, namely organisational awareness and concern for the social and environmental context, will be examined below.

3.4 ISO 14001: 2004 Environmental Management Standard (EMS)

Individuals, major customers, and even governmental authorities now increasingly demand environmental protection. Companies, whether they belong to manufacturing, engineering services or service industries are becoming responsible for controlling and improving their environmental
performance. They are concerned more with achieving and demonstrating sound environmental performance within the context of increasingly stringent legislation and profit motivation, or in search of improved public relations (Chin et al. 1999: 341). The increase of public interest in environmental concerns is reflected in a related increase in stakeholder environmental activism that has initiated the development of a number of different environmental programmes. It is highly likely that stakeholders like customers, communities, and shareholders will gradually perceive the implementation of ISO 14001 as a “must-be” business practice (Poksinska et al. 2003: 587).

Matthews (2003: 95) state that an environmental management system (EMS) attempts to capture the environmental burdens of an entire facility or organisation and encourage continual improvement of environmental performance. An EMS typically consists of policies, procedures, and audit protocols for operations that create waste materials or emissions. According to Quazi (1999: 302), an EMS is a well-documented and structured approach to coping with regulations and customer requirements related to environmental issues. The ISO 14001 series of standards has been developed and issued by the International Standards Organisation for Standardisation (ISO) in 1996 to address the issues above.

The ISO 14001: 2004 EMS (See Appendix 5) provides the framework for organisations to achieve continuous environmental improvement through the effective management of environmental impacts. It examines issues such as allocation of resources, alignment of responsibilities, and systematic evaluation of practices, procedures, and processes. The ISO 14001 EMS consists of five principles, namely: environmental policy, planning, implementation and operation, checking and corrective action, and review and improvement (Boiral and Sala, 1998: 57; Quazi, 1999: 303).

3.4.1 Drivers for effective implementation

According to Chin et al. (1999: 343) and Ann et al. (2006: 78), for effective
design and implementation of an ISO 14001-based EMS, the management attitude can be understood by examining the top management commitment and support, appropriate environmental policy and regular management reviews. It calls for the commitment of all employees of the organisation at all levels. Therefore, it is essential to have total commitment and support from the top management to initiate the development and implementation of an effective EMS. Management should commit for continual improvement of environmental management, prevention of pollution, regulatory compliance and for adequate resource allocation.

It is therefore necessary to have well defined, completely documented, and communicated roles and responsibilities to facilitate effective environmental management. The organisation must also identify education and training needs. Management should determine the level of experience, competence, education, and training necessary to ensure that they understand the importance of developing and implementing an effective EMS. With regard to environmental aspects and environmental management systems, the organisation should establish and maintain procedures for both internal and external communication. (Chin et al. 1999: 344; Ann et al. 2006: 78).

The organisation should also establish and maintain procedures for controlling all EMS documents properly. Documents should be legible, dated (with dates of revisions), and readily identifiable. They should also be maintained in an orderly manner, and retained for a specified period. For emergency preparedness, the organisation should establish and maintain procedures to identify potential for and respond to accidents and emergencies. It should also develop, establish, and maintain procedures for preventing and mitigating the environmental impacts that may be associated with accidents and emergencies. These procedures should be tested periodically where practicable, reviewed, and revised, where necessary, after the occurrence of accidents or emergencies (Clements, 1996; Ann et al. 2006: 78).

The effective development and implementation of ISO 14001-based EMS is inevitably influenced largely by external and social aspects, which include
environmental legislation, market pressure and employee relations (Chin et al. 1999: 345). The ISO 14001 compliance can be considered as a safety net against liability due to increasing environmental legislation. Competitiveness can also be enhanced by improved company public image and staff morale. Over time, the legal, commercial, and social benefits arising from an organisation's activities may outweigh the costs of design and implementation. The incentive for addressing environmental issues is gradually shifting from minimum effort to meet statutory limits to recognition that paying attention to the environment can result in significant commercial and social gains (Chin et al. 1999: 353).

The ISO 14001 standards are illustrative of a hybrid private-public regime that states have begun to endorse and accept, despite the heavy influence of industry actors in its formation. It is not clear that the ISO 14001 standards realises its own weight in this area. Ironically, because these standards are increasingly being recognised by public inter-governmental bodies and national governments, it is precisely in the area of international environmental law that the ISO 14001 standards are having a profound impact. It appears as though that states are embracing these standards in part because doing so fits well with the liberal ideology held by most states, which calls for a reduced regulatory role for the state. The standards are also seen to be a way to reduce trade barriers in an era of global free trade. It is not clear that states have lost a significant amount of their ability to regulate in the environmental realm; rather than replacing state-based environmental regulations with the ISO 14001 standards, states are attempting to rewrite regulations to take those standards into account (Clapp, 1998: 312).

According to Clapp (1998: 312), the trend toward increased private sector participation in the development of certain elements of global environmental governance has important implications for developing countries. Developing countries are finding that they are profoundly affected by these new structures of environmental governance, particularly when public international bodies and organisations such as the World Trade Organisation (WTO) and the World Bank (WB) embrace them. Moreover, it is not clear that the ISO 14001
series of environmental management standards will in practice help meet environmental goals for industry as established in Agenda 21, particularly those that are most urgent for developing countries – the reduction of hazardous waste generation and the adoption of clean production technologies. Yet the ISO 14001 series is rapidly becoming accepted as the international environmental “standard”, even though it is now widely seen by critics as well as some industry experts as being weak in terms of its requirements.

It is unclear whether developing country governments and firms would have promoted stricter standards based on environmental performance rather than management systems if they had been more involved in the process of developing the standards. Indeed, they have said that they would have preferred a phase-in period for meeting these standards, indicating some hesitancy to adopt measures requiring firms to improve their management performance with respect to environmental concerns. However, the developing countries’ desire for the inclusion of provisions for clean technology transfer would better enable developing country firms to meet stricter performance-based standards. Had they being more involved in the process, they no doubt would have pushed hard for more concrete measures with respect to clean technology transfer and greater developing country participation (Clapp, 1998: 313).

A system of standards setting that is more democratic and that incorporates measures for technology transfer would likely be more beneficial and more acceptable to developing country governments and firms. As there are still some standards being negotiated that are of key interest to developing country governments and firms, particularly the standards for eco-labelling and life-cycle assessment, there may still be room to increase their participation so that their concerns are incorporated into these standards. Such an outcome will require that the International Standards Organisation (ISO), in taking on a relatively new role in environmental regime formation, make its decision making procedures more open and participatory, not just for standards organisations and firms of developing countries but also for the
wider public in both industrialized and developing countries (Clapp, 1998: 313).

Delmas (2002: 114) proposed an institutional perspective to analyse how a specific institutional context can affect the cost and the perceived benefits of implementing an EMS standard at the firm level. Institutional theory emphasises the importance of regulative, normative, and cognitive factors that affect adoption decisions over and above the technical efficiency of the organisational practice. This is an interesting perspective to examine the case of ISO 14001, as it is a process standard with results difficult to identify.

Uncertainty of regulatory behaviour toward firms seeking ISO 14001 certification impacts the level of transaction costs between the firm and certification body. Regulatory commitment to the standard, by for example providing of flexibility within the regulatory system, can offset these potential costs. Governments can act as a coercive force to influence the normative and regulative aspects of the institutional environment surrounding the standard by sending a clear signal of their endorsement of the standard and reducing information and search costs. Governments can play an important role by providing technical assistance and by enhancing the reputation of adopters. These actions may affect the demand for ISO 14001, as stakeholders will believe in the benefits of the ISO 14001, since the government has demonstrated them (Delmas, 2002: 114).

Furthermore, Delmas (2002: 114) state that the importance of institutional factors to the diffusion of ISO 14001 is linked to the incompleteness of the standard in dealing with the measurement of environmental performance. If the standard would clearly define a procedure for the assessment of environmental performance it would be possible for stakeholders to use ISO 14001 to compare firms' impact on environmental performance within a country and internationally. The benefits of the standard would therefore be unambiguous. Thus, one could predict that a standard that could clearly spell out environmental measures would diffuse better on an international scale and that institutional factors would play a less important role in its adoption,
since the adoption would be based mostly on comparing its tangible benefits.

In today’s global economy, organisations are increasingly called upon to demonstrate sound management of economic, social, and environmental issues (Ann et al. 2006: 75). Evidence suggests that a focus on this “triple bottom line” results in advantages in financing, insurance, marketing, regulatory treatment and other areas. An environmental management system (EMS) is a structured approach of the environmental bottom line. ISO 14001 is the world”s most recognised EMS framework that helps organisations both to manage better the impact of their activities on the environment and to demonstrate sound environmental management (Ann et al. 2006: 75).

Since the publication of ISO 14001 in 1996, many companies have implemented the standard and, by the end of 2001, nearly 37 000 organisations in 112 countries had their EMSs certified as conforming to its requirements (Montabon et al. 2000: 04). In 2003, there were 5460 of companies certified in ISO 14001 in the UK; in Europe it was 31997 (ISO, 2003 cited in Balzarova et al. 2006: 90). ISO 14001 is designed to be flexible enough to be applied to any size of organisation in both the private and public sectors. The bottom line is that certification to ISO 14001 can improve environmental management and enables equal access to a growing “green” marketplace (Montabon et al. 2000: 04).

The ISO 14000 environmental standards specify the structure of information technology, in the form of an EMS that an organisation must have in place if it seeks to obtain certification of the EMS according to ISO guidelines. The ISO 14000 standards describe the basic elements of an effective EMS. These elements include creating an environmental policy that sets out objectives and targets, implementing a programme to achieve those objectives, monitoring and measuring its effectiveness, correcting problems and reviewing the system to improve it and overall environmental performance (Tibor and Feldman, 1996 cited in Ann et al. 2006: 76).
The scenario of EMS implementation in the public sector in various developed and developing countries would now be highlighted.

### 3.4.2 EMS in the public sector

EMS implementation has been a global trend and despite the difference in motivation (Davis, 1998: ix, 31; Gale, 1996) an increasing number of government departments are now adopting it. Evidence of this can be seen in both the developing and developed countries. Hindustan Organic Chemicals Limited (HOCL) Kochi unit, a public sector company under the Ministry of Chemicals and Fertilizers, was the first company to receive ISO 14001 certification in India (HOCL, 2000: 01). Some of the other companies that have received certification in India are Bharat Heavy Electricals Limited (BHEL, 2001: 01); Vishakhapatnam Steel Plant (VSP, 2001: 01); Fertilizers and Chemicals Travancore Limited (FACT, 2000a: 01, 2000b: 01); and the four nuclear plants (Tarapur, Narora, Kakrapar, and Kalpakkam) (Kakodar, 2001: 01).

Serdang Power Station as part of the Tenaga Nasional Berhad (TNB), Kuala Lumpur, Malaysia, by certifying itself to ISO 9002 and ISO 14001 demonstrated its commitment as a socially responsible company along with work ethics (TNB, 2001: 01). The Cebu Port authority, Philippines, publicly declared its commitment to implement and certify to ISO 14001 in the near future (Villamor, 2000: 01). The Electrical and Mechanical Services Division of the Hong Kong Government made the commitment to certify itself with ISO 14001 (Anonymous, 2003 cited in Zutshi et al. 2008: 528).

In Canada, SaskPower, Saskatchewan became the first electrical utility company to achieve corporate-wide ISO 14001 certification (SaskPower, 2000: 01). The Defence Supply Centre Richmond in Vermot, USA was also reported to be developing an EMS (VDACS, 2003: 01). The Department for Works and Pensions (DWP), UK, launched its sustainable policy in July 2002 with the aim of reducing its impact on the environment (DWP, 2002: 01). Many UK local governments have also implemented EMS as well
The UK Government announced on 24th July 2002 that by 2006, 80 percent of government estates will have an EMS in place (Anonymous, 2000a: 01 cited in Zutshi et al. 2008: 528). Australian Environmental Minister, Michael Meacher in 2001 announced that all government departments will purchase at least 10 percent of their energy from renewable sources by 2008 (Anonymous, 2001 cited in Zutshi et al. 2008: 528). The Departments, however, will have the flexibility of setting their own timelines and methods to achieve the targets (Meacher, 2003). This approach of having a flexible timetable is different to the researched Australian state government’s EMS implementation approach where the latter was required to follow a set timetable. Japan is also encouraging EMS implementation at its local and municipal government levels (Japan, 2002-2006).

President Clinton in early 2000 signed an Executive Order (EO 13148) *Greening the Government through Leadership in Environmental Management* requiring all US federal agencies to implement EMS by the end of 2005 (Zuchelli and Kemp, 2003; Grier, 2002: 47). The Department of Defence was the first to undertake a pilot study under EO 13148 and reported a number of benefits from EMS implementation including better environmental performance and compliance with legal requirements; increased environmental awareness and cost savings (Zuchelli and Kemp, 2003).

A number of EMS implementation projects in local governments have also been undertaken in the USA resulting from collaboration between the US-Environmental Protection Agency (EPA) and the Global Environment and Technology Foundation (GETF) (EMS, 2003; Herron, 2001). As part of the collaboration, GETF provided on-going training and technical assistance to local governments participants (GETF, 2000, 2002a and 2002b). This initiative was an extension of the larger programme for local governments, the National Public Entity EMS.
A number of EMS implementation projects within the public sector have been completed. For example, the US-EPA office of Wastewater Management and Office of Compliance (US-EPA, 2003) recently completed a two-year project aimed at local governments, namely, „Municipal Implementation Initiative“. Earlier in mid-1996 US-EPA Office of Wastewater and NSF International together had funded a two-year project to assist ten public-community sector-based organisations to implement EMS elements (Davis, 1998). A two-year time period was also undertaken by Canadian Municipal Government initiative to implement EMS within the Hamilton-Wenworth regions (Bekkering and McCallum, 1999: 103).

The implementation process pertaining to ISO 14001 would now be discussed.

3.4.3 ISO 14001 implementation process

There is a vast array of literature on the ISO 14001 implementation process (van der Welt, 1997: 01; Nakamura et al. 2001: 23; Balzarova et al. 2006: 90; Padma et al. 2008: 73). The results of these investigations are very diverse, although it is generally possible to say they all highlight the great importance of external factors, such as the motivating factors behind implementing the ISO 14000, while the main benefits detected have much more to do with bettering relations with the various stakeholders involved and improving organisational control, rather than improving quality-related indicators and reducing the environmental impact of products and services (Viadiu et al. 2006: 145).

Despite some differences in the literature, ISO 14001 implementation authors on the topic such as Cascio (1998), Jackson (1997) and Gilbert and Gould (1998) agree that the overall implementation process consists of the following steps:

- Define scope of aspect analysis. Create boundaries of all organisational activities, ideally formed from process-flow diagrams,
without neglecting energy usage, transport, and storage.

- **Define process of evaluation.** How the aspects and significant impacts are going to be evaluated, what methodology, and tools are to be used in order to determine the significance of organisational activities, how this process is to be documented and measured and clarifies its link to environmental policy and the entire environmental management system.

- **Gather data.** Alongside aspects evaluation collect data of the elementary activities within a process in order to obtain a benchmark covering information such as energy usage, cost, and amount of raw materials, waste, production, and so forth.

- **Develop cross-functional team.** Formed from individuals representing different departments within the organisation in order to bring other perspectives, views, information, and last but not least to put this burden only onto the environmental department.

- **Identify aspects.** Conduct a simple input-output analysis for each element of the business activities, which will create a list of environmental inputs and outputs represented by energy usage, raw materials usage, and amount of packaging, and so forth and as the outputs produced, by-product, waste, and energy, both intended and unintended products. Aspect identification should consider both normal and abnormal operating condition as well as emergency situation, which are a good start to fulfil requirements of clause 4.4.7 (emergency preparedness and response). This results in the creation / maintenance of operational control through written operational instructions, procedures, or setting up a preventive maintenance programme.

- **Identify impacts.** Based on a previously identified list of organisational aspects a list of organisational impacts can be developed. For example, if an identified aspect is water consumption, then based on the nature of a process, the impact can be identified as water pollution with effluent entering sewage system, or even land contamination in case of process failure.
- **Evaluate impacts.** The process of impact evaluation is to be directed by methodology and evaluating tools that an organisation develops for itself. This methodology should not omit legal requirements that apply to organisational activities and processes. Results derived from impact evaluation will form an environmental management programme (EMP). EMP represents a plan addressing impacts through objective and targets consistent to environmental policy. An organisation needs to prioritise these impacts and address the “leftover” later on as a subject for continuous improvement. In order to reach identified objectives and targets, EMP has to clearly establish responsibilities for task delivery, estimate timing and provide a method that checks the progress against its completion. The impact evaluation will also disclose needs for training, awareness, and competency in identified activities in order to obtain workforce competency to perform safely in EMS. For the wide acceptance of this system, the whole process needs to be communicated and backed up by effective methods of documentation.

- **Record results.** According to Jackson (1997) most businesses develop worksheets throughout the evaluation in order to both guide the process and record results.

- **Monitor and measure.** Based on the result of the impact evaluation, an organisation should determine what organisational activities should be carried out how they should be monitored and measured in order to gain control over them.

- **Periodically review and update.** The results of monitoring and measurement of the organisational activities shall be periodically evaluated and analysed through means such as EMS audits and new action striving for corrective and preventive actions should be identified as the outcome of this analysis.

Although this process may be generic in nature, problems arise whilst organisations have to apply the standard"s requirements to their specific
conditions. The application varies due to numerous factors; from industry sectors to specific organisational cultures (Balzarova et al. 2006: 90).

3.4.3.1 Critical success factors for implementation

Governments, the public, and the private sector are demonstrating better environmental stewardship and accountability in implementing environmental management systems. The ISO 14000 series can help organisations to integrate environmental considerations into their management structures systematically, and to achieve cost savings while complying. In addition, companies can expect an improved corporate image and better community relations (Gale, 1996 and Sturm, 1996 cited in Quazi, 1999: 303). The literature review reveals a number of critical success factors (CSFs) that are associated with the implementation of ISO 14001. These factors include, among others, top management commitment, inter-departmental implementation teams, employee and stakeholder involvement, appropriate delegation of authority and responsibilities and a focus on business needs (Quazi, 1999: 303). A brief description of each of these CSFs is provided below:

**Top management commitment.** Top management’s commitment must include visible concern over environmental issues and must invoke high standards to which people are held accountable. Real commitment comes from a clear understanding of what the management system really is, the benefits of having such a system and the steps to achieving it (Jackson, 1996). Employees must see that their organisation regards the protection of the environment as one of its top priorities. It is also important that adequate financial, technological, and human resources are allocated to implement the project (Haklik, 1997b: 02).

**Inter-departmental implementation teams.** Implementing an EMS requires that an inter-disciplinary team possess a good mix of technical, socio-economic, environmental and auditing expertise (Gale and Sturm, 1996 cited in Quazi, 1999: 303). The team should include the senior management and the
representatives from various line and staff departments, including manufacturing, legal, finance, purchasing and human resources (Hormozi, 1997: 32). All functional areas may have a significant impact on the environment in one way or another, therefore all people with detailed knowledge of the organisation should be included.

**Employee and stakeholder involvement.** The lower levels of the organisation should also play an active role in promoting environmental initiatives (Maxwell et al. 1997). Programmes should be carefully planned based on the input of the people who will be actually doing the work. An employee suggestion scheme is a good starting point and employees should be given a chance to implement their own suggestions. Rewards must also be given to recognise efforts (Haklik, 1997b: 02). Participation by different stakeholders, including shareholders, customers and suppliers, can actually increase the chance for success. In the case of Proctor and Gamble, a leading consumer products company, consumer input on the environmental appropriateness of their products and packaging is obtained through focus groups evaluations (Quazi, 1999: 304).

**Defining responsibilities and delegating authority.** The roles, responsibilities, and authority of staff whose activities have an impact on the environment must be properly defined, documented, and communicated to all organisational members (Sturm, 1996 cited in Quazi, 1999: 304). This allows the relevant personnel to have a better understanding of their roles in implementing and maintaining the EMS and to avoid any conflict with their existing responsibilities. Preparing or upgrading job descriptions for each function that has an impact on the environment should be done and the employees should be involved in defining their own positions (Jackson, 1996).

**Focus on business needs.** In attempting to achieve ISO 14001 certification, the focus should be on overall goals and objectives and not on the registration itself (Jackson, 1996). The requirements of the standard should serve only as a guideline. The environmental strategy and the management system should blend well with the existing organisational culture and its core competencies.
In this way, the resistance to change from all levels can be greatly reduced. The process of setting goals and objectives should be cascaded down to the individual organisational sub-units. Each can be expected to possess different needs and abilities. Broad objectives should be set at corporate level and the different plants, departments and branches should evaluate their own environmental impacts and set their own priorities (Quazi, 1999: 304).

Furthermore, Padma et al. (2008: 76) identified the following critical factors for the successful implementation of an environmental management system (EMS): (1) top management commitment; (2) environmental issues identification and legal compliance; (3) environmental process management; (4) emergency preparedness and response; (5) continuous improvement; (6) measurement, monitoring and control; and (7) human resources management.

Though all these critical factors are considered essential for instituting an EMS, only at the end of the analysis of the data collected, it would be known if the firms consider all the critical factors equally important and if there is any difficulty in doing so (Padma et al. 2008: 76).

- **Top management commitment.** Many people have researched on the importance of total management commitment in implementing quality practices (Ahire, 1996: 44; Sureshchandar et al. 2001: 378). They emphasise that without the total involvement of top management, all quality efforts might fail. Top management should propagate the philosophy that quality should be given a higher priority than cost and allocate sufficient resources for implementing quality practices (Zeithaml et al. 1996: 31). Total management commitment plays a crucial role in the implementation of ISO 14000 as well since it is as process-oriented as ISO 9000 (Clause 4.2 – environmental policy, ISO 14001, 1996).
• \textit{Environmental issues identification and legal compliance.} As there might be many environmental issues of concern for a firm, it has to identify those needing immediate attention. This would enable them to concentrate their efforts on the most essential ones. Further, environmental issues not only affect the firms, but also their stakeholders and society, in a broader context. There are legal procedures that firms have to comply with. ISO 14000 standards address those aspects in Clause 4.3 (planning – ISO 14001).

• \textit{Environmental process management.} Similar to quality process management in ISO 9001, ISO 14001 emphasises environmental process management, including environmental audit, document control, and operational control (Clause 4.4 – implementation and operation, Clause 4.4.4 – EMS documentation, Clause 4.4.5 – document control, Clause 4.4.6 – operational control, ISO 14001).

• \textit{Emergency preparedness and response.} Firms might face various environmental hazards (for example, leakage of hazardous elements, mixing of polluted water with pure water, and so forth), which have dire consequences. Hence, it is imperative that they plan for emergencies and provide adequate facilities to respond to possible environmental accidents (Clause 4.4.7 – emergency preparedness and response, ISO 14001).

• \textit{Continuous improvement.} Deming (1986) emphasised the importance of continuous improvement. Attainment of world-class goals is possible through continuously improving all aspects of performance (Spenley, 1994). Quality improvement is a never-ending journey where once the set targets are met, new ones must be set for achieving higher levels of product, process, and service efficiency (Sureshchander et al. 2001: 378). Clause 3.1 ( continual improvement, ISO 14001) states that an organisation should aim to enhance its existing systems in order to realise improvements in overall environmental performance in line with its environmental policy.
• **Measurement, monitoring, and control.** Quality cannot be improved until it is measured. Statistical techniques are an essential component of ISO 9000, which delineates the importance of measuring quality. Ahire (1996: 44) asserted that translating customer needs into actions requires discreet use of tools such as quality function deployment. In his statistical theories of process variation, Shewart (1931) underscored the importance of methodologically controlling organisational processes. Organisations should monitor and measure process performance parameters to identify variations, if any, and control them effectively in order to achieve the desired results (Clause 4.5.1 – monitoring and measurement, ISO 14001).

• **Human resources management.** It becomes imperative for firms to consider human resources management as a source of competitive advantage (Sureshchandar *et al.* 2001: 378). Clauses 4.4.2 and 4.4.3 – training, awareness and competence and communication, respectively – ISO 14001) point to the significance of effectively managing human resources in an organisation.

Balzarova *et al.*'s (2006: 100) research study determined five dimensions of organisational culture that play a vital role in ISO 14001 implementation and maintenance. Balzarova *et al.* (2006: 100) advises managers to:

• identify present organisational culture using people, process, structures and environment for this assessment;
• prioritise the key areas and conduct force-field analysis in order to anticipate the strengths and weaknesses of organisational culture on implementation;
• plan the transition towards “desired” culture;
• Align the ISO 14001 programme with the prevailing organisational culture; and
• Build the EMS around the environmental aspect / impact assessment as described in the section on ISO 14001 implementation.

Furthermore, the previous research of the authors (Balzarova et al. 2003: 88) suggests that in order to secure the workforce and leading managers’ acceptance, the following stipulated enablers are suggested to be considered for effective ISO 14001 implementation:

• This is also the case of ISO 9001, ISO 14001 and excellence models implementation, which demands a cross-functional teamwork, commitment, active participation and all these factors, are inevitably influenced by current organisational culture.

• Form a team from proactive environmentalists, individuals with positive attitudes towards environmental issues who can accept establishing of an EMS as a new value-added mission to their job-description.

• Adopt the general understanding of ISO 14001 covering three different levels: a thorough clear understanding should be obtained by the environmental team, general understanding by managers, and a basic appreciation of environmental needs by the entire organisation. The last one should be achieved, in part, by the training requirements outlined within the standards.

• Support recognition of the ISO 14001 relevance to the overall organisational prosperity; the EMS importance can be communicated with different messages to different departments. For example, EMS terminology can be converted into figures and financial benefits to the purchasing department, effective use of resources to the operational management, marketing strategy to sales without “upsetting” someone with the word environment or confusing anyone unfamiliar with “ISO 14001”.

• Development of organisational culture that is open to change and able to manage change and, therefore, used to change.
- Support teamwork and initiative taking in order to foster widespread people “buy in” and foster communication channels, both formal and informal.
- Continuously communicate the EMS progress to the employees through bulletins, visual management, newsletters, and team briefings.

3.4.3.2 Barriers to implementation

In the literature, a number of barriers that hinder implementation of an environmental management system are identified. These include, complexity of ISO 14001 standard, legal ramifications, lack of incentive to implement, inappropriate approach to implementation, lack of management commitment, lack of total employee involvement, cost of implementation and unclear responsibilities of employees (Quazi, 1999: 304). The following sections discuss each of these barriers.

Complexity of ISO 14001. The Singapore Productivity and Standards Board (PSB) initiated an ISO 14001 pilot scheme in December 1995 because it had foreseen companies having difficulties in interpreting the new standards (Wu and Tan, 1996: 02). This view is shared by an American writer (Lamprecht, 1997) who indicates that the standard, with its many guides can be misleading. Organisations are subjected to different legislation depending on the country in which they and their markets are located. In addition there are those who want the standards to dictate environmental goals for pollution prevention, technology, or other desirable environmental outcomes (Cascio et al. 1996).

Legal ramifications. Many participants in the ISO 14000 process express the view that environmental auditing is a very sensitive area from a legal standpoint. A serious non-compliance uncovered during the audit process might lead to social outcry or even legal action. Thus, there is an inevitable amount of hesitancy and it may be difficult in many cases to convince
management to seek ISO 14000 certification (Cascio et al. 1996). In the United States, some lawyers who have had experience with the environmental Superfund have suggested that ISO 14001 certification may increase a company’s liability. They argue that a government agency could subpoena internal audit records and use the evidence to prosecute an organisation (Lamprecht, 1997). Liability problems could also develop if the audit records showed corrective action that was needed but not carried out (Kuhre, 1995). These contingencies can lead to an organisation not seeking certification or even cancelling its application after submission.

**Lack of incentive to institute ISO 14001.** If there is a lack of incentive and motivation or no real corporate mindset aimed at implementing ISO 14001, the effort will not succeed (Johnson, 1997). For small and medium sized enterprises (SMEs) where resources are often scarce (Haksever, 1996: 33; Henricks, 1992: 29), some form of support either from government or industry associations might make a big difference.

**Inappropriate implementation approach.** Many companies are frustrated in their efforts to implement ISO 14001 because of increased paperwork and perceived reduction in efficiency. They fail to attain the potential benefits described below simply because the management systems that they have tried to put in place are too complex and bureaucratic (Jackson, 1996). Administrative delays, apathy and inadequate personnel and training during implementation can prevent environmental protection and improvement from occurring (Kuhre, 1995). Short-term focus is another contributing factor in failing to achieve the desired environmental culture. There is also a tendency to reduce ISO 14001 to a series of slogans and pep rallies (Johnson, 1997).

**Lack of management commitment.** As with all management based systems, ISO 14001 relies on the commitment of all employees, especially senior management (Hughes, 1996). Without management commitment, the company, or at least the environment management portion, will fail (Kuhre, 1995). Gayler (1997) argues that, regardless of how carefully an EMS has been prepared or to what standard it has been designed, unless the
implementation has the full support and commitment of all members of the organisation, especially senior management, it is unlikely to achieve its objectives and targets. Unfortunately, management commitment is not always present in an organisation. In the past, if a company had an environmental department it was considered and treated as a stepchild or necessary evil, which was poorly understood, meagrely funded, undermanned with little or no recognition, support or direction from top management (Kuhre, 1995).

Lack of total employee involvement. As in the case of lack of top management support, lack of employee involvement can have a negative effect on the process of implementation (Johnson, 1997). Many employees are willing to be held responsible for protecting the environment only when they are properly rewarded or motivated to do so.

Costs. Implementing a comprehensive EMS increases costs initially, and these costs may be critical for SMEs. Some firms may not have the ability to commit the time and resources to the process. Some may also not find it worthwhile in an economic and strategic sense (Kazmiercyk, 1996).

Unclear responsibilities. The roles, responsibilities and authority of the staff whose activities have an impact on the environment have to be properly defined, documented, and communicated to all organisational members (Sturm, 1996). Clear responsibilities allow the relevant personnel to obtain a better understanding of their roles in implementing and maintaining the EMS and to avoid any conflict with their existing responsibilities. Preparing or upgrading job descriptions for each function that may have an impact on the environment is to be done and the employees should be involved in defining their own positions (Jackson, 1996).

3.4.3.3 Benefits of implementation

The literature indicates that an environmental management system (EMS), if correctly developed and implemented, may bring tangible gains and rewards.
The benefits that can be realised include, but are not necessarily limited to, operational costs savings, sound business practices, conformance to regulations, conformance to customer requirements, increased access to capital, increased competitiveness, improved corporate and marketing image, higher levels of safety, reduced insurance premiums, and limitation of liability (Quazi, 1999: 306). The nature of these benefits will be discussed hereunder.

Operational cost savings. A good EMS can help identify opportunities for cost savings in the areas of management of raw materials, waste reduction, or elimination of pollution, energy efficiency and prevention and mitigation of accidents (Hughes, 1996). For example, a number of ISO 14001 certified companies in Singapore have reported significant cost savings. Among these companies are Sony Display Devices, Baxter Healthcare, SGS Thomson and The Hotel – Intercontinental (Rimington, 1997).

Sound business practices. It is argued that the most important reason for adopting an EMS is that it helps to introduce more efficient business processes for a company. Such a business decision could lead to enhanced operational effectiveness, which is often cited as the primary justification for investing in an EMS (Tanner et al. 1997). There are many ways that an ISO 14001 EMS can improve the operations of a company. An EMS can identify instances of redundancy in day-to-day efforts to achieve regulatory compliance. These redundancies can be eliminated, thus making the organisation more efficient.

ISO 14001 requires a common terminology, which helps to improve the communication of goals, procedures, environmental impacts, and solutions. Improved communication can mean greater efficiency in decision-making. For example, the severity of an environmental impact can increase with the time taken to respond. An efficient notification system can reduce the time it takes to respond, and thus also reduce the impact, risk, and liability to the organisation (Haklik, 1997a cited in Quazi, 1999: 306).
Legislation. Environmental legislation has been increasing worldwide. There are now laws covering a wide range of aspects including atmospheric emissions to air, liquid effluent, solid waste, dust, noise and storage. Failure to adhere to these laws may carry financial / or criminal penalties. The magnitude of the fines involved is usually sizable. A proactive approach reduces the risk of fines or imprisonment can provide competitive advantage. Adoption of ISO 14001 demonstrates a company”s commitment to the environment. Such adoption has also been found to be a mitigating factor when liabilities are determined for an environmental offence.

Customer requirements. A 1990 Gallup poll found that 52 percent of those surveyed stopped buying products from companies with a poor environmental image (Haklik, 1997a cited in Quazi, 1999: 306). The Ministry of the Environment in Singapore also conducted a similar study in 1996 to gauge the awareness and attitudes of Singaporeans. According to this survey, most Singaporeans felt strongly about environmental issues. However, a majority of the respondents expressed the view that individuals and society should jointly take care of the environment. Only 7 percent indicated that the Government alone should be held responsible for such measures (Rosenbaum, 1997 cited in Quazi, 1999: 306).

Establishing a strong environmental image can help attract environmentally conscious customers and create pressure on competitors. This image must be carefully marketed to receive these benefits (Haklik, 1997a cited in Quazi, 1999: 306). Businesses are becoming increasingly conscious about environment management and most prefer to use suppliers with good environmental records. The customer, conscious of his/her reputation and environmental compliance requirements, often chooses to use suppliers and sub-contractors who can demonstrate satisfactory environmental performance (Kazmierczyk, 1996).

Investment. A major study by ICF Kaiser International showed that when public companies improved their corporate environmental practices, they were able to increase shareholder wealth by up to 5 percent (Haklik, 1997a cited in
Quazi, 1999: 307). The findings suggest that when environmental risks are reduced, the company becomes more attractive to potential and current shareholders.

**Insurance.** Insurance companies are fully aware of the risks to their policies from poor environmental performance. Companies with a sound and effective environmental management system are able to demonstrate that their current environmental goals and policies pose less risk to the insurance company and thus create a negotiating tool for lower premiums. Furthermore, this increased ability to communicate should facilitate quicker action in obtaining needed insurance, permits, and other forms of authorisation (Clements, 1996). Some insurance companies now require an environmental audit of the company prior to agreeing to issue a policy.

**Increased competitiveness.** Companies that are ISO 14001 certified will increasingly have an advantage over non-certified companies when selling to industrial or governmental consumers. Studies have shown that ISO 9001 certified Japanese companies performed better in European markets than their counterparts that did not have certification. This trend is expected to be repeated for ISO 14001 (Tanner et al. 1997).

**Improved corporate and marketing image.** ISO 14000 certified companies are able to contribute to a cleaner, healthier environment for the community and improve the global environmental health. Being certified allows the company to contribute in a real and substantial way to cleaning up the environment and improving the health of the workers and others in the community (Ritchie and Hayes, 1998). As the global society becomes more environmentally conscious, a company can help place itself in a better position compared with its competitors by proving its environmental consciousness (Johnson, 1997).

Morrow and Rondinelli (2003: 170) state that most of the case studies and surveys show that it is difficult to attribute environmental improvements directly to the adoption and certification of EMS. Environmental management systems seem to be instrumental, however, in bringing about a variety of
impacts. The studies indicate that EMS implementation and certification do help companies to integrate their environmental, health and safety management systems and in some cases their environmental and quality management systems.

Perhaps because EMS certification requires strong employee participation and environmental training programmes, many firms report increased employee awareness of the environmental aspects of their jobs and of their responsibilities for reducing negative impacts. ISO 14001-certified companies also report environmental performance improvements, especially in the areas of waste recycling, air and waste emissions, reductions, materials reuse, energy and water conservation and environmental and safety incidence reduction (Morrow and Rondinelli, 2003: 170).

German firms participating in EMAS that were surveyed by the German Federal Environmental Agency thought that the most applicable benefits were better organisation and documentation of their environmental management activities, increased legal certainty, improved company image, and greater employee motivation. The five German energy and gas companies that was studied by the authors similarly reported improvements in regulatory compliance and legal certainty, improved documentation, improvements in employee awareness and some degree of improvement in efficiency as the result of implementing and certifying their environmental management systems (Morrow and Rondinelli, 2003: 170).

According to Ann et al. (2006: 78), the benefits of ISO 14000 certification are many: gaining market place and shareholder advantages, insurance hedging, reduced costs, other financial benefits and achieving higher productivity. There are a few underlying potential benefits of the ISO 14001 certification (D’Souza, 2004 cited in Ann et al. 2006: 78):

- ISO 14000 helps firms to implement their commitment to environmental excellence, helps avoid multiple registrations, inspections, certifications, labels and conflicting requirements, and
removes the need for certain regulatory “command and control” initiatives.

- ISO 14000 should facilitate international trade and remove trade barriers. For example, in Manila, large as well as small firms have been asked by the government to comply to these standards in order to remain competitive.

- These systems can also assist companies in targeting green consumers. By showing their support for environmental protection issues through their marketing of green products, organisations can pursue a distinctive way of competing.

Firms in Brazil reported enhanced public image to be one of the greatest benefits of ISO 14000 certification. Evidence from Formosa Plastics Corporation in Livingstone, New Jersey, also supported this contention (Corbett and Kirsch, 2000: 04). In Japan, however, it was found that only the first firm to obtain certification in a given industrial sector enjoyed this benefit. Other benefits cited include increased market share (when customers seek only ISO 14000 certified suppliers) and improved profitability (through waste reduction). (Ann et al. 2006: 79).

Although various other companies reported having improved competitiveness, this was largely non-quantifiable (Corbett and Kirsch, 2000: 04). Additionally, ISO 14001 certification also leads to improved customer satisfaction, improved efficiency of operations and processes, improved community relations, cost reduction and improved risk management practices (Fielding, 1999: 31; Petroni, 2001: 351). Other ISO 14001 certified companies reported increased compliance with complicated regulations, more motivated employees, more transparent and effective organisations, lower risk of liabilities, better allocation of responsibilities and better information flow of environmental matters (Steger, 2000: 23).

The evidence just provided serves to support the contention that, indeed, an ISO 14001 EMS would enable a company to simultaneously improve its
bottom line and its environmental performance (Ann et al. 2006: 79). The findings of Boiral and Sala (1998: 57), however, seem contrary to this assertion. They found that not all managers at Alcan Smelters and Chemicals Limited (AS&C) in the United States believed that adopting the ISO 14000 standards would improve environmental performance.

Despite this, there have been an ever-increasing number of companies getting certification. In Malaysia, for example, as of the 30\textsuperscript{th} June 1999, there were 101 certified sites. As of June 2001, the number had risen to 134, and it is still increasing. Whether the increase is brought about by management wanting to convey a favourable perception of environmental performance through site credentialism (Taylor et al., 2001: 411) (that is, a public relations exercise) or out of a genuine concern for the environment may be difficult to determine. Both sets of motivations may well lead to positive outcomes.

According to Zutshi et al. (2008: 527), public sector organisations can experience a number of benefits from EMS implementation and certification. Based on EnviroNews (2000), Pendleton and Nagy (2003: 61), Leavitt (2002), Pawar and Risetto (2001: 10), the following benefits are identified:

- reduced greenhouse effluents;
- improved emergency response planning;
- improved tracking of all types of permits (for example, health, water, fire, building);
- eligibility for a variety of incentive programmes offered by government regulatory agencies;
- improved performance and enhanced operational and administration efficiencies and cost reduction opportunities;
- higher levels of employee participation and stewardship;
- recognition within the community or public sector that the organisation is a leader in the field of environmental management and improved relations with the stakeholders; and
• reduced risk and liability and potential savings on insurance premiums.

3.4.4 Motivations for adoption of ISO 14001

A review of the relatively sparse body of anecdotal information, case studies, and survey research on environmental management systems indicates that several factors motivate companies to implement and certify EMS (Morrow and Rondinelli, 2002: 169). The decision to seek ISO 14001 certification should be evaluated in the same manner as any other business decisions (Corbett and Kirsch, 2000: 04). Consequently, cost-benefit analysis has been a central issue examined in prior empirical work (Steger, 2000: 23). The cost of implementation (which includes the cost of training, documentation, process modification, registration fee, registration maintenance, organisational adaptation, and legal consequences) is generally dependent on the size of the site and whether or not the company possesses prior experience with the implementation of ISO 9000 standards on quality.

Costs may range from 50 000 euros to 100 000 euros (Steger, 2000: 23). Graff (1997: 19) puts the cost of putting in place an ISO 14001 EMS as being between US$15 000 and US$150 000 per site. Rockwell Automation spent about US$50 000 for each of its 44 ISO 14001 certified sites (Moretz, 2000: 83). According to Corbett and Kirsch (2000: 04), obtaining ISO 14001 certification is not a major resource-intensive undertaking. None of the companies that participated in their study felt that the certification process was excessively expensive or onerous.

However, the data for a cost-benefits analysis of an EMS are fragmented and contradictory (Steger, 2000: 23). In Steger’s (2000) review of empirical studies in Europe, the author found that there was no common definition of the elements that were included in the “cost” of the EMS. While some companies included only the cash cost, others included the follow up actions “triggered by a discover” in the process of establishing the EMS. Further, the author argues that while costs may be immediate and measurable, the
benefits are difficult to measure and determined. Steger (2000: 23) poses the question: How does one measure positive (enhanced) image of a company or increased motivation on the part of employees? This is primarily because the potential benefits are intangible. According to Hogarth (1999: 123) it is:

“impossible to tally unwritten citations, fines not levied and lawsuits not filed”.

Thus, the advantages claimed, such as a positive public image or increased motivation on the part of employees, are just perceived benefits that are neither measurable nor empirically verifiable (Ann et al. 2006: 80). In line with this, prior research (for example, Montabon et al. 2000: 04), examining the impact of ISO 14001 EMS on environmental and economic performance has systematically sought respondents’ perceptions of the benefits of ISO 14001. Ann’s et al. (2006: 90) research study provided some empirical evidence that ISO 14001 certification has a positive impact on firms’ performance, specifically on perceived economic impact, perceived environmental impact, and perceived customer satisfaction.

Among multi-national and large corporations in the United States, the desire to integrate environmental, health and safety management with TQM systems, the requirement of parent corporations to improve environmental performance, the preference for getting beyond regulatory compliance and finding cost-cutting opportunities are frequently mentioned as motivators to adopt EMS. Large multinational companies, especially in the chemical, electronics and automobile industries, also seem to be motivated by the desire to extend environmental management standards to their suppliers. Among companies operating in international markets, especially in the United States and Europe, ISO 14001 or Eco-Management and Audit Scheme (EMAS) certification is an indicator of environmental responsibility and is often seen as a way of developing competitive advantage (Morrow and Rondinelli, 2002: 169).

The German Federal Environmental Agency’s surveys of German companies participating in EMAS identify the desire to improve environmental
performance, make better use of energy sources, motivate employees, improve company image, increase legal certainty, and upgrade environmental documentation as leading motivators. The small and medium-sized energy and gas companies that have been studied by the authors had similar motivations but somewhat different priorities. They were primarily motivated by the desire to improve documentation, ensure regulatory compliance, and increase the efficiency of their operations (Morrow and Rondinelli, 2002: 170).

Although, in general, the motivations of companies in the United States and Germany are similar, differences in priorities may be due to the more specific concerns of small and medium-sized companies with organising themselves more comprehensively and effectively to deal with environmental regulations and domestic competition. Because gas and energy industries in Germany are undergoing deregulation, they are especially motivated to find ways of cutting costs and improving efficiency in order to enhance their competitiveness. None of the five companies studied by the authors expected significant environmental performance improvements from the EMS because they had adopted, or were in the process of switching to, cleaner and more sophisticated technology and equipment (Morrow and Rondinelli, 2003: 170).

According to Morrow and Rondinelli (2003: 170), much more research needs to be done on a broader sample of companies to determine whether or not the motivations for adopting and certifying environmental management systems are fulfilled by the benefits and impacts of doing so. Anecdotal information and the relatively few case studies and surveys of companies participating in ISO 14001 and EMAS seem to indicate that companies both perceive benefits and experience positive impacts from implementing environmental management systems and that these benefits generally meet previous expectations. Those benefits tend to focus on management improvements, employee awareness, systematic and integrated documentation and procedures and selected environmental performance improvements. Documenting cost savings, increased competitive advantage, regulatory relief, and operational improvements is more difficult, both in large multi-national corporations and small and medium-sized domestic companies.
3.4.4.1 Club Theory

As mentioned earlier, the adoption of ISO 14000 is completely voluntary (Potoski and Prakash, 2005: 235). Firms generally weigh the cost of compliance against the benefits of compliance of ISO 14000. In reality, companies may be willing to foot environmental costs but disincentives arises environmental benefits accrued being public goods are not easily excludable from free-riders (Prakash, 1999: 322). Club theory posits that it is possible to transform a public good to a club good. There is goodwill generated through club goods that are packaged in a manner that discrete parts cannot be individually priced. Within the context of ISO 14000, this implies that membership through certification accords exclusivity to firms via the consideration of subscription fees. The international “social” consensus and recognition on privileges of membership further reinforces the credibility and brand identity of the standard.

Club membership demands certain degree of commitment and/or responsibilities. Potoski and Prakash (2005: 235) found that adoption of ISO 14000 has produced increased regulatory compliance. The authors also found that firms that are least likely to obtain ISO 14000 certification come from two extremes of strict advocates of the environments and those who had a lackadaisical stance towards environmental regulations.

3.4.4.2 Stewardship Theory

The neo-classical economic theory holds that the main responsibility of the firm is to maximise shareholder’s wealth. In particular, the invisible hand of economics posited by Adam Smith in The Wealth of Nations suggests that the pursuit of individual self-interest via free trade enabled by perfect capital markets will ultimately lead to a moral outcome (Farmer, 1997: 246).

A perfect market mechanism is grounded on the assumption of equal and costless information, absence of trade barriers, taxes and other transaction costs, which enables arms length transactions. In reality, there are often
conflicts of interests arising from information asymmetries between managers acting as agents on behalf of shareholders (Pitelis, 2004: 210; Turnbull, 1997: 180). Other stakeholders’ interests, including the environment are also relegated in pursuit of managers’ self-interests and/or shareholders. Agency theory grounded from within economics also implicitly assumes that financial rewards are the best underlying motivator to human behaviour. Altruism obscures the ability of managers to act as perfect agents for shareholders (Nga et al. 2009: 411).

In contrast to agency theory, stewardship theory suggests that besides shareholders, organisations need to recognise and owe a duty of care towards the interest of stakeholders (Davis et al., 1997: 20). Stakeholders include shareholders, customers, suppliers, governments, society, and the environment. It has been posited that stewardship is an ethical responsibility that extends to the inter-generational environmental interests (Jeurissen and Keijzers, 2004: 47; Tamminen, 1997: 354).

Thus, the voluntary adoption of ISO 14000 may be motivated by a sense of moral responsibility towards stakeholders in the spirit of sustainable development in generating a common wealth. Stewardship in terms of sustainable development implies that there may be compatibility between economic survival, societal quality of life, and environmental preservation. Returns are gauged in terms of the triple bottom line reporting (Raar, 2002: 169). However, a true stewardship relationship requires that transparency in communication is also not violated.

3.4.5 Controversies surrounding ISO 14000 adoption

As mentioned above, ISO 14000 is designed as a framework for the environmental management process and does not prescribe any environmental performance benchmarks (Watson and Emery, 2004: 760). ISO 14000 certification stresses the importance of the environment policy documentation and top management commitment towards continual improvements. Whilst certification helps strengthen the case for international

The motivation of ISO 14000 certification has often been attributed to market pressure, the need to garner competitive advantage and corporate image enhancement (Watson and Emery, 2004: 760; Chavan, 2005: 444). Unless certification of ISO 14000 is accompanied by the integrity in commitment and authentic vision of management and / or attitudinal changes it may be perceived as merely a public relations gimmick that lacks a value proposition to stakeholders (Rondenelli and Vastag, 2000: 499). Environmental performance of ISO 14000 is not entirely transparent as actual efficacy of EMS is internally assessed without mandatory external audit.

Zsolnai (2002: 652) posits that it may be difficult for large companies that depend on gaining economic growth via competitive advantage of trade at the international level to maintain the legitimacy of green business strategies. However this may be influenced by cultural factors. In Japan where ISO 14000 is the highest, Welsh et al. (2002: 43) found that initial adopters tended to be larger, greener and less driven by competitive media pressures.

While cost of maintaining certification and annual audits may amount to US$25 000 to US$100 000 per facility annually (Kolk, 2000 cited in Prakash and Potoski, 2006: 350) the benefits of EMS are difficult to quantify in economic terms (Rondenelli and Vastag, 2000: 499). Reinhardt (1999) cited in Nga (2009: 413) suggests that the absence of objective metrics for environmental performance may lead to over-investment and agency problems. While some studies have found that ISO 14000 certification has a positive influence on profitability (Chavan, 2005: 444), the overall empirical research has mostly been inconclusive (King and Lenox, 2001: 105; Renzi

3.4.6 Impact on Performance

Melnyk et al. (2003: 344) study began by exploring a question that pertained to the importance and impact of the formal EMS and certification of the EMS. The EMS is important because it is not only at the heart of the ISO 14001 certification process, but also integrated within operations management. Implicit in this certification is the assumption that the EMS is critical to the firm’s attempts to reduce or eliminate the waste and pollution created by the fabrication, use, and disposal of a product.

This study has evaluated the impact of environmental systems on self-reported measures of corporate performance and the environmental options a firm pursues. A limitation of the study is that environmental information is extremely hard to obtain. With this in mind, self-reported measures of performance from plant-level experts is the only way in which information is obtained about EMS attributes, environmental options and impacts of these types of systems on operations management and performance. Based on the information from plant-level experts within the United States, the results demonstrate that these types of environmental systems are critical to the management and reduction of waste. The results of the authors’ research show many significant relationships between the presence of a formal EMS or a certified EMS and improved performance such as reduced costs, improved quality, the reduction of waste in the design and equipment selection process and reduction of lead times (Melnyk et al. 2003: 344).

Furthermore, according to Melnyk et al. (2003: 344) basically, a formal EMS does play a role in improving overall performance; it also affects the frequency with which various environmentally related options are used. Certification of these systems does have a significant incremental impact on performance and on the reactive options the plants involved in the study considered. This
study demonstrates that certification, as embodied within the ISO 14001 environmental standards, brings with it real benefits.

According to Ann et al. (2006: 73), having an ISO 14001 EMS will help enhance a firm’s economic performance and at the same time improve its environmental performance. The benefits of ISO 14001 lie in cost savings through energy consumption, raw material input, waste management, environmental impact reversal, as well as an improved public image (Chattopadhyay, 2001: 36). Implementing ISO 14001 has also helped one of Rockwell’s automation plants reduce its hazardous waste by 18 percent. Ford’s Lima engine plant reduced its piston tin-plating process, resulting in a reduction in water usage by 2, 4 million gallons annually (Moretz, 2000: 83).

Lockheed Martin’s Syracuse plant was able to reduce its wastewater reduction by 86 percent, solid waste reduction by 78 percent, and process waste reduction by 34 percent. In addition, recycling at the plant improved by 22 percent (Moretiz, 2000: 83). Hogarth (1999: 118) in her study of Milan screw, a small to medium-sized enterprise (SME) in Michigan, reported cost savings of $20 000 when the company designed a better oil removal system as a result of putting in place an ISO 14001 EMS. One company reported that it was not only able to recycle 94 percent of its waste, but that the company was also able to create a profit centre (Fielding, 1999: 31).

Despite the hype it has been receiving, environmental management according to ISO 14001 (McCallum and Fredericks, 1996 cited in Ann et al. 2006: 77) is not a magic potion. It will not save the world, nor will it save the company, or the board of directors. It is a management system – that is all. It does not replace the common environmental performance levels (regulations, industry codes, and so forth) that a company must comply with. Rather, it provides a system for tracking, managing and improving performance regarding those requirements.

In another research study, Montabon et al. (2000: 04) suggests that companies overall do not see environmental management systems in a
positive light. In general, the major strategic dimensions of a company’s performance (that is, lead time, costs and quality), and that these systems do not enhance a firm’s competitive position in the marketplace, nor do they improve a firm’s ability to sell its products internationally. The authors found that a company’s attitude toward the standards was influenced by the progress of its plant in attaining ISO 14000 certification.

Although it is still too early to evaluate the effects of ISO 14001 will have on the marketplace advantage, some areas have already enthusiastically embraced the standard (Balta, 1999). These include the Asia-Pacific region, with Japan having over 25 percent of ISO 14001 registrations worldwide, and Europe. IBM, as a large multi-national company for which IBM is a supplier gives points on their satisfaction survey for having ISO 14001 registration. Indeed, many companies worldwide are finding it advantageous to align their EMS with the standard and register as customer needs require (Ann et al. 2006: 73).

Within a competitive environment, the adoption of EMS such as ISO 14000 may be further advocated if the short and longer-term financial performance can be justified. Nga’s (2009: 419) research study investigated the influence of ISO 14000 certification on company financial performance measures. ISO 14000 certified firms were found to have higher average return on equity but not necessarily sales and capitalisation. This study implies that ISO 14000 may bring certain benefits in terms of cost reductions through productional efficiencies.

However, top management commitment and more robust environmental accounting measures are required to further realise and authenticate the benefits of ISO 14000 certification. The difficulty in fully quantifying the acknowledged intangible reputational benefits of EMS, suggests that there is need to also develop a combination of publicly disclosed, comparable qualitative key performance indicators / standards in addition to financial measures to enhance comparability of firms on an international level (Nga, 2009: 419).
3.5 Conclusion

A extensive literature review and examination on excellence models, ISO 9001: 2008 (QMS) as well as earlier versions and ISO 14001: 2004 (EMS). Organisations and customers have demanded external recognition of quality, which has in turn provided the impetus for the International Standardisation Organisation (ISO) development of the ISO 9000 and ISO 14000 series. The quest for quality is probably more widespread and intense globally now than at any time in history.

Organisations have realised that the key to increased productivity and profitability is improving quality and in order to survive competition from home and abroad, they are forced to return to the basics of better quality management and cost-competitiveness measures for their products and services. Many organisations have arrived at the conclusion that the effective quality management can enhance their competitive abilities and provide strategic advantages in the marketplace.

Organisations, both public, and private sector, are constantly facing the challenge of “doing more with less”. In many sectors, the regulatory controls have become more stringent ensuring that what was acceptable in the past is not acceptable now. It is not possible for an organisation to stand still and remain competitive or being seen as giving value for money. Customers expect to see improvements and demand ever higher standards. Systems for improving and managing quality have evolved rapidly in recent years.

According to Zhang et al. (2000: 730), excellence models such as the European Quality Award in Europe (1994); the Deming Prize (1992) in Japan and the Malcolm Baldrige National Quality Award (1997) in the USA provide a useful benchmark framework against which firms can evaluate their quality management methods, the deployment of these methods, and the end business results. The EFQM Model is widely recognised as a representative theory to improve traditional TQM by expanding the narrow quality-oriented concept into a holistic management concept (Kim et al. 2010: 684).
ISO 9000 represents a trend in quality management, which cannot be ignored in today’s business environment. In fact, those companies wishing to remain competitive and improve their quality systems are recommended the use of ISO 9000 as a foundation for a much broader system of TQM. This is because ISO 9000 is an important part of TQM, and the implementation of both approaches together will lead to organisational success and competitive advantage. It is clear that both approaches tend to complement each other. ISO 9000 can be implemented first to create stability and consistency in the organisation’s work, then the implementation of TQM can enhance employee motivation and operational efficiency, and achieve overall organisational success and performance.

The literature review carried out has shown that there are several important studies and previous research efforts carried out concerning the ISO 9000 standards, both for academicians and quality practitioners. Sampaio et al. (2009: 51) were able to identify which are some of the main ISO 9000 issues analysed in the open literature and techniques employed. Although some of the issues are exhaustively analysed by different researchers, leading to consistent results, there are others with contradictory conclusions, namely regarding the ISO 9001 impacts over companies’ financial performance and the relationships between the ISO 9001 certification and TQM adoption.

The ISO 9001 certification represents a worldwide phenomenon, and, if this standard is correctly implemented and understood, as opposed to being used just as a marketing and promotional tool, there seem to be significant benefits derived for the organisations that do so – both internal and external ones.

Furthermore, the literature review carried out allowed the researcher herein to identify the following main conclusions:

- In spite of the international significant growth in the number of ISO 9001 certificates issued, some countries are already reaching a market saturation level regarding the number of ISO 9001 certified entities;
• ISO 9001 motivations and benefits can be categorised as being mostly external or internal ones. The first group is essentially related with marketing and promotional issues, while the internal category is related to internal organisational improvements;

• There is an interesting relationship between ISO 9001 motivations and the corresponding benefits. According to the literature, companies maximise their benefits if they achieve ISO 9001 certification based on internal motivations;

• An apparent erosion of ISO 9001 perceived benefits over time, after registration occurs, does seem to occur and deserves further exploration;

• Lack of top management involvement is considered to be the main obstacle faced by companies during ISO 9001 implementation and certification;

• Quality management systems implementation does seem to have positive and significant impacts over the companies’ performance. However, if the analysis is focused over its impact only over business financial performance, results of a contradictory nature are reported; and

• The majority of researchers do argue that ISO 9001 should be faced as the first step to a posterior TQM implementation, but there is no general agreement in this regard either.

Regardless of all the efforts and research projects already carried out within the scope of the ISO 9001 standard, significant contradictory results and unanswered questions remain.

Within a competitive business environment, the adoption of EMS such as ISO 14000 may be further advocated if the short and longer-term financial performance can be justified. ISO 14000 firms were found to have higher average return on equity but not necessarily sales and capitalisation. ISO 14000 may bring certain benefits in terms of cost reductions through production efficiencies. However, top management commitment and more
robust environmental accounting measures are required to further realise and authenticate the benefits of ISO 14000 certification. The difficulty in fully quantifying the acknowledged intangible reputational benefits of EMS, suggests there is need to also develop a combination of publicly disclosed, comparable qualitative key performance indicators / standards in addition to financial measures to enhance comparability of firms on an international level.

In Chapter Four, the relationship between the critical factors (CFs) of the total quality management (TQM) philosophy and the methodological practices, techniques and tools, namely excellence models, quality and environmental management standards in support of the CFs of the TQM philosophy, as well as the concepts of the „customer”, continuous improvement (CI), continuous process improvement (CPI), and service quality would be explored.
CHAPTER 04:


4.1 Introduction

The implementation of TQM cannot succeed without the use of quality management methods (Zhang, 2000: 129). TQM consists of critical factors and methods (Sitken et al. 1994: 537; Wilkinson et al. 1998; Zhang, 2000b: 129). According to Tari (2005: 186), the critical factors of TQM differ from one author to another, although there are common issues. In practice, organisations may follow known, accepted, standard models as a guide to carry out quality management. TQM is much more than a number of critical factors; it also includes other components, such as tools and techniques for quality improvement.

According to the literature, these elements may be grouped into two dimensions: the management system, that is leadership, planning, human resources and so forth and the technical system, that is a set of tools and techniques such as run charts, control charts, Pareto diagrams, brainstorming, stratification, tree diagrams, histograms, scatter diagrams, force-field analysis, flow charts, the ISO 9000 norm and so forth. The two dimensions reflect all the issues that a manager must bear in mind for a successful TQM implementation (Tari, 2005: 186).

Having examined the nature, content, approaches and critique by various authors on the total quality management (TQM) philosophy, excellence models, quality and environmental management standards (both the QMS and EMS) as methodological practices techniques and tools in support of the critical factors (CFs) of TQM, the relationships between the TQM philosophy (its concepts and constructs) as well as that of the ISO 9001: 2008 (QMS) and ISO 14001: 2004 EMS would now be explored, examined and critiqued.
4.2 TQM and Excellence Models

Around 1996 – 1997, European companies were keen on moving towards TQM. According to the most recent survey ended in 2002, the sample companies again indicated strong willingness to move towards TQM and other approaches such as Six Sigma (Sun et al. 2004: 144). Previous research has reviewed several reasons for the slow speed and low success rate of TQM in Europe, including those of resources, leadership and strategy, resistance to change, quantification of benefits and lack of systematic methodology (Dale et al. 2000: 04). Besides these reasons that are generic to any implementation of projects and changes, the following may also need special consideration (Sun et al. 2004: 145).

First, the renaming of the EFQM model may create some misunderstandings and dilute the TQM movement. Originally, in Japan, total quality control (TQC) aimed at quality conformance and improvement. However, TQC/TQM philosophy should not only be limited to quality conformance. It is also suitable for cost reduction, productivity improvement, delivery time shortening and flexibility improvement, as well as product and process innovation (Sun et al. 2004: 145). There are a number of research papers reporting quality circles that deal with issues of productivity (Bailey, 1998: 20), efficiency (Olderding, 1998: 55) and delivery (Zurier, 1989: 30).

Competition priorities include not only quality, but also productivity, delivery, flexibility and innovation (Harrison, 1998: 397; Venuvinod and Sun, 2000: 152). With the changes in competition priority in the market, it is reasonable to make changes in management, either in terminology or in other ways. European organisations responsible for quality promotion are “innovative” in the terminology. However, the most important is not the terminology, but the content. In Japan and other countries, “quality circle” is still termed “quality circle” although it may deal with cost, delivery and service problems (Sun et al. 2004: 145).
The real purpose of TQM might have been misunderstood by the West at the beginning and was limited to quality performance. EFQM must use whatever resources it can in order to communicate well with companies and pass the correct message to them that the change of the EFQM model does not mean quality is “dead”, but that all other performance factors such as productivity, flexibility, delivery and innovation are alive. If only the name was changed, companies may get the impression that another fad was coming (Sun et al. 2004: 145).

Second, the TQM movement in Europe emphasised the award ceremony rather than operational and practical tools and skills. The model had become more like a game of points scoring and awarding. It fell into the bureaucratic pitfall of ISO 9000 auditing, certificating and reviewing. If a company does not have TQM practice beforehand, the scoring game has two dangers. If the scores are too low, the company will be disappointed; and if the score is high the company will feel satisfied and optimistic (Wiele et al. 1997: 236). In either case, the company will not benefit from TQM. Future movement in European TQM should go beyond this scoring game and allocate more resources to quality engineering and basic, operational tools (Dale et al. 2000: 04).

Third, quality award models based on TQM philosophy inform companies only about what should be done, but not how to do it (Sun, 1994: 74). In other words, the assessment model measures TQM status but does not address the implementation of TQM. Those quality award models can be termed as the content model of TQM. There is a great need for an implementation model of TQM, accompanied by detailed rich, local case studies of successful companies. The TQM implementation model may be country- and-culture specific (Adebajo, 2001: 37), and therefore the cases from Japan may not necessarily be relevant examples for European companies. European or other country researchers should nurture their own successful cases based on their own country’s context.
It is broadly recognised that the EFQM model, the Malcolm Baldrige National Quality Award (MBNQA) model and the ISO 9000 quality management system standard have been significantly spotlighted worldwide (Oger and Platt, 2002: 99). In terms of main similarities, the three models follow the principles of TQM that have ramifications for all functions of organisations (Kim et al. 2010: 686). Furthermore, some research studies showed that there is synergy among MBNQA, ISO 9001 and ISO 14001 (Affisco et al. 1997: 05; Beechner and Koch, 1997: 33; Pun, 1998: 356).

The quality-award models (the EFQM and the MBNQA models) concentrate on evaluating organisational progress toward TQM (Biazzo and Bernardi, 2003: 149); while ISO 9000 promotes companies to implement TQM-centred principles (eight), such as customer focus (Lewis et al. 2006: 539). To produce ISO 9000 impacts, the principles should be widely applied and internalised in all aspects of the business, including suppliers and customers (Van der Wiele et al. 1997: 235).

According to Affisco et al. (1997: 05), organisations that have developed quality management systems (QMS) using the MBNQA criteria as a guide should benefit from this when developing an EMS because of the many similarities among them. Those organisations that have achieved ISO 9000 certification should also benefit from this effort when developing the implementation and operation, and checking and corrective action elements of an EMS. However, this is still open to debate since there is a lot of evidence to show that ISO 9001 and ISO 14001 have in many cases been introduced with little awareness of TQM, and this has not changed following introduction of the standards (Pun, 1999: 612).

To integrate MBNQA with ISO 9001 and ISO 14001, each award criterion need to be examined. The organisation should then determine how to embed the ISO 9001 and ISO 14001 elements into the associated award criteria and how to integrate the self-assessment requirements into a performance management system (Pun, 1999: 612).
All four models encourage organisations to conduct value-added audits. In the quality-award models, the audit aims at identifying organisational strengths and improvement areas (Pun, 1999: 614; Kim et al. 2010: 686). In ISO 9000, the audit is an essential condition to obtain or renew a certification. Another similarity is that the four models emphasise process management. To highlight the importance of process management, the MBNQA model allocates 100 points out of a total of 1000 points to the criterion of process management (National Institute of Standards and Technology, 2009). The EFQM also posits that the process management is a bridge to mediate enablers and results. ISO 14001 also contributes significantly to the process management as required in Category 6 of MBNQA (Pun, 1999: 614; Kim et al. 2010: 686).

With regards to the differences, the four models have different purposes and managerial areas. The objective of the excellence models is to evaluate organisation achievement and enhance awareness about the importance of quality and high performance, whereas ISO 9000 aims to assist companies to establish and maintain an effective QMS (Kim et al. 2010: 686). ISO 14001 is concerned with establishing guidelines and principles for the management of environmental matters by organisations through the establishment and operation of environmental management systems (Pun, 1999: 610).

The excellence models cover all management areas, such as leadership and performance (Porter and Tanner, 1996). Companies should incorporate the excellence models into corporate-wide issues and broad-range information sources (Czuchry et al. 1997: 876). In contrast, ISO 9000 focuses on only key processes and systems that influence quality and operational performance. Another difference is that the importance of each category in the excellence models is unequally weighted. The excellence models also have a scoring scheme using numerical scores out of 1000 points. In ISO 9000, on the other hand, all requirements are weighed equally. There is no weighting of managerial areas or requirements. ISO 9000 provides binomial outputs, certification or termination (Kim et al. 2010: 686).
Next, in terms of the maturity level, applicants of the excellence models are in high levels of the TQM evolution stages (Czuchry et al. 1997: 876), while ISO 9000 certified companies are typically in an early stage toward establishing TQM (Mahadevappa and Kotreshwar, 2004: 295). Companies of the excellence models have internalised TQM principles in their organisational systems and cultures (Czuchry et al. 1997: 876).

ISO 14001 EMS draws its core elements from proven management systems as that of the ISO 9000 series, such as management by objectives, organisation development models and continuous improvement to measure, review, performs root-cause analysis and takes corrective action. It provides a management framework for planning, developing and implementing strategies and related programmes in the organisation. The ISO 14000 series stresses continual improvement and dynamic “plan-do-check-act” process, and requires organisations to evaluate their current and potential environmental exposures in terms of impact and compliance with legislation (Kuhre, 1995; Wever, 1996; ISO, 1996).

4.3 TQM and ISO 9001 QMS

In examining ISO 9000 and TQM, Laszlo (1996: 35) stressed that ISO 9000 and TQM are totally different approaches, where ISO 9000 implementation is associated with line workers, while TQM is more related with top management. Moreover, the focus of ISO 9000 is on proving compliance, gaining certification, while TQM focuses on continuous improvement, achieving, and maintaining customer satisfaction. Furthermore, Yung (1997: 221), in differentiating between ISO 9000 and TQM, claims that the concept of TQM is broader and deeper than ISO 9000. TQM is identified to be for internal organisational use and tends to go beyond customer satisfaction, while ISO 9000 is only for external assessment needs in order of achieving customer satisfaction.
4.3.1 The process / system approach of ISO 9000 and Deming"s system of "profound knowledge"

To continue with an effective examination of ISO 9000 and TQM, it is important to compare the process / system approach of ISO 9000 with Deming"s system of profound knowledge (Magd and Curry, 2003: 244). The ISO 9000 process / system consist of ISO 9000 assessment; quality assurance manual; training; documentation; and registration audit. Deming"s system of profound knowledge provides a new map of theory by which to understand and optimise the organisations that we work in, and thus to make a contribution to the whole country (Deming, 1993: 94). The system has four interrelated areas of understanding, which forms a systems approach. They are knowledge about the system, knowledge about variation, theory of knowledge and knowledge of psychology (Magd and Curry, 2003: 244).

Based on the description of ISO 9000 process and Deming"s (1993) system of profound knowledge, it is clear that the components of ISO 9000 process are working together to support each other to achieve a constancy of purpose which is certification. This in turn enables organisations to gain knowledge about the system, which forms the foundation for the system of profound knowledge (McNary, 1997: 229). To support this, an example of a well - managed system is an orchestra, where:

"...the various players are not there as prima donnas – to play loud and attract the attention of the listener. They are there to support each other. In fact, sometimes you see a whole section doing nothing but counting and watching...that’s how business should be" (Deming, 1990: R30-R41).

ISO 9000 process conforms to step-by-step procedures in ensuring the quality of finished goods and services (Stevenson and Barnes, 2001: 45), and also used different techniques such as process capability and control charts (Barnes, 1998: 23). These procedures are used to reduce variations in order to achieve a stable and predictable system over time.
Theory of knowledge (the third criterion of Deming’s, 1993 system of profound knowledge) is evident in ISO 9000 through the provision of training to everyone in organisations, where they can compare results to upgrade and improve procedures to acquire knowledge. Therefore, the first three elements of Deming’s (1993) profound knowledge and the ISO 9000 process/system approach complement each other. However, the last component of profound knowledge (knowledge of psychology) is not evident in ISO 9000, and this is because ISO 9000 does not focus on human interactions (Barnes, 1998: 23).

However, this did not stop organisations and managers focusing on human interactions (for example, motivating employees) through the implementation of TQM constructs to achieve effective implementation of ISO 9000 (Dewhurst et al. 1999: 265). TQM is concerned more with the human factors (McArdle et al. 1995: 156; Yong and Wilkinson, 2001: 247), while ISO 9000 emphasises comprehensive guidelines on a quality system (Dale, 1994; Yong and Wilkinson, 2001: 247). In addition, the components of both systems interact with one another and therefore cannot be separated (Gapp, 2000; Singels et al. 2001: 62).

Therefore, for both systems to succeed, leadership and management commitment will play an essential role (Gapp, 1999a: 524; 1999b; McNary, 1999: 19; Deming, 1994a; 1994b: 04; 1994c: 30; Sun and Cheng, 2002: 421; McAdam and Jackson, 2002: 255).

Fox (1994) and Juran (1993: 48) suggested that the implementation of ISO 9000 by itself is not sufficient for an effective quality system, since it guarantees neither the manufacturing of a good quality product nor customer satisfaction. To support this, Singels et al. (2001: 62) state that:

"ISO certification gives no guarantee that the quality or service of an organisation is better than the quality of other organisations. Thus, ISO certified organisations do not automatically have a good product quality".
Therefore, in order to survive in the highest competitive business environment, the quality management system based on the model of ISO 9001 is not enough and must encompass broader principles such as that of TQM.

4.3.2 ISO 9000 as a subset of TQM

Terziovski et al. (1997: 01) and Curkovic and Handfield (1996: 02) examined ISO 9000 and stressed that the ISO 9000 criteria are a subset of the requirements of TQM, whilst Curkovich and Pagell (1999: 550) summarised the items for which ISO 9000 makes no provision, such as competitive comparisons and benchmarks; analysis and uses of company level data; strategic quality and company performance planning process; quality and performance plans; employee involvement; employee well-being and morale; product and service quality results; company operational results; business process and support service results; customer relationship management; commitment to customers; customer satisfaction determination, results and comparison; and continuous improvement.

Arora (1996) described ISO 9000 as a pillar in a company’s approach to TQM since it includes important elements such as training, statistical process control (SPC) and management commitment. The author added that ISO 9000 is an important part of TQM. To support those claims, Lai (1996) mentions that TQM is an approach to quality that goes beyond ISO 9000 and TQM are not different alternatives to each other, and are not mutually incompatible. ISO 9000 builds a strong foundation for a TQM environment, emphasising customer needs, employee involvement and making continuous improvements (Lai, 1996). Moreover, McAdam and Jackson (2002: 255), Williams (1997: 08) and Askey and Dale (1994: 67) revealed that ISO 9000 certification provides the building blocks for successful and effective implementation of TQM.

Further, McAdam and McKeown (1999: 229) found the majority of organisations in their study progressed from ISO to TQM and considered ISO
to be an important step towards the TQM journey. Similarly, Lau et al. (1999: 123) concluded that over 70 percent of ISO organisations surveyed would like to progress on the quality journey through the implementation of TQM. Bohlen (1993) argues that the requirements of ISO 9000 could be easily satisfied if they were a part of TQM, rather than being on their own. Therefore, it is recommended that organisations can achieve ISO 9000 first to create stability and consistency in the organisation’s work; then they can implement TQM in order to enhance employee motivation and operational efficiency.

McAdam and Jackson (2002: 255), Dick et al. (2001: 114) and Bradley (1994: 50) supported the idea of starting with ISO 9000 as the first step towards TQM. Taylor (1993) found that 33 percent of organisations, which had introduced ISO 9000 also, had TQM in place and of those, which did not, 43 percent either was planning to introduce TQM or were considering it. On the other hand, 42 percent of the organisations with TQM were planning to introduce ISO 9000. Ho (1994: 74) supported this recommendation. Ho’s (1994) recommendation has been taken further and developed through a model referred to as TQMEX, which represents the incorporation of ISO 9000 into the TQM approach of the organisation (Ho, 1999: 381).

In addition, Zhang (1999: 75) agrees with the recommendation that organisations should go beyond ISO 9000 to incorporate other models of TQM. To investigate the benefits of implementing both ISO 9000 and TQM instead of only one of them, Rao et al. (1997: 335) undertook a study of firms implementing TQM in the USA, India and China. The study suggested that ISO 9000 firms had better quality management practices and results than the firms that were not registered to ISO 9000.

Sun (1999b: 201) analysed data obtained by the London Business School and Chalmers University of Technology, covering 20 countries. The study concluded that implementing ISO 9000 alone did not contribute much to quality improvement in organisations. However, implementing both ISO 9000 and TQM contributed the most. Moreover, Prabhu et al. (2000: 84)
investigated the impact of ISO 9000 certification and TQM on organisational performance. The study concluded that organisations, which systematically adopt best practice starting with ISO 9000 and continuing with TQM, are achieving a higher level of organisational performance.

4.3.3 Similarities and Differences

In spite of the fact that the TQM and ISO 9000 systems are considered to be at the same level of quality practices, there are several differences in their principles that put the ISO certification far beneath TQM (Martinez-Lorente and Martinez-Costa, 2004: 262). Nevertheless, despite their different objectives, both systems have some common elements. This is the reason why many researchers consider ISO 9000 as a first step towards TQM (Taylor, 1995: 40; Tummala and Tang, 1996: 08; Baena-Lopez, 1998: 49; Skrabec, 1999: 06; Sun, 2000: 168; Escanciano et al., 2001: 481). Some of the common elements are:

Process flow management. ISO 9000 is basically a list of norms on how to manage the process (Lee et al. 1999: 88). A good application of ISO 9000 could lead to more controlled processes, although statistical process control is not a pre-requisite of ISO;

Information and data gathering. Both models imply obtaining data on quality. The difference lies in the fact that ISO 9000 does not require the analysis of data and TQM only requires the gathering of data if it is with the aim of analysing them and using the results to improve quality (Tummala and Tang, 1996: 08; Lee et al. 1999: 88; Gotzamani and Tsiotras, 2001: 1326);

Use of statistical tools. ISO 9000 includes this requirement (point 4.20) but a company may get certification without applying any statistical tool (Lee et al. 1999: 88).

According to previous points, it can be accepted that a company certified by ISO 9000 may have gone a part of the way to TQM. However, it is only the
first part of the way, not its end, because there is a large amount of TQM requirements that ISO 9000 does not satisfy (Martinez-Lorente and Martinez-Costa, 2004: 263):

*Continuous improvement.* This is one of the columns of TQM (Deming, 1982). ISO 9000 introduces the improvement only through prevention and correction of non-conformities. This is a passive focus, contrary to the pro-activity TQM (Lee *et al.* 1999: 88; Zhu and Scheuermann, 1999: 291);

*Customer focus.* ISO 9000 only requires the application of a set of procedures focused in the fulfilment of design specifications. The customer is the king in a TQM environment, everything is done to try to get satisfied customers (Lee *et al.* 1999: 88);

*Workforce development and participation.* ISO 9000 does not give a special importance to this subject (Tummala and Tang, 1996: 08; Gotzamani and Tsiotras, 2001: 1326).

Moreover, according to Martinez-Lorente and Martinez-Costa (2004: 264), ISO 9000 includes elements that are opposite to TQM principles such as: *Excessive bureaucracy:* this bureaucracy may lead to demotivation and uneasiness among employees; *Lack of flexibility* (Gotzamani and Tsiotras, 2001: 1326): the correct execution of the norm may obstruct the critical change of process aimed to continuous improvement; ISO 9000 may force companies to make controls on products received from suppliers when TQM upholds the suppression of controls and the set up of a relationship with suppliers based on mutual trust; and ISO 9000 may force companies to make excessive controls to intermediate and final products. TQM stresses prevention not inspection, however, ISO 9000 gives importance to inspection (Tummala and Tang, 1996: 08).

The ISO 9000 quality management standards reflect a narrow and static inspection philosophy emphasising conformance to specification and system maintenance. The certification of ISO 9000 and quality audits provide
indications that the organisation has achieved the minimum requirements of the standards (Johnson et al. 2000: 43).

TQM systems constitute structured systems and managerial activities. These include a mix of people issues and an understanding of systems and tools of improvement. The people issues are related to leadership. A critical role of leadership is the determining of the organisation’s mission, vision and guiding principles. One of the primary conditions for the successful implementation of TQM is a quality culture; this emerges from the values, beliefs, attitudes and prejudices inherent in all the people in the organisation. These attributes, along with the technology and traditional methods of work, are the prime determinants of the culture of an organisation. To imbue everyone in the organisation with a quality philosophy focused on alignment of strategies, structures and functions with environmental demands, means achieving a culture change in management behaviour (Johnson et al. 2000: 43).

There are important ISO requirements common to the philosophies of TQM. These include management responsibility, training, process control, statistical techniques, a quality system and internal quality audits (Smith and Angeli, 1995: 35). Therefore, the inter-relationship between ISO 9000 and TQM can be illustrated by the following equation (Lim and Niew, 1995: 420; Smith and Angeli, 1995: 35):

\[
TQM = \text{People (culture)} + \text{tools (technique for improvement)} + \text{system (ISO 9000)}
\]

Johnson et al. (2000: 44) state that it is indisputable that conformance to technical standards is only part of the total process of satisfying customers. ISO 9000 is an integral part of TQM; it acts as a concrete foundation on which to build a quality organisation. It provides guidance in the application of quality improvement tools, techniques, the application of performance measures to the whole system and provides a structured approach to the deployment of an appropriately trained workforce.
Although there are a large number of scientific publications related to TQM, the number of companies that have implemented total quality models after ISO 9001 registration is not all that large (Sampaio, 2007: 50). Escanciano et al. (2001b) concluded that companies that have already implemented TQM were those that achieved ISO 9001 certification based mostly on internal reasons or that have been ISO 9001 certified for a long period of time already. Al-Khalifa and Aspinwall (2000) concluded that the use and knowledge of TQM-related activities were very limited among surveyed companies, and mainly consisted in focusing on customer needs, expanding market share and cost reduction initiatives.

Concerning relationships between ISO 9001 implementation and the subsequent evolution to the adoption of excellence models (for example, Malcolm Baldrige and EFQM), there are three different perspectives:

1. The most common perspective argues that ISO 9001 certification should be the first step and support a posterior total quality philosophy implementation (Idris et al. 1996; Al-Khalifa and Aspinwall, 2000; Escanciano et al. 2001b; Gotzamani and Tsiotras, 2001; Magd and Curry, 2003b). Idris et al. (1996) stated that surveyed companies faced ISO 9001 certification like a first step towards TQM implementation. According to Magd and Curry (2003b), ISO 9001 can be implemented first to create stability and consistency in the organisation’s work, so that TQM implementation later on enhances employee motivation and operational efficiency, to achieve overall organisational success and performance. Companies that have experienced high benefits from the certification process are those that use more frequently quality practices and that are more favourable to advance towards TQM (Escanciano et al. 2001b).

2. Sun (2000) and Dwyer (2002) state that ISO 9001 cannot be faced as an independent approach from TQM, but that both methodologies should be integrated and implemented together.
ISO 9001 is not a substitute for TQM, but both approaches must be completely and systematically implemented and integrated (Sun, 2000). Dwyer’s (2002) main conclusion is that business excellence models and the ISO 9001 standard can and should be integrated, rather than compete with each other. As an integrated management system, they can help to implement quality systems more effectively, within the scope of a “bifocal” performance improvement strategy, aiming simultaneously for short-and-long-term improvements and results.

(3) Other authors do not establish any relationship whatsoever between ISO 9001 registration and TQM adoption. The results found by Rahman (2001) have indicated that there was no significant difference between the impacts of TQM practices on organisational performance for firms with and without ISO 9001 certification. Martinez-Lorente and Martinez-Costa (2004) and Martinez-Costa and Martinez-Lorente (2004) concluded that the best strategy may consist of implementing TQM without ISO 9001.

4.3.4 Incorporating ISO 9000 and TQM

A shift towards TQM does not mean that companies will implement TQM separately. TQM and ISO 9000 should be incorporated with each other (Sun et al. 2004: 146). In terms of incorporating TQM and ISO 9000 standards, ISO 9000: 2000 and 2008 versions appears to be very exciting since it embraces the principles of TQM (Sun et al. 2004: 146; ISO, 2008). However, researchers have warned that the new version (that is, the 2000 version) may not be an easy bridge to TQM for several reasons (Laszo, 2000: 336).

First, the people working for ISO and TQM are from different backgrounds. Those working for ISO are still reluctant to accept that they are moving towards TQM. As a result, managers will have an impression that ISO 9000: 2000 is an updated ISO 9000 while TQM is another entity. Second, the
implementation processes of the two approaches are different (Conti, 1999: 454). ISO 9000 standards registration is performed largely by quality managers, while senior managers and other employees are not personally involved. TQM on the other hand requires the involvement of all members of a company. Therefore, obtaining ISO 9000 certification may be a disadvantage for implementing TQM (Wiele et al. 1997: 236).

ISO 9000 and TQM principles may not be simply incorporated because they are placed in one updated version, whether it is process-oriented or not. Without bridging the gap or difference, the incorporation or updating of ISO 9000 may not take place. There were some reports saying that changing from ISO 9000: 1994 to the new process-oriented version can be a slow and tedious process for organisations (Kartha, 2002: 01). Laszo (2000: 336) warned that if the issues are not addressed properly, the new version will frustrate applicants and may tarnish the quality movement. Finally, the ISO 9000: 2000 version does not cover all the TQM philosophy and other necessary tools and techniques. The new version is still not a comprehensive business performance framework as provided by quality award models (Kartha, 2002: 01). There has, therefore, been a call for extending beyond ISO 9000: 2000 (Russel, 2000: 657).

The incorporation or integration of ISO 9000 standards with TQM has been a topic for debate in recent years (Sun et al. 2004: 146). Many researchers have proposed that ISO 9000 is the stepping-stone to TQM (Quazi and Padibjo, 1997: 364). Parr (1999: 06) even believes that ISO 9000 certification drives the adoption of TQM. Other researchers have suggested that ISO 9000 standard and certification is the foundation on which TQM will be built (Stephens, 1994: 57). Other studies also reflect the “go beyond ISO 9000 to TQM” movement in Europe (Sun et al. 2004: 146).

Sun et al. (2004: 146) pointed out that ISO 9000 standard is not necessarily the sole first step to TQM. Brown and van der Wiele (1996: 40) and Sun (1999: 201) found that there have been Japanese and US companies that implemented TQM first and then ISO 9000 standards second. This opinion
may confuse these companies that started with TQM first, and who may think they are on the wrong path. Corrigan (1994: 51) has pointed out that it was a mis-application to promote ISO 9000 standards as the sole path to TQM. A survey showed that there was no significant difference between SMEs with or without ISO 9000 certification with respect to TQM implementation and organisational performances (Rahman, 2001: 35). The “go beyond ISO 9000 to TQM” slogan may also be misunderstood as the ending of the ISO 9000 era and the start of TQM (Sun et al. 2004: 147).

It is simply for historical reasons that European companies implemented ISO 9000 before TQM. Even if a company implements ISO 9000 first, the next step may not be TQM if the managers do not realise the necessity for it. In fact, the author’s previous research found that many companies were satisfied with ISO 9000 certificates and did not have plans to progress further to TQM (Sun, 1999: 201; 2000: 168). Due to the exaggerated propaganda by consultants and the media, many certified companies believe that ISO 9000 certification fulfils all quality concerns and that they do not need to do anything else after the certification. Brown and van der Wiele (1996: 40) found that about 85 percent of those companies that were forced to obtain ISO 9000 certification did not make the transition to TQM.

In this sense, ISO 9000 certification may have hindered the spread and implementation of TQM. This is supported by the findings of Hind (1996: 25) and Wiele et al. (1997: 236), who found that the implementation of ISO 9000 does not necessarily signal the start of the journey towards TQM. In fact, many of the current practices in the ISO 9000-registered organisations formed a barrier to the migration towards TQM (Sun et al. 2004: 147).

Although ISO 9000 can be used as a tool to facilitate and operationalise the implementation of TQM, it is certainly not an automatic and natural next step (Sun et al. 2004: 147). Whether ISO 9000 is regarded as a step to TQM, and whether ISO 9000 certification is used as a tool to implement TQM, depends on whether managers understand the function and limitation of ISO 9000 certification and TQM. Dunstan (1993: 51) stated that:
“it is a matter of understanding both and seeing how they can complement each other”.

Meegan and Taylor (1997: 100) later pointed out that:

“Understanding then became the crux of the issue; only when complete understanding of both ISO 9000 and TQM is achieved can a successful transition between the two occur”.

Therefore, future research should aim to teach companies the real value, functions and limitations of ISO 9000 and TQM, both in the old and new versions (Sun et al. 2004: 147). However, the following summary from some references (Ho, 1994: 74; Meegan and Taylor, 1997: 100; Kanji, 1998: 633; Sun, 2000: 168; Dale et al. 2000: 04; McAdam and Jackson, 2002: 255) may serve as a basis for understanding ISO 9000 and TQM. The main goal of ISO 9000 is to produce an effective quality system that will assist in eliminating errors, save money on rework and wasted work, and satisfy customer requirements. In these ways, it aims to maintain quality. Claiming or expecting more from ISO 9000 than intended was in fact a misunderstanding of the ISO 9000 standard (Meegan and Taylor, 1997: 100).

Interestingly, however, Casadesus and Karapetrovic (2005a: 105) and Conti, (2004: 665) state that the greater demands and, in particular the higher TQM content of ISO 9000, are likely to lessen rather than improve the effectiveness of the standard’s implementation in the future and also reduce its rate of return. This may account for a large proportion of recent thinking that has tended to focus upon the needs of both for-profit and non-profit companies that have implemented a formal quality management system (White et al. 2009: 274). These organisations or industry sectors are now beginning to ask “what next?” and are considering options such as TQM, business process re-engineering, Six Sigma, balanced scorecard or combinations of these methods as options for driving their quality systems forward (Yang et al. 2005: 285; Lupan et al. 2005: 719; Hwang and Chou, 2004: 349; Senthil et al. 2001: 680).
TQM aims to continuously improve product quality as well as aspects of performance. However, the approaches used to implement TQM vary substantially from culture to culture. Thus, a model like the EFQM excellence model is necessary to standardise and structure TQM. A recent study (McAdam and Jackson, 2002: 255) found that TQM and ISO 9000 standards complement each other if properly implemented. These findings are supported by data from companies that have successfully made the transition from ISO 9000 to TQM (Hill et al. 2001: 142).

4.4 ISO 9001 QMS and Excellence Models

In reviewing the development of the ISO 9000 standard and the EFQM excellence model, it is apparent that these two quality management frameworks are moving closer to each other (Sun et al. 2004: 138). In the new revisions of the two frameworks, they both attempted to enhance their abilities to help organisations achieve better business performance. In ISO 9000: 2000 and 2008 versions, many TQM concepts were added and the ISO claimed that the 2000 and 2008 version is more compatible with other national quality management models, such as the EFQM excellence model (ISO Guidelines: 2004 and ISO, 2008).

For TQM, the intention to broaden the scope of the model to all sectors and its acceptance irrespective of country coincide with the original intention of ISO 9000 to create a two-party, non-binding standard, which could penetrate barriers of culture and language. This is the advantage of ISO 9000, which no other quality management framework could ever achieve, while the value of TQM may be negated by structural, cultural and political constraints (Adebanjo, 2001: 37).

Besides the objectives of the two frameworks moving closer, the problems faced have also been similar. ISO 9000 standards were continuously criticised of being bureaucratic. The excellence model was criticised on the grounds that it focused on the self-assessment, benchmarking scheme, which was also complained to be over-bureaucratic. Users complained that it used
too many words to express obvious points. Such wordy initiatives made it difficult to win the support of employees. Regarding TQM, Amanda Eyles, the technical director at Bostik (the glue manufacturer), stated that she thought that although the theory is “very good”, TQM can become bureaucratic, and that:

“...so many procedures are written out that it can stop people using their own initiative and creativity within the organisation” (Sanghera, 1999: 21).

Another problem of ISO 9000 and the excellence model was that the users did not commit comprehensively in using the standards or model. Companies tended to concentrate on just a few total quality principles in order to boost performance in specific parts of their business, and many of these companies just wanted to get the certification or award as a badge. This certainly affected the performance of the standards or the model in helping an organisation to move towards total quality (Dale et al. 2000: 04).


The ISO 14000 series, which was first introduced in 1996, bears many commonalities with the ISO 9000 series which was introduced in 1987 (Castka and Balzarova, 2008: 74). Both standards provide the framework and guidelines for quality management and environmental management respectively without specifically addressing actual performance or specific product quality measurement. As quality management systems (QMS) standards prescribed by ISO 9000 also addresses efficiency issues for continuous improvement and have certain common requirements especially with respect to documentation, the diffusion of ISO 9000 and ISO 14000 have followed similar patterns worldwide (Viadu et al. 2006: 141; Corbett and Kirsch, 2001: 327).

Integration in adoption of ISO 9000 and ISO 14000 avoids duplication of procedures and reduces resources (Zeng et al. 2005: 394). The latest versions of ISO 9000 and ISO 14000 have generated subscription by more
than a million firms in 161 nations (ISO, 1998) is a testament to the compatibility of the two standards. Both EMS and QMS require top leadership commitment, administrative organisation structure and policy integration to achieve longer-term congruence for continuous improvements in operations enabling integration (Renzi and Cappelli, 2000: 849). However, they may differ in terms of technical requirements and require some degree of separation in management in these areas.


As could be ascertained in the above discussion, there have been much thinking with regards to integrating systems, models and frameworks for better alignment, efficiency and effectiveness. To this end, an integrated excellence and quality management model will be will now be discussed.

4.6 An Integrated Excellence and Quality Management Model

Facing increasing marketplace challenges, many organisations realise that total quality is essential and protecting the environment is also required for improving the quality of life (Pun et al. 1999: 610). Some studies showed that there is synergy among MBNQA, ISO 9001 and ISO 14001 (Affisco et al. 1997: 05); Beechner and Koch, 1997: 33; Pun: 356). Although there are differences in the requirements of many aspects (such as purposes, emphasis, eligibility, participants, evaluation criteria, orientation and mechanics), they are so inter-twined that they require better integration for business results (Pun et al. 1999: 612).

For instance, according to the study of Affisco et al. (1997: 05), organisations that have developed QMS using the MBNQA criteria as a guide should benefit from this when developing an EMS because of the many similarities among
them. Those organisations that have achieved ISO 9000 certification should also benefit from this effort when developing the implementation and operation, and checking and corrective action elements of an EMS (Affisco et al. 1997: 05). However, this is still open to debate since there is a lot of evidence to show that ISO 9001 and ISO 14001 have in many cases been introduced with little awareness of TQM, and this has not changed following introduction of the standards. To integrate MBNQA with ISO 9001 and ISO 14001, each award criterion need to be examined. The organisation should then determine how to embed the ISO 9001 and ISO 14001 elements into the associated award criteria and how to integrate the self-assessment requirements into a performance management system framework (Pun et al. 1997: 05).

The emphasis of MBNQA is on achieving customer satisfaction through continuous quality improvement and setting of a standard for business excellence (NIST, 1998). The core values and concepts of MBNQA are embodied in seven categories of award criteria. Leadership (Category 1), Strategic Planning (Category 2) and Customer and Market Focus (Category 3) represent the leadership triad and have a total score of 270 points. They emphasise the importance of a leadership focus on strategy and customers, and underline that senior leaders must set company direction and seek future opportunities for the company (NIST, 1998).

Human Resources Focus (Category 5), Process Management (Category 6) and Business Results (Category 7) represent the result triad and have a total score of 650 points. They stress the company’s employee and key processes to accomplish the work of the organisation that yield its business results. Information and Analysis (Category 4) has a score of 80 points, and serves as a foundation for analysing the performance management system that is critical for improving company performance and competitiveness. These seven criteria are made up of results-oriented requirements and focus on business results. Moreover, they support goal-based diagnosis and adopt a systems approach to maintaining company-wide goal alignment (NIST, 1998).
A foundation for performance improvement is a self-assessment orientation and this is achieved through a heavy weight on business results in the scoring system (Reimann and Hertz, 1993; Affisco et al. 1997: 05; NIST, 1998). Regarding the ISO 9001 standard, it is merely process and customer focused, and relies on the ability of organisations to perform in accordance with the contracts with their customers. A heavy orientation towards operating processes is emphasised in the standard (Affisco et al. 1997: 05).

To a great extent, ISO 9001 thus forms a major part of Process Management (Category 6) of MBNQA. On the other hand, the focus of ISO 14001 is put on the development and implementation of an EMS. It addresses the needs of a broad range of interested parties and the evolving needs of society for environmental protection and sustainable development. EMS audits of organisations may be commissioned internally or by external regulatory or contractual entities, and they stress primarily the environmental policies and the performance in achieving them (Affisco et al. 1997). ISO 14001 also contributes significantly to the process management as required in Category 6 of MBNQA.

The design of both ISO 9001 QMS and ISO 14001 EMS is an ongoing interactive process that consists of defining, documenting and improving on the required capabilities. ISO 9001 provides a structure for defining and implementing a baseline quality assurance system that is essential for launching continuous improvement processes and techniques. Similarly, the emphasis of a successful EMS is on continuous improvement in achieving an environmental policy that is grounded in the concepts of pollution prevention and sustainable development (Cascio, 1996; Affisco et al. 1997).

A documented system is thus a fundamental requirement for MBNQA, ISO 9001 and ISO 14001. The structure, responsibilities, practices, procedures, processes and resources for implementing quality and environmental policies, objectives and targets should be co-ordinated with existing efforts in other functional areas of the organisation (Pun et al. 1999: 614). Many of the ISO 9001 and ISO 14001 standard requirements can easily be added to the
existing documented procedures for MBNQA; only as few clauses require their own procedures (Beecher and Koch, 1997: 33).

Moreover, separate audits for ISO 9001 and ISO 14001 may not be needed because of the similarities in structure and documentation between them. However, some additional assessment activity and effort on the part of the auditing team may be required to evaluate a management system that has been expanded to cover more aspects of a company’s operations. Specific work still remains to be done to develop a plan for reconciling the disparate impact on organisations of failing to fulfil the MBNQA criteria and obtain the ISO 9001 registration versus non-compliance with environmental regulations (Affisco et al. 1997).

Both ISO 9001 and ISO 14001 constitute an integral part of an organisation’s overall management system. When blended with the MBNQA criteria, together they provide a reasonable framework to help an organisation achieve functional clarity and reach its goals. They also place a great emphasis on self-assessment in achieving quality and business performance, business results and management excellence (Pun et al. 1999: 614).

4.6.1 Building a self-assessed quality management system (SQMS)

There are significant opportunities for integrating MBNQA with ISO 9001 and ISO 14001. The principles of TQM as implemented with the MBNQA criteria can be used as an umbrella under which the integration can proceed along with efficient self-assessment (Pun et al. 1999: 614) (See Appendix 5). According to the European Foundation for Quality Management, self-assessment is a comprehensive and regular review of an organisation’s activities and results against a systematic model of business excellence (EFQM, 1997). The assessment process allows the organisation to discern clearly its strengths and the areas in which improvement actions that are monitored for progress. It allows an organisation to monitor on a regular basis what activities are going well, those, which have stagnated, and what needs to be improved (Beasley, 1994; van der Wiele et al. 1997: 236).
The building of a self-assessed quality management system (SQMS) should start with well-defined corporate values and mission so that all stakeholders can visualise the commitment, culture and core values of an organisation. Senior management should initiate their leadership, and develop clear company goals and quality objectives consistent with the company’s mission. Core quality concepts and elements (such as leadership, strategic quality planning, design quality, speed and prevention, people participation and partnership, fact-based management, continuous improvement, and customer focus and satisfaction) would then be identified, and together as a system addressed to well-defined and designed processes. These processes would encompass the planning of new products or services with zero defects, employee and supplier involvement and participation, training and education, rewards and recognition as well as the quality of work environment (Pun, 1998: 356).

Competitive performance evaluations and benchmarking would directly address continuous improvements and changing customer requirements, with the aid of analytical tools and problem-solving techniques (such as statistical tools, cause-and-effect diagrams and relations diagrams). The findings would then be used to formulate a process management plan that interweaves the objectives, strategies and implementation aspects of quality programmes, projects and tasks. Both the environmental and the safety and health standards would be included along the conformity requirements of the ISO 9000 certification as they are all embraced by TQM philosophy. The company can then document quality policies, processes and procedures into the system, and use them as a platform for continuously improving the quality of products or services that customers want (Pun, 1998: 356). Having regard to the different business situations, the management can decide on either taking small-step process improvements using Kaizen approach, or radical process changes using Business Process Re-engineering or both depending on whether they may needed separately and collectively (Pun et al. 1999: 615).

In integrating a self-assessed QMS, organisations should concentrate and build on what already exists, as opposed to developing large manuals and
operating procedures for each SQMS sub-element. They should also put cross-functional teams to perform systems integration on the documentation side and incorporate quality, environmental and safety issues effectively (Beechner and Koch, 1997: 33; McCully, 1997: 49). Detailed system implementation should be planned, taking in the SQMS criteria and the considerations of time schedules, budgets and resource allocation. To avoid falling into the trap of developing separate and distinct procedures for each function that has no link to other facets of the integrated system, effective management reviews and audits of the self-assessment results can help streamline the SQMS development process (Hale, 1997: 39).

Moreover, possible feedback can recycle back to the planning and integration stages for further refinement of the SQMS building and development. Apart from those technical aspects, the management commitment and employee involvement efforts are governing the success of SQMS. Proper building and development of SQMS can help organisations to better safeguard their sustainable business results and achieve performance improvement and excellence (Pun et al. 1999: 617).

4.6.1.1 A systems perspective of SQMS

The SQMS adopts the evaluation principles and framework compatible to that of MBNQA (Brown, 1996; Pun, 1998: 356). However, in order to have wider system integrity, the SQMS extends its categories of evaluation criteria from seven to ten. They include Senior Executive Leadership, Strategic Planning and Alignment, Customer Value and Market Focus, Strategic Information and Analysis, Human Resource Focus, Process Analysis and Management, Operations and Business Results, Employee Satisfaction, Supplier Quality and Relationship and Environmental Impact on Society (Pun, 1998: 356).

These criteria have 33 sub-criteria, and are primarily designed for self-assessment of a company’s performance on an ongoing basis and internal benchmarking of business results. They are built upon the core quality concepts and integrate with each other in the SQMS framework. The use of
SQMS can also be extended for external comparisons with other organisations that adopt similar self-assessment principles and framework (Pun et al. 1999: 617).

Apart from the integrated system ingredients of ISO 9001 and ISO 14001, the SQMS process has four critical elements, including the driver, the system, the measures of progress and the goal. These elements govern the operations of SQMS as that of MBNQA (Brown, 1996; NIST, 1998). Senior Executive Leadership is the driver. It creates the core SQMS concepts that drive the sustained pursuit of customer value and improvement in corporate performance. In other words, if the management does not want self-assessment to happen, it will not happen. The system comprises the well-defined and designed processes for meeting customer, quality and performance requirements. It addresses four SQMS criteria that include Process Analysis and Management, Human Resource Development and Management, Strategic Planning and Alignment as well as Strategic Information and Analysis. They stress the company's employee and key processes to attain business results and improve business performance (Pun et al. 1999: 617).

The measures of progress provide a results-oriented basis for channelling actions to delivering ever-improving Customer Value and Market Focus and company performance in Employee Satisfaction, Supplier Quality and Relationship, Operations and Business Results as well as Environmental Impact on Society. Moreover, the setting of a self-assessment standard for business excellence is the goal of the whole SQMS process in relation to improving business performance, satisfying customers' requirements, gaining new customers and increasing market shares (Pun et al. 1999: 619).

Furthermore, the scores of SQMS criteria are adjusted to give a total score of 1000 points as adopted by MBNQA (Pun, 1998: 356). Following the TQM-oriented evaluation principles adopted by MBNQA, the SQMS criteria are derived based on the company’s performance, in terms of the evaluation requirements of the system, the deployment of the company’s efforts and
resources and also the operations and business results achieved. Both MBNQA and SQMS criteria are result-oriented, and used to measure performance on a wide range of key business performance indicators (such as customer, product and service, operational and financial). However, SQMS, is primarily tailored to help organisations to achieve efficient self-assessment of their performance, and this does not necessarily lead to applying any awards like MBNQA (Pun et al. 1999: 619).

AS compared to MBNQA, the SQMS criteria address specified self-assessment requirements on Business Results and other categories of criteria (such as Strategic Planning, Customer Value and Market Focus, Information and Analysis and Process Management) though their assigned scores are largely the same. SQMS uses four individual criteria of Operations and Business Results, Employee Satisfaction, Supplier Quality and Relationship and Environmental Impact on Society to assess the overall performance of business results as that of Category 7 in MBNQA (Pun et al. 1999: 619).

SQMS also relocates the assigned scores of certain evaluation sub-criteria and adds new elements (such as alignment of business processes, determining customer requirements, documentation and audit, continuous improvement of processes and others) to reflect the importance of individual criteria. The scoring mechanism of SQMS can provide an objective self-assessment that helps gain consensus on the strengths and weaknesses of the current practices and pinpoint improvement and breakthrough opportunities for the organisations. In addition, SQMS is developed to be compatible with other management system disciplines. Both internal and external benchmarking and organisational learning can also be facilitated. The SQMS criteria can thus provide a feasible self-assessment framework aiming for performance excellence (Pun et al. 1999: 619).

4.6.1.2 Implementation of SQMS

A SQMS cannot be implemented overnight and with little thought. Various elements and practices have got to be in place, and management needs to
understand the questions underpinning the quality management system on which self-assessment is being made. What has not been implemented cannot be assessed, and zero scoring is self-defeating and de-motivating. The entire organisation or individual functions can be discouraged as a result of low scores, or there can be a tendency to score higher against the SQMS criteria. Both over-optimistic and under-pessimistic pictures could be created, and internal auditors may not have sufficient experience to know what they are talking about and looking for (Pun et al. 1999: 621).

Research and practical evidence point to the fact that improper self-assessments can cause organisations to be pushed along blind alleys and to take initiatives, which are not suited to their current state of TQM development (Beasley, 1994; van der Wiele et al. 1997: 236). Therefore, the implementation of SQMS demands a serious involvement of resources and it will take time to develop an approach throughout the organisation that fits the specific situation of the company. There is a pressing need for a structured approach to implementing the SQMS in a way that guides all critical elements towards the level of business excellence defined by management. Fourteen steps are identified to help organisations to encapsulate the conformity requirements of quality and environmental management systems into the way their business is managed (Pun, 1998; 356). Internal benchmarking and external comparison of self-assessment results are also made possible with the SQMS criteria.

Organisation culture must be taken into account when implementing systems, which will now be discussed.

4.7 Organisational culture and the implementation of TQM, excellence models, ISO 9001: 2008 QMS and ISO 14001: 2004 EMS

Numerous authors in the organisational management field have tried to determine how an organisational culture can be identified in order to serve as an element of observation (Peters and Waterman, 1982; Ouchi, 1981). An organisational culture is understood as a characteristic of the day-to-day
environment as seen and felt by those who work there (Wallace et al. 1999: 548; Choueke and Armstrong, 2000: 227). The models of most referred organisational culture, are those by Hofstede (1980) and Schein (1997) that describe culture as a distinct set of levels: core values, norms, beliefs and values, behaviours and artefacts.

Wallace et al. (1999: 548) furthermore assert that all organisations have more than one culture: formal culture (idealised statements what beliefs and behaviour should be; typically manifested through mission/vision statements, policies, procedures and rules) and informal culture (actual beliefs and behaviours) and that informal character or culture is the key to understanding organisations. Furthermore, Beer (1980) and Sadri and Lees (2001: 853) emphasise the influence the external environment has on organisational culture. External environment influences an organisation directly (legislation, government regulations) and indirectly (expectations and values of employees).

Furthermore, the dynamics of the market dictates the pace of change in organisations and the frequency of the need for change influences organisational culture; organisations in fast changing environments have typically more loose structures whilst the organisations in slow changing environments have structures that are more bureaucratic.

Beer (1980: 01) state that:

“successful organisations can be separated from unsuccessful ones by appropriateness of their structural form and management process to their environment”.

Organisational culture can also be looked at as a system (Beer, 1980; Johnson et al. 1963). This system receives inputs such as customer orders, materials, equipment and information and those are transformed into outputs such as products, services, waste or information, which are returned to the environment. The process is based on organisational assumptions, values
and norms. An organisational system has been defined by Bamber (2003) as a set of inter-related and interacting processes that drive the behaviour of individuals, teams and groups in an organisation toward a goal or set of objectives.

The concept of culture is particularly important when attempting to manage organisation-wide change (Senge, 1990; Clarke, 1994). Practitioners are coming to realise that, despite the best-laid plans, organisational change must include not only changing structures and processes, but also changing the organisational culture as well (Robbins and Smith, 2000; Castka et al. 2003: 149).

Service quality in the public sector and in local government would be further examined hereunder, given the fact that this research study is located within the local government and service delivery context.

4.8 Service quality in the public sector and local government

Service quality is crucial for both public and private services organisations (Yusoff et al. 2010: 226). Service quality and customer satisfaction are used inter-changeably and both have connotations which are inter-related. Service quality is defined as a judgment concerning overall excellence or superior services; whilst customer satisfaction is defined as a judgment whether a particular product or service provided is able to achieve customer requirements (Schneider and dan White, 2004: 51). Customer satisfaction usually refers to external customers and satisfying them becomes the main criteria in ensuring the organisation success. Nevertheless, internal customers, that is, the employees within the organisation are equally important towards delivering the service quality (Yusoff et al. 2010: 226).

Service quality in the public sector tends to make reference to three areas of quality:
customer quality (what the customer wants from the service); professional quality (the processes used to meet customer needs); and management quality (the use of resources to meet customer needs) (Curry and Herbert, 1998: 339; Ovretreit, 1991; Kadir et al. 2000: 837).

Customer or client quality refers to what customers want from a service at both individual and group level, which is measured through customer satisfaction measures. Professional quality relates to procedures and techniques used to meet customer needs, which are ensured through organisational audits and setting standards. Management quality refers to the efficient use of resources to meet customer demands and is measured through the broader quality approach of the organisation (Ovretreit, 1991; Curry and Herbert, 1998: 339).

However, despite the challenges pertaining to service quality in the public sector, research has shown that quality schemes in the public sector are perceived to improve facility management and staff motivation (Lentell, 2000: 01; 2001: 15; Robinson, 1995; 1999: 201; Williams, 1998: 98). Furthermore, anecdotal evidence suggests that quality principles yield positive outcomes in terms of performance and satisfaction in the public sector. For example, Dewhurst et al. (1999: 265) stated that the principles of TQM have improved the operational efficiency of public services.

There are two perspectives to the ongoing pursuit of service quality. From the perspective of the service organisation, there is a desire to survive and compete in a global environment. From the perspective of the customer, there is a desire for better quality services (Agus et al. 2007: 179). Whereas service quality has achieved considerable popularity across the private sector, the public sector has been slower to take up the concept. However, service quality has now moved to the forefront of public sector management as a result of the combined pressure of growing customer expectations, an
increased focus on revenue and growing competition between public and private sector organisations who offer identical services (Agus et al. 2007: 179).

The vast majority of service-quality research in the literature focuses on the private sector. This has resulted in a number of dilemmas which occur when service quality management practices derived from the private sector are transferred to the public sector (Buckely, 2003: 453). According to Kearsey and Varey (1998: 51), these dilemmas include: multiple, non-financial, conflicting and ambiguous goals; lack of agreement on means-end; environmental turbulence; immeasurable outputs; and effects of management intervention unknown.

Several studies have suggested that there are a number of distinct differences between private and public sector organisations (Wamsley, 1990; Zeppou and Sotiraku, 2003: 320) because the two sectors operate in distinctively different environments. In particular, public sector organisations operate in an environment characterised by resource constraints, market competition and growing customer expectations (Robinson, 2003: 247). It has been argued that the public sector is inherently inefficient because of the absence of incentives that exist in the private sector – which operates in an open market and has a decentralised model of decision-making (Bhatta, 2001: 01).

The purpose of the public sector can be viewed as a paradox – the pursuit of public good and a sustainable competitive advantage (Mathews and Shulman, 2005: 232). In contrast the private sector’s singular focus is on economic efficiency, as it is generally viewed that profit and / or cost reduction are key ingredients to survival and growth (Cooper, 2004: 474; Ranson and Stewart, 1994). The manner in which cash is allocated in public sectors is therefore based on the needs of the public, whereas shareholders are central in the private sector’s emphasis on profits and returns (Cooper, 2004: 474).

The concepts of continuous improvement (CI) and continuous process improvement (CPI) is embedded within the total quality management (TQM)
philosophy, excellence models, ISO 9001: 2008 (QMS) and ISO 14001: 2004 (EMS). The applicability of the continuous improvement concept in the public sector and government will now be discussed.

4.9 The concept of continuous improvement (CI) in the public sector and local government

The Institute of Quality Assurance cited in Fryer et al. (2007: 498), in their Fact Sheet Number 07, defined „continuous improvement“ as a gradual never-ending change which is:

“...focused on increasing the effectiveness and / or efficiency of an organisation to fulfill its policy and objectives. It is not limited to quality initiatives. Improvement in business strategy results, customer, employee and supplier relationships can be subject to continual improvement. Put simply, it means „getting better all the time”.

Bhuiyan and Bagehel (2005: 761) traced the history of CI and present a range of definitions from leading authors. Their definition of continuous improvement is:

“...a culture of sustained improvement targeting the elimination of waste in all systems and processes of an organisation. It involves everyone working together to make improvements without necessarily making huge capital investments”.

Both of these definitions are more business focused and mention that continuous improvement is not about expensive projects or particular tools but as Martichenko (2004) stated “continuous improvement is about improving organisational performance”. The author also emphasised the ongoing nature of CI like Boer et al. (2000) who described CI as:
“the planned, organised and systemic process of ongoing, incremental and company-wide change of existing practices aimed at improving company performance”.

The drawback of this definition is that it implies that there is an overall co-ordinated change process whereas CI is not just a top down process, but all employees are able to suggest and implement improvements (Fryer et al. 2007: 498).

Both Hyland et al. (2000: 117) and Bessant et al. (1994a: 17) concentrated on the systematic inclusion of all employees in the definition of CI. Caffyn (1999: 1138) viewed CI as the organisations ability to beat its competition using innovation and involving a number of employees. Jha et al. (1996: 19) synthesised a number of CI and they concluded that some of the key elements of CI were the customer focus and that CI was not about continual change but about evaluating outcomes of change and then taking informed actions to continue to improve the process.

From all these definitions it can be seen that CI is where all members of the organisation work together on an ongoing basis improving processes and reducing errors to improve overall performance for the customer. This definition is true for both the public and private sectors (Fryer et al. 2007: 498).

Public sector organisations are constantly facing the challenge of “doing more with less”. For the public sector, a big issue is trying to keep up with demand rather than generate more demand. Improved processes lead to more customers being satisfied. They can also help to reduce costs and errors (which generate more work), thus helping to further improve the services offered (Fryer et al. 2007: 501). In the public sector, the motivation for improvement is not increased profit but that public sector organisations are being faced with ever greater demands, (due to demographic and societal change outside their control), on their (relatively) diminishing funds. They are
being charged with providing value with the monies that they have, along with calls for increased accountability and transparency (Fryer et al. 2007: 501).

There is also the political drive for quality in the public sector as successive governments have been pushing for “quality”, for example by publishing league tables, compulsive competitive tendering and market testing. Thus, for public sector organisations, external stakeholders such as governments, regulatory bodies, for example the Audit Commission, and customers, unlike the private sector where the drive is internal, have largely driven the drive for improvement. However, in both sectors, very few organisations have the resources (time, money, people, technology) to rely on as few large, quantum changes, but instead need to continually make smaller improvements (Fryer et al. 2007: 501).

The benefits of continuous improvement initiatives would now be discussed hereunder.

4.9.1 The benefits of continuous improvement (CI) in the public sector and local government

Bessant et al. (1994: 17) felt that CI had huge benefits due to low-levels of financial investment required and its ability to utilise the ideas of all the employees. Woods (1997: 49) stated that CI benefited employees (by providing a healthy workplace), satisfied customers and increased financial returns for the company. Martichenko (2004) stated:

“organisations that do not embrace continuous improvement will follow destructive patterns of re-organisation, re-structuring, layoffs and other reactionary management techniques that make executives feel they are doing what’s right”.

Cole (2001: 07) believes that CI was about:

“organisational renewal and efforts to prevent organisational ossification”.
These statements were all based on research in the private sector, but there is also evidence that long-term, incremental improvement aids the public sector, for example Alexander et al. (2006: 1003) found that the longer a hospital was involved with quality improvement, the higher the cash flow and the lower the cost per case.

Cole (2001: 07) lists the benefits of CI as:

- It mobilises large numbers of employees which improves employee commitment and increases the sources of ideas;
- A number of small wins can occur simultaneously leading to a magnification of results;
- Small wins can make large change possible;
- Revolutions can be based on a series of small wins;
- Small wins encourage learning that is based in practice and is more likely to be accepted when it is implemented by the same people who proposed the changes;
- Small wins spread throughout the organisation, taken together, can provide useful knowledge about the whole system and promote learning; and
- Small process wins are often based on tacit knowledge that is harder for other organisations to copy.

All of these benefits apply as much to the public sector as to the private sector, especially the last one. Many public sector organisations rely on long serving staff that have consummate knowledge about the organisation and its mores. Continuous improvement taps into this tacit knowledge and makes use of it, whereas a top down programme relies more on explicit, codified knowledge (Fryer et al. 2007: 502).

The challenges and impediments to the implementation of CI programmes would now be discussed.
4.9.2 Challenges and barriers in implementing CI programmes in the public sector and local government

Bessant *et al.* (1994: 17) state:

“But despite its apparent simplicity, CI is not always successful and is particularly hard to sustain in the long-term”.

The authors go on to state that CI can produce innovation, but only if there is a conducive environment or culture within the organisation. These sentiments are echoed by Gallagher *et al.* (1997), that is CI initiatives often fail to produce the improvements expected, but there is no single cause of these failures nor is there a single solution. The successful implementation of a CI initiative is affected by factors such as the company culture, structure and background. Discussing barriers to CI implementation, Gallagher *et al.* (1997) provided a list of issues which are not barriers, but problems with the implementation process such as not using effective measurement mechanisms or attempting a superficial implementation without considering the underlying behaviours that need change.

In 1989, the National Health Service in the UK set up 23 TQM demonstration sites and in 1997 the local government quality group carried out its final survey on quality initiatives in local government. Public sector organisations have been trying to improve quality for over 25 years and still there are very few success stories. The factors that differentiate the public and the private sectors are the same factors that have hindered the introduction of continuous improvement (Fryer *et al.* 2007: 507).

Dewhurst *et al.* (1999: 265) looked at the issues of implementing TQM in public sector organisations. The authors found the main barriers to be:

- Lack of definition of the customer – does the organisation serve society as a whole or the individuals who use the services (Swiss, 1992: 356);
• Rigidity of the organisation – the historic nature of the organisations, and the systems in place to ensure parity and safety can make it difficult to change;
• Little incentive to improve the satisfaction of customer’s needs when it is a monopoly situation.

This list did not include the “individualised, professional-led” approach to quality management that Nwabueze and Kanji (1997: 265) felt to be the main reason for the failure and neither author mentioned barriers such as:

• The multiple stakeholders with diverse requirements;
• The lack of clarity about the purpose of the organisation which is related to numerous customers with diverse or even contradictory demands;
• The constantly changing goal-posts imposed by external (political) factors;
• Quality initiatives are frequently imposed on the public sector and seen as a desire to score political points rather than a genuine desire to improve services. This can lead to resentment and resistance in staff;
• The funding mechanisms that work on the “stick” approach, that is, overspending is likely to result in future budget cuts and an associated emphasis on inputs rather than outputs.

All of these factors listed above contribute to the “avalanche of pitfalls” that has beset managers in the public sector. The very nature of the organisation is actively working against attempts to implement a continuous improvement or quality culture, in the same way that an organ transplant can be rejected by the very body it is intended to save (Fryer et al. 2007: 508).

Furthermore, the slow uptake of service quality practices in public sector organisations is further exacerbated by difficulties in measuring outcomes, greater scrutiny from the public and press, a lack of freedom to act in an
arbitrary fashion, and a requirement for decisions to be based in law (Teicher et al. 2002: 384). Irrespective of these difficulties, however, public sector organisations have come under increasing pressure to deliver quality services (Randall and Senior, 1994: 68), improve efficiencies, and respond to government legislation (Robinson, 2003: 247).

The concept of continuous process improvement (CPI) in local government would now be examined.

4.9.3 Continuous Process improvement (CPI) in local government

4.9.3.1 Definitions

In the last decade, the term “processes” was one of the most frequently used management concepts and one that grabbed the attention of organisations worldwide (Kettinger et al. 1997: 55). Currently, the term processes has been applied in various organisations as management approaches like continuous process improvement (CPI) (Lee and Chuah, 2001: 687), process re-design (Tenner and de Toro, 1997), and even in a possible evolution of the term – in business process re-engineering (Hammer and Champy, 1993). Its implementation in such organisations is part of an ongoing attempt to reduce the fragmentation and departmentalisation of work methods, with the aim of obtaining a greater capacity of lateral co-ordination and communication within organisations (Garvin, 1998: 33).

Studying the term CPI in the literature has revealed that this management approach presents diverse methodological variants, schemes and modalities (Suarez-Barraza, 2009: 97). Different authors have described varying approaches and perspectives focused on a central idea, which is centered on a systematic analysis of activities and flows of processes with the aim of improving them (Biazzo, 2000: 99). CPI is defined by Harrington (1991: 20) as:
“A systematic methodology developed to help an organisation gain significant advances in the ways they operate their processes”.

Other authors have referred to it in the same way, such as: process innovation (Davenport, 1993); process re-design (Davenport and Short, 1990: 11; Tenner and de Torro, 1997); business process re-engineering (Hammer and Champy, 1993); and business process management (Elzinga et al. 1995: 119). On the other hand, Dean and Bowen (1994: 394) point out that CPI represents one of the three principles that make up TQM (the other two principles are a focus on the client and teamwork and each one of these principles are made up of their respective practices and techniques.

Given such variety, some authors have made an effort to place CPI in groups that characterise and differentiate them (Childe et al. 1994: 22; MacDonald, 1995: 21; Tinnila, 1995: 25). In keeping with these authors, the three groups they indicate are:

- incremental CPI or Kaizen;
- process re-design CPI; and
- business process re-engineering.

Each one of these is differentiated by the grade and type of improvement (incremental or radical), extent of the improvement (for functional or inter-departmental processes), costs and application times, and the expectations and risks involved in obtaining the result (Suarez-Barraza, 2009: 97).

4.9.3.2 Continuous process improvement (CPI) in the public sector and local government

In the public sector, CPI has been used as a management approach mainly grounded in a set of public management theories such as new public management (NPM) in the UK (Ferlie et al. 1996; Sharitzer and Korunka, 2000: S941), and other management approaches such as total quality
management (TQM) in American countries, Europe and Asia (Berman and West, 1995: 57; Thong et al. 2000: 245; McAdam and Taylor: 382). In Spain, this perspective of modernisation and improvement was disseminated in certain Spanish City Halls during the mid-1980s; some of them turned into veritable archetypes of “success” in the application of CPI in their municipal management (Galofre, 2006).

Since the works of Deming (1986: 05) there has been an emphasis on the importance of continuous improvements in work processes in governmental services. On this subject the author affirms:

“In the majority of governmental services there is nor market to beat. Instead of beating the market, a governmental organisation should economically provide the service mandated by law or regulations. The objective should be to offer superior service. Continuous progress of governmental services would gain the American public’s respect and would maintain service positions and help the industry create more positions”.

For this reason, since the works of this pioneer on quality and continuous improvement, the trend and positive impact on public service improvement through the application of CPI in certain governmental organisations has gradually consolidated the application of this management approach in the public sphere; it has become a viable alternative for modernisation and improvement efforts in the advanced democratic countries (Loreto-Rubio, 2000: 353; Gulledge and Sommers, 2002: 364; Vonk, 2005: 33).

The literature illustrates examples of CPI implementation in countries where NPM has been used as a standard for government reforms, particularly in member countries of the British Commonwealth. In this sense, in these countries the emphasis was centered on re-design and re-engineering (group BPR) in operating (public services), strategic (citizen relations), and support processes (control of financial and fiscal management) (McAdam and Donahy, 1999: 33; Maclntosh, 2003: 327; McAdam and Taylor, 2003: 382).
On the other hand, the literature reports various case studies of implementation and techniques related to TQM in local government in the USA (Stringham, 2004: 182). In fact, in a study undertaken by Berman and West (1995: 64), the authors conclude that in 11 percent of the US cities surveyed with over 25 000 inhabitants there has been some sort of effort to apply TQM in their municipal management. There are examples of re-design processes applied in the USA, in the cases of the New York City Department of Parks and Recreation and the Pennsylvania Department of Transportation; each case concluded with satisfactory results in a reduction in the times of process cycles (service response times), and citizen satisfaction (Cohen and Eimicke, 1994: 450; Poister and Harris, 1997: 294).

The literature also shows a theoretical model that attempts to explain CPI from a TQM standpoint (Suarez-Barraza, 2009: 98). Therefore, Loomba and Spencer (1997: 753) propose a model of four basic factors (performance, teamwork, learning and environment) in which CPI is a main element for institutionalising the TQM effort regarding the performance factor.

In view of the fact that one of the core concepts of total quality management (TQM), excellence models, ISO 9001: 2008 (QMS) and ISO 14001: 2004 (EMS) is customer satisfaction, the concept of “customer” in the public sector and in government would now be examined hereunder.

4.10 The concept of customer in the public sector and local government

According to Donnelly et al. (1995: 15), the public sector caters for two types of customers:

- those who pay for the provision of a service; and
- those who do not pay for the provision of a service.
Public services that charge (and thus generate revenue) are more likely to be in competition with services offered in the commercial sector, thereby offering the customer a choice (Robinson, 2003: 247). The relevance of service quality (largely driven by competition) in this situation is clearly evident. On the other hand, it can be argued that public services that are free of charge are less inclined to adopt service quality practices unless pushed by customer demands and government legislation (Agus et al. 2007: 180).

Building relationships with customers is an inherent aspect of governmental activity (da Silva and Batista, 2007: 588). Citizens and businesses have a life long relationship with government, interacting with a broad range of public agencies and departments in many different circumstances from birth to death. Some years ago the use of the word “customer” when referring to citizens and businesses was not a very common practice in the government context, for this sort of jargon was more strongly linked with private sector terminology. However, new public management approaches are changing the way government relates with the public and it is no longer unusual to hear public managers refer to citizens or other stakeholders as customers (da Silva and Batista, 2007: 588).

Actually, the meaning of customer for government is much broader than one might think. Increasingly, diverse groups are making claims as stakeholders in organisations. The main stakeholders of most business enterprises are: individual customers (considered as consumers), suppliers, owners, competitors, employees and regulators (Rowe et al. 1994). Public organisations have a slightly different conceptualisation for their universe of stakeholders. For example, the owner category does not make sense for government and the individual customers are citizens (considered as service users, householders, patients and so forth) rather than consumers.

However, Tapscott and Agnew (1999: 34) argue that, regarding citizens as taxpayers in a representative democratic environment, it can be assumed they can play tow distinct yet inter-twined roles when relating with government: citizens as consumers of public services and citizens as
shareholders. Starks (1991) warns that public services often need to draw a
distinction between the tax-paying customer and the service-user customer
because the two are not always synonymous and their specific interests may
differ.

As Starling (1982) puts it, government is continually interacting with different
individuals that play different roles according to their different contextual
interests. Silva and Batista (2007: 589) state that when contextual interests
are referred to, the same person is pointed out that can act as a citizen who
has particular needs or ideals, or can act as worker defending corporate
business interests, or can act as either an elected politician or a community
leader developing inter-governmental lobby.

Regarding the competitors’ category of stakeholders, different public agencies
might compete with each other to get more recognition, budget participation
and / or funds (da Silva and Batista, 2007: 589). As commented by Harris
(2001: 48), government agencies compete with each other for approval from
their congressional overseers and the public, which affects how much funding
they get. They also compete for appropriations and battle with the private
sector for highly skilled employees. Harris (2001: 48) claims that staying alive
and pleasing the customer is indeed the business of government.

In addition to the common categories of stakeholders, labour unions, religious
groups, military personnel, public interest groups, community associations
and so on can also be included in the scope of government stakeholders (da
Silva and Batista, 2007: 589). As Drucker (1994) and Kotler and Andreasen
(1996) put it, one of the basic differences between non-profit organisations
and businesses is that non-profit organisations have to work out many more
vital relationships with a multitude of constituencies than businesses do.
Considering the public sector, governments have a significantly broad and
quite diversified universe of stakeholders to consider in an unbiased manner.

The development of well-managed relationships with customers is crucial for
allowing government’s prompt acquiescence to popular demands in order to
promote public policy making and participative democracy (Starling, 1982). The cognizance of public opinion is a fundamental requisite for improving government responsiveness. Starling (1982) points out that responsiveness can mean more than merely reacting to popular demands; it can also mean that government takes the initiative in the proposal of solutions for previously identified problems. Knowing the public’s preferences helps governments to develop expertise to create more effective programmes. From a political point-of-view, the price of non-responsiveness may be defeat in the next election and so elected officials strive to respond to their constituents (Burstein, 1998: 27).

Ferlie et al. (1996) comment that the growth of government has led to attempts to control public expenditure or to restructure public sectors with the objective that they become more effective and responsive to the public. Shine (2002) strengthens this aspect saying that governments, considered as the largest service providers in the world, are becoming increasingly aware of the need to become more responsive to customers. For Whelan (1999: 46) governments are seeking to improve responsiveness in order to challenge the popular criticism that public departments are bureaucratic, slow and incapable of taking immediate action. Alford (2002: 337) considers a broader conception of the notion of exchange as a way to allow better understanding of government responsiveness. According to the author, in the public sector the issue of responsiveness to customers only makes sense if we rethink the notion we have of exchange.

In the government context, exchange is not restricted to the economic form of customer transaction; it entails a broader type of exchange involving symbolic, social and normative values. In this sense, governments need to respond to their customers by eliciting a broader range of things from service recipients than money, such as, for example, information, compliance, co-operation and co-production. These different forms of exchange are crucial for effective government performance and they are consistent with a model of active citizenship (Alford, 2002: 337).
Taking into account that active citizenship entails government responsiveness to a large spectrum of exchange with customers (Alford, 2002: 337), and that the development of well-managed relationships with customers allows government’s prompt acquiescence to popular demands (Starling, 1982), da Silva and Batista (2007: 590) infer that the improvement of government relationships with customers is likely to promote better government responsiveness, which might result in better government reputation. The assumption is that, attempts and proposals to get government closer to the public and to develop organisational capability to better identify citizens’ choices, opinions, complaints, problems, preferences, needs and wants can be addressed in terms of government responsiveness (da Silva and Batista, 2007: 590).

As Krehbiel (1991) points out, the collection of information about the public’s preferences enhances government responsiveness by allowing legislators to develop expertise needed to create effective programmes. This aspect is strengthened by Burstein (1998: 27) who argues that the cognizance of public opinion has a substantial impact on public policy; therefore, it is a fundamental requisite for improving government responsiveness. For Walsh (1995), governments can be made more responsive not only by instituting mechanisms that build in publicly approved standards, but also by giving the public choices. Since responding to social demands may significantly increase government popularity, da Silva and Batista (2007: 590) infer that the improvement of government responsiveness leads to improved acceptance of government decisions and actions. By government acceptance, it is meant that a community acknowledges that government initiatives really comply with the expectations of the public. Consequently, the development of such a capability might contribute to the building of a positive government reputation.

Despite the fact that few researches focusing upon government reputation have hitherto been developed, the assertion that a good government reputation may bring a series of benefits to different areas of society (Andreassen, 1994: 16) seems to be consistent. For instance, according to Andreassen (1994) from an economic perspective governments with good
reputations might maintain existing businesses and attract new ones for their respective regions, which could maximise job offers and minimise unemployment; politically, a good image of political leaders, political parties and other political institutions might reduce the negative view that politicians only care about their own interests, which could maximise the level of public trust in government and enhance public participation in political affairs such as elections, referenda, plebiscites, surveys and so forth, and socially, a greater number of empowered citizens might feel more engaged, not only with public management issues, but also focusing on policies and social programmes aspects.

Developing good relationships with the public is no longer a matter of public relations strategies and policy developments, nor is building reputation a mere aspect of selling a good image to the public (da Silva and Batista, 2007: 591). Corporate reputation theory has been evolved and expanded far beyond the old concepts of public relations management. The building of corporate reputation has become a strategic issue for organisations and it requires a series of organisational changes. More specifically, the building of government reputation requires a stronger customer-focused orientation, a better government performance of day-to-day management and operating activities, more efficient and effective communication with the public and a greater emphasis on recognition (Kell, 1993: 51; Davies et al. 2003). It is becoming very common to find government initiatives focusing upon improving relationship strategies through the allocation of new information and communication technological resources (da Silva and Batista, 2007: 591). An innovative way of viewing citizens is co-producers in the delivery of services. This concept will now be discussed.

4.11 Citizens as external customers and co-producers in service delivery in the public sector and local government

Since the introduction of “new public management” (NPM) in the 1980s, public officials have focused on developing tools to increase citizen participation in services planning and provision (Kelly, 2005: 76; Politt, 1988: 77). Many
studies have underlined the benefits of involving citizens in policy-making in order to improve services quality, for example through the use of citizen surveys (Dalehite, 2008: 891; Melkers and Thomas, 1998: 327). However, despite recent advances in co-production and value co-creation literature (Gronroos, 2008: 298; Vargo and Lusch, 2008: 01), the public sector is still lagging behind.

Cassia and Magno’s (2009: 336) study contributed to the current debate about co-production and value creation through an analysis within local governments. In particular, drawing on the construct of customer orientation developed within the private sector, the authors’ study has shown that a similar “citizen orientation” construct can be able to explain specific behaviours and outcomes within the public sector, as well. Their findings supported this hypothesis demonstrating that the intention to increase the level of co-production within local government depends not only on objective antecedents (for example, available financial resources), but also on the level of public officials’ citizen orientation.

Since the 1980s, NPM has emerged as a new market-based paradigm to improve quality and efficiency among public administrations all over the world (Page, 2005: 713). Following this approach, public officials’ efforts have been devoted to increase citizen’s participation in services planning and provision (Kelly, 2005: 76; Politt, 1988: 77). Significant services quality improvements can derive from citizen’s involvement, for example through the use of citizen surveys (Dalehite, 2008: 891). More interestingly, Brandsen and Pestoff (2006: 495) emphasise the importance of the so-called public services co-production which is:

“related primarily to the involvement of citizens or clients in production, that is direct user involvement”.

This means creating a circular link between services planning, provision and performance, and citizen feedback, based on a two-way communication (Cassia and Magno, 2008: 288).
This co-production process implies benefits for all the involved actors. Citizens are provided with knowledge about public issues and with the opportunity of influencing agendas: as a consequence, they can obtain improved services (Askim and Hanseen, 2008: 387). Politicians and public officials can receive useful information about policies and citizens’ preferences (Poister and Thomas, 2007: 279). Moreover, citizen participation can improve the legitimacy of (local) government decisions (Robbins et al. 2008: 564).

Significant advancements to the public services co-production perspective could derive from the so-called service-dominant logic, which is a new general paradigm about the interaction of companies and clients (Vargo and Lusch, 2004: 01; 2008: 01). According to one of the main propositions of this approach:

“the customer is always co-creator of value” (Vargo and Lusch, 2008: 07).

However, Gronroos (2008: 298) states that the customer is a value creator (and not a value co-creator) while the firm is a value facilitator in that it provides the customer with the supporting resources to self-create value. The interaction between the parties is then a fundamental component of this process, during which the firm can sometimes get the opportunity to become value co-creator, as well. Despite these differences, both approaches underline the importance of close interactions between the customer and the firm to successfully create the value to be then exchanged and captured (Cassia and Magno, 2009: 335).

Cassia and Magno (2009: 336) argue that even if these concepts were not developed specifically for the public sector, they can nonetheless be successfully extended to this field. According to the authors, it is obvious that in order for co-production or value co-creation to be implemented in the public sector and in government, a pro-active behaviour of local government officials is necessary because some tools and resources to support interaction must
be made available: in other terms the local government becomes a value facilitator (Gronroos, 2008: 298).

In some cases, citizens can spontaneously create some pressures toward co-production development, for example through urban blogs. However, this is not sufficient to identify value co-creation since both sides must show involvement and willingness to create and exchange value through interaction (Ballantyne and Varey, 2006: 335; Vargo and Lusch, 2004: 01). Indeed, strong resistances to the implementation of this approach are originated from the public side of the relationship (Cassia and Magno, 2009: 336).

Even, measuring citizens’ perceptions about services performance is not an institutionalised practice within many local governments. For example, the use of citizen surveys has been criticised for several reasons, above all the absence of a clear statistical correlation between service outputs and citizen evaluations of service outcome (Stipak, 1980: 521; Swindell and Kelly, 2005: 704; Swiss, 1992: 356; Van Ryzin and Immerwahr, 2007: 215) and their uselessness in supporting decision-making (Poister and Thomas, 2007: 279).

Some other authors state that regardless their rational usefulness; surveys may be adopted only for their symbolic value (Dalehite, 2008: 891). Moreover, it is not clear what public managers can learn from the analysis of citizen’s ratings and how actions could benefit from these insights (Kouzmin et al. 1999: 121). These difficulties are also emphasised by the fact that decision-making in the public sector is more complicated, since efficiency and satisfaction must be combined with “political distribution” (Brudney and England, 1982: 127). The result is that citizen surveys have been conducted in a medium-low percentage of cities and counties: Dalhite (2008: 891) registered a value of 31 percent.

Without at least some tools and resources for listening to the citizens, it is not possible to evolve to co-production (that is, value is not created, exchanged and captured through interaction), which also implies interactive communication, not only from the citizens to the public officials, but also vice
versa (Ballantyne and Varey, 2006: 335). Therefore, authentic participation is rarely found as many public officials are reluctant to include citizens in the decision-making process (Yang and Callahan, 2007: 249).

Only a few studies have tried to investigate factors leading to public officials’ resistance to adopting these new practices and tools (Dalehite, 2008: 891). These analyses tend to underline structural and objective antecedents (such as population size and form of government) while largely ignoring the decision-maker’s perspective. This has led to unconvincing results. As a matter of fact, beyond structural and organisational drivers and obstacles, it seems reasonable that the inclination to adopt this co-production approach also depends on public officials’ attitudes and opinions about its usefulness and effectiveness (Cassia and Magno, 2009: 336). For example, previous studies about citizen surveys non-adoption demonstrated that public officials were sceptical about these tools because they thought that citizens did not have enough knowledge about local government to correctly evaluate municipal services (Stipak, 1980: 521; Van Ryzin and Immerwahr, 2007: 215).

Several studies conducted in the private sector have demonstrated that the level of the so-called “customer orientation” within the organisation or among managers and salespersons (Strong, 2000: 97) can explain some behaviours, choices (Periatt et al. 2004: 49) and performances in terms of profits and return on investments (Kumar et al. 2008: 50). More interestingly, Schedler and Summermatter (2007: 291) found that the level of customer orientation within municipalities is able to explain differences in the availability and usability features of their websites. Customer orientation, sometimes also labelled “customer focus” is usually defined as:

“the basic set of beliefs that puts the customer’s interest first while not excluding those of all other stakeholders such as owners, managers and employees” (Deshpande et al. 1993: 27).

Following this reasoning Shah et al. (2006: 115) state that:
“...the true essence of the customer-centricity paradigm lies not in how to sell products but rather on creating value for the customer and, in the process, creating value for the firm”.

In the public sector, since the introduction of total quality management (TQM), there has been a long debate about citizen orientation as a general approach to be applied to public services (Navaratnam and Harris, 1995: 11; Redman et al. 1995: 21). However, all these studies have taken a different view from the common definition of customer orientation based on a “set of beliefs” (Deshpande et al. 1993: 23) expressed by people belonging to the organisation. Indeed, citizen orientation has not been considered as a predictor of behaviours and performance, but as a performance indicator itself of services quality (Cassia and Magno, 2009: 337).

Employees, as internal customers within the organisation are integral in the service delivery process and their role in providing quality services to the external customers is an important one. The concept of employees as internal customers will be examined below.

4.12 Employees as internal customers

The concept of the internal customers in services has evolved, originally through the idea of selling jobs in the service sector making the job attractive for the employees (Reynoso and Moores, 1990: 64). This idea is followed in wider terms as internal marketing by authors such as Berry (1981: 33), Gronroos (1990) and Gummeson (1990). These authors have suggested that if management staff wants the employees to deliver an outstanding level of service to customers, then they must be prepared to do a great job with their employees. In this context, Stershic (1990: 45) stresses that obtaining and understanding the employee perspective is a critical tool in managing customer satisfaction.

Researchers in organisational behaviour unanimously agree to the importance of the internal marketing concept introduced by marketers (Yusoff
et al. 2010: 228). In this respect, some scholars have provided data on the ways in which staff and organisational issues are reflected into customer’s satisfaction (Schneider and Bowen, 1985: 423). They have demonstrated that staff and customer’s perceptions, attitudes and intention share a common basis and are inter-related to each other.

According to Schneider and Bowen (1985: 423):

“when employees describe the human resource practices of a company as being service oriented, customers also hold favourable views of the quality of services they received”.

This suggests that a service-oriented organisation should treat frontline employees as “partial customers”, that is, as individuals deserving the same treatment that management wants the customers to receive (Yusoff et al. 2010: 228). It is of utmost importance to realise that organisational members not only serve external customers but they also cater to internal customers. In any organisation, staff are both receivers and providers of some of the services offered. Thus, as there is correlation between employee attitude and customer satisfaction, this leads to the beginning of internal customer research (Yusoff et al. 2010: 229).

The relevance of the internal customer and support staff perspective within the context of the service delivery process is frequently referred to by marketers and organisational behaviourists (Yusoff et al. 2010: 229). Studies by Lewis (1989), Lewis and Entwistle (1990: 41) and Gremler et al. (1994: 34). Involving bank employees, and Epelman (1994: 241) on service guarantees are some of the examples on which the importance of internal customers are investigated. In the attempt of providing an integrated discussion on the service production and delivery process, Gummeson (1990) has applied a “multi-perspective approach”. This approach takes into account four groups of actors namely customers, contact staff, support staff and management. All actors hold different perspectives but each group is relevant to the whole service experience.
Several researchers have jointly addressed the importance of the internal support activities and operations as the key link to external customer satisfaction (Adamson, 1988: 104; Davis, 1991: 34; Jablonski, 1992: 17; Milite, 1991: 09; Sanfilippo, 1990: 26). The quality of internal service operations has been identified as one of the essential elements of an overall service quality strategy (Feldman, 1991: 58; Nagel and Cilliers, 1990: 02) and thus, resulting benefits to long-term cost savings and increasing financial gains. It is also associated with the quality culture of organisation as mentioned by Albert (1989: 167) and McDermott and Emerson (1991: 61).

Some scholars have collectively contributed to the establishment of a theoretical framework within the customer concept involved throughout the service production system. Gronroos (1990) argues that:

“...every service operation comprises of internal service operation including internal service functions which support one another and if poor internal service exists, the final service to the customer will be damaged”.

Research on service quality has demonstrated the afore-mentioned importance of the internal customers-supplier relationship in relation to the achievement of customer expectations. Parasuraman et al. (1988: 12) has revealed that:

“...internal customer-supplier relationship plays an important role in identifying the discrepancy or gap that exists between service quality specifications, and the actual service delivered when employees are unable or unwilling to perform the service at the specified level”.

One of the key factors that contribute to this discrepancy is a lack of teamwork amongst employees (Yusoff et al. 2010: 229), which will be now discussed.
4.12.1 Internal customers approach

Notably, several authors have argued the importance in determining internal customers’ needs and expectations (Chung, 1993: 26; Koska, 1992: 50; Ludeman, 1992: 51). Other researchers have gone beyond this, that is focusing on the planning the implementation process for an internal customer initiative throughout the organisation (Davis, 1991: 05). Reynoso and Moores (1990: 64) claim that:

“staff and customer perceptions, attitudes and intentions share a common basis and are interrelated”.

According to these authors, the common sequential steps for the implementation process of internal customer initiative in an organisation are as follows:

- create internal awareness;
- work on the identification of internal customers and suppliers;
- identify the expectations of internal customers;
- communicate these expectations to internal suppliers in order to discuss their own capabilities and / or obstacles;
- consequently, internal suppliers should work to make the necessary changes so as to be able to deliver the level of service required; and finally
- obtain a measure for internal customer satisfaction. Feedback should be given to internal suppliers for the purpose of services to be improved.

In addition, other researchers have focused on the framework of measuring the quality of the internal service provided in terms of needs and expectations (Davis, 1992: 34; Garrett and Turman, 1992: 78; whilst Gulledge (1991: 46) is on satisfaction.
4.12.2 Internal service quality dimensions

Reynoso and Moores (1990: 64) have conducted exploratory research on the internal network of activities that support the service delivery process. The research explored inter-departmental relationships from a service perspective in which semi-structured interviews with all departmental managers within a four-star hotel were carried out. During the interviews, various questions were posed:

- Do employees in one department actually recognise other units as their customers?
- Do they see the products of their job as the provision of internal services to other units?
- Do they really harbour expectations about the services they receive from their support units and if so what kind of expectations do they have?
- Do these expectations refer solely to the “outcome” of the service they received? Would it be possible to identify any kind of pattern or criteria?

This study has provided valuable insights into the relationship between customer service and the internal network of services required to support it. In the study, the existence and importance of an internal network of services between departments which harbour expectations about the different units that support their activities have been recognised. Reynoso and Moores’ (1990) second stage of the study is to identify and to better understand the factors that determine how organisational units perceive the quality of the support they receive from other units (Yusoff et al. 2010: 230).

4.13 Conclusion

In essence, total quality management (TQM) is a management philosophy aimed at continuous improvement and continuous process improvement with
the aim of enhancing the performance of organisations. Quality management standards such as the ISO 9001: 2008 (QMS) and ISO 14001: 2004 (EMS), and excellence models are methodological practices, tools, and frameworks to give expression to the concepts and constructs contained within the TQM philosophy.

Thus, based on the work of Dale et al. (2001), Hermel (1997), Hackman and Wageman (1995) and DeCock and Hipkin (1997), TQM is defined as embodying the following constructs: (1) TQM is strategically linked to the organisational goals; (2) Customer satisfaction and understanding is vital within the organisation; (3) Employee participation and understanding at all levels is required within the organisation; (4) There is a need for management commitment and consistency of purpose within the organisation; and (5) The organisation is perceived as a series of processes, which incorporate customer supplier relationships (McAdam and Henderson, 2004: 52). These concepts are contained in some form or other within the ISO 9001 and 14001 quality and environmental standards respectively as well as in excellence models such as the MBNQA, EFQM model and the SAEF model.

The review of the literature shows, on the one hand, that there have been numerous studies analysing the critical factors for successful quality management implementation and its influence upon the results, and on the other, which techniques and tools might be best suited for quality improvement. After this review, it can be said that: there is no unique model for a good TQM programme; and TQM is a network of inter-dependent components, namely critical factors, practices, techniques and tools. Although there is a vast difference between the public and the private sector, as well as the concept of “customer”, “continuous improvement” and “continuous process improvement”, the principles of TQM has universal application.

In Chapter Five, the applicability of the total quality management (TQM) philosophy in the public sector with specific reference to local government will be examined.
CHAPTER 05:

TOTAL QUALITY MANAGEMENT (TQM) IN THE PUBLIC SECTOR WITH SPECIFIC REFERENCE TO LOCAL GOVERNMENT

5.1 Introduction

As discussed, total quality management (TQM) has initially made its appearance in the manufacturing sector, but has increasingly made an impact upon service organisations in the private sector. An ever-growing number of public sector organisations have sought to employ these principles of management, including a clear-cut customer-oriented perspective. Public organisations have to control quality as well as they have to assure equality (Madsen, 1995: 165).

From bureaucratic management („Weberianism“) (Albrow, 1970 cited in Madsen, 1995: 165), public enterprises have a tradition of looking upon politicians as the end-users. Traditionally, the main functions of a public organisation are to satisfy politicians and to fulfil governmental objectives. According to classical representative democratic theory, to satisfy political masters is in principle the same as satisfying citizens of the electorate. However, this is empirically an illusion. As a public organisation, one cannot be sure to satisfy customer citizens by satisfying politicians in a complicated society (Madsen, 1995: 165).

Weberianism is to the public sector what „Taylorism“ is to the private sector. Like Taylorism, Weberianism is based upon an extreme separation of productive functions, especially separation of planning from doing. Weberianism invaded the public sector when most public enterprises were governmental authorities. Supporting equality in political terms as the very vision of public activities, bureaucratic theory and hierarchy are still dominant ways of describing public enterprise, and „administration“ is looked upon as the very business of the public organisation (Madsen, 1995: 166).
However, Madsen (1995: 166) state that this does not correspond to reality. Political decentralisations imply, in fact, the principle of the customer as king rather than the principle of total quality control. Economic decentralisations imply that political representatives make decisions on means and resources rather than on aims and objectives. TQM looks like a better approach for public organisations than Weberianism, just as TQM has proved to be a better approach for private organisations than Taylorism, whether manufacturing or servicing (Madsen, 1995: 166).

Few governments have succeeded in improving the quality of service, increasing productivity, and reducing costs at the same time. Past productivity efforts have generated valuable insights for public administrators who seek greater output from individual employees by stressing externally imposed methods of goal setting, decision making, programme evaluation and performance appraisal. Such techniques as management by objectives, programme evaluation, review and planning, programming budgeting system are typically used to set and implement public sector goals. Such personnel practices as individual performance appraisal, ranking for pay purposes, merit increases, and bonuses are used to motivate the work force to achieve public priorities (Cayer, 1986 and Morley, 1986 cited in Milakovich, 1990: 19).

Despite the best intentions, the application of these methods has not eliminated complaints of inefficient or ineffective services, wasted resources, or lack of responsiveness by public employees. The National Commission on Public Service (1990) cited in Milakovich (1990: 19) observed that attitudes and opinions about government service mirror widespread citizen frustration, alienation and powerlessness. In order to improve the quality and productivity of public services, new management practices are needed.

Achieving both quality and productivity without increasing costs is difficult in the public sector because of the unique role played by elected officials and the complex relationship between politicians and administrators. Elected representatives are often as concerned with immediate political rewards as they are with such professional and administrative values as efficient long-
term use of resources and increased productivity. Annual budget cycles tend to reinforce a short-term perspective. Complicating matters further, politicians must attempt to reconcile multiple, vague and conflicting goals in response to large numbers of diverse interest groups (Milakovich, 1990: 20).

The large number of constituencies only increases the importance of implementing strategies that can measure and improve the quality of public services. However, rather than responding with new approaches, many elected officials claim to be frustrated by bureaucratic resistance to change. Some seek to avoid political accountability altogether by blaming public employees or prior administrations for their own failure to lower costs or improve service. Equally, frustrated, appointed officials are aware of the limitations of current management practices, but they often protest that they are powerless to change them without political approval. Neither side seems willing to accept responsibility for taking the bold steps needed to examine, analyse, and change existing public management processes within current resource limits. This “claim and blame” strategy does little to improve the quality and productivity of governmental services (Milakovich, 1990: 20).

There is, however, an option that achieves continuous quality improvement without additional resources by emphasising intensive examination of relationships between existing management processes, “extended” customer-supplier requirements, and response to valid customer demands. This is known as total quality management (TQM) in government and this approach to the improvement of quality and productivity is both a management philosophy and a method of process improvement that is being applied to the public sector on a broad scale (Milakovich, 1990: 20).

According to Donnelly (1999: 52), although many of the decision areas and strategic choices open to commercial managers are also available to managers in the public services, quality management in the public sector has to engage with complexities and work in environments rarely experienced in the private sector. Not only do the customers and decision-makers exhibit special characteristics but the very nature of public sector services along with
their breadth and fiscal interactions present serious challenges for quality professionals and researchers.

This is within democratic contexts with broad, often intangible, socio-political purposes moderated by the wide range, roles, influence and power of different stakeholders; the criteria used for portfolio choices and service rationing; the implications of payment-receipt issues for service quality decision-making and assessment; and the peculiar role that citizens play as customers and service as funders (Donnelly, 1999: 52). Nevertheless, public sector managers are making significant contributions to continuous improvement as illustrated by local government in the United Kingdom (Donnelly, 1999: 52).

Magd and Curry (2003: 281), as well as Wynn-Williams (2005: 490) argue that there is some debate over the transferability of concepts and practices from the private sector into the public domain. A public sector organisation that needs to balance financial management with services for the public good must be clear on how potential conflicts are managed (Singh and Mansour-Nahra (2006: 139). It is in the public sector that the greatest need is seen for benchmarking frameworks. With respect to benchmarking, there should be a focus on processes and strategic activities, not on results and outputs; it should accept an internal focus, where there are no competitors; it should report on specific objectives for the future plus attainment of previous objectives; and bring discussion and results of benchmarking activities into publicly available documents so all interested and affected parties can be involved (Singh and Mansour-Nahra (2006: 139).

In this chapter the applicability of TQM in the public sector, government with specific reference to municipal or local government would be examined. A theoretical framework is first outlined in which the examination would be located within.
5.2 Performance and quality management and its application in local government

Public managers on all spheres and tiers of Government are under constant pressure to improve the performance and quality of service delivery (van der Walt: 2004: 33). They are expected to satisfy a number of stakeholders, achieving increases in efficiency as well as the effective attainment of institutional objectives. Because of the differences in the context, history, and values of management in the public sector, managers should carefully consider private sector measures taken to improve overall performance.

According to the Public Service Commission (2002: 09), efficient, economic, and effective use of resources must be promoted. Public managers need to consider available models and techniques to ensure that resources are optimally utilised to the maximum benefit of society. Local government managers are under constant pressure to improve the performance and quality of service delivery. They are expected to satisfy a number of stakeholders, achieving increases in efficiency as well as the effective attainment of organisational goals (Kline, 1992: 07; Appleby and Clark, 1997: 29).

The recurring theme of local government initiatives is the need to demonstrate that performance is managed, measured and improved (Appleby and Clark, 1997: 29). Increasingly, municipalities need to demonstrate that public money is spent in accordance with their legal mandates and high quality services rendered to clients and communities (Appleby and Clark, 1997: 29). The growth of local government inspection programmes, with their intervention powers (Section 38, Local Government: Municipal Systems Act 32 of 2000), is a clear indication that the municipalities must place performance improvement high on the agenda.

Not only should the quality of outcomes of the service or product be of high standard, the measures taken to ensure success should be congruent with those institutional measures taken to improve service delivery. Vital to
improving productivity in the public sector will be accurate measurement of public programmes and associated projects. Performance measures in local government are basic to good management and accountability. As a rule, performance measures should be linked to the budgetary process (Section 49, Local Government: Municipal Systems Act 32 of 2000).

5.2.1 Batho Pele (“Putting People First”) Principles in South Africa

For the public sector, service delivery means to deliver on the expectations of all citizens, but most especially to the most vulnerable in the community. To do this, Batho Pele (Mti, 2003: 21 and Rapea, 2004: 98) requires that all government departments ensure that the eight service delivery principles be implemented. The Batho Pele principles are as follows:

**Consultation.** There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies, non-governmental organisations (NGO”s) and community-based organisations (CBO”s). Often, more than one method of consultation will be necessary to ensure comprehensiveness and representativeness. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation in the local government sphere (Rapea, 2004: 98).

**Setting service standards.** This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards.

Required are standards that are precise and measurable so that users can judge for themselves whether they are receiving what was promised. Some standards will cover processes, such as the length of time taken to authorize
a housing claim, to issue a passport or identity document, or even to respond to letters (Rapea, 2004: 98).

To achieve the goal of making South Africa globally competitive, standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa’s current level of development.

**Increasing access.** One of the prime aims of *Batho Pele* is to provide a framework for making decisions about delivering public services to the many South Africans who do not have access to them. *Batho Pele* also aims to rectify the inequalities in the distribution of existing services. Examples of initiatives by government to improve access to services include such platforms as the Gateway, Multi-Purpose Community Centres, and Call Centres (Rapea, 2004: 98).

Access to information and services empowers citizens and creates value for money and quality services. It can also reduce unnecessary expenditure for citizens (Rapea, 2004: 98).

**Ensuring courtesy.** This goes beyond a polite smile, 'please”, and 'thank you’. It requires service providers to empathise with the citizens and treat them with as much consideration and respect, as they would like for themselves.

The public service is committed to continuous, honest, and transparent communication with the citizens. This involves communication of services, products, information and problems, which may hamper or delay the efficient delivery of services to promised standards. If applied properly, the principle could help to demystify the negative perceptions that the citizens in general have about the attitude of public servants (Rapea, 2004: 98).

**Providing information.** As a requirement, available information about services should be at the point of delivery, but for users who are far from the point of delivery, other arrangements will be needed. In line with the definition of customer in this document, managers and employees should regularly seek to
make information about the organisation, and all other service delivery related matters available to fellow staff members.

**Openness and transparency.** A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume, and who is in charge. It is anticipated that the public will take advantage of this principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by raising queries with them.

**Redress.** This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the public, as well as at the organisational level, in relation to the entire service delivery programme. Public servants are encouraged to welcome complaints as an opportunity to improve service, and to deal with complaints so that weaknesses can be remedied quickly for the good of the citizen.

**Value for money.** Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs. Failure to give a member of the public a simple, satisfactory explanation to an enquiry may for example, result in an incorrectly completed application form, which will cost time to rectify.

The South African National Economic Development and Labour Council (NEDLAC, 2001: 19), stated that business excellence must be driven by the chief executives and leadership of the organisation. A culture of business excellence in a country will result in better-managed institutions, which should achieve greater levels of performance and competitiveness. The creation of this culture nevertheless remains a complex task and it needs to permeate all levels of society.
5.2.2 Performance measurement in support of the TQM philosophy

Many governments worldwide are using standard, private sector “performance management” techniques to try to improve administrative effectiveness. However, if such standard techniques are adopted they may not be appropriate to the context, they may be too expensive, or they may transfer power from local level to somewhere else – usually the centre. In advanced industrialised countries, the problem being addressed is sluggish and over-bureaucratic public bodies. These ailments do afflict many less developed countries as well. In such cases, performance management will help to refocus and restructure organisations to make them more flexible and responsive, and drive a process of change through barriers of resistance (Curtis, 1999: 260).

The situation in South Africa – and other countries undergoing transition – is rather different. The residue of the former, under-performing, administrative structure is now in the midst of rapid change, through restructuring, redeployment, and process re-engineering. There is little complacency. Rather a climate of uncertainty and ambiguity gives rise to power struggles, competition, and repositioning. Performance can easily be a casualty under such circumstances. Performance management increases the tremors of the “shake up”. Performance enhancement, it is suggested, requires peace-building, reconciliation, and consolidation (Curtis, 1999: 263).

Local government is essentially the primary vehicle for service delivery in relation to key public service delivery areas, such as electricity, roads, and water. Performance management programmes in local government should be evaluated by key policy makers, managers, and staff in order to adjust programmes, activities, and objectives in ways that will lead to improved performance (Whooley, 1987: 45).

According to Lehtoranta (1998: 01), this complex process of service delivery is seen to be of national importance and requires an extensive and holistic
performance improvement programme. If performance is not measured, it cannot be managed. Performance measurement should therefore be utilised as a diagnostic aid to identify performance anomalies, as well as an early warning device to sound an alert against such anomalies. Performance management strategies, frameworks, systems, techniques and tools are therefore imperative in the new era of developmental local government.

Furthermore, financial restraints in public expenditures in recent years have resulted in calls for increased accountability and, consequently, in continuous efforts to improve the efficiency and effectiveness of public services (Kloot and Martin, 2000: 231; Bowerman et al. 2001: 321; Worthington and Dollery, 2002: 496; Foltin, 1999: 40; Kopczynski and Lombardo, 1999: 124; Carter et al. 1992; Chan, 2004: 204). Such efforts have often been part of a trend towards results-oriented restructuring of government services (Osborne and Gaebler (1992) cited in Pollanen (2005: 04). Structural and operational changes associated with restructuring usually also require the re-design of performance measurement and management systems (Otley, 1994: 289; Otley, 1999: 363).

Performance measurement systems, if effectively linked to the revised strategies and accompanied with appropriate rewards, can provide useful tools for restructuring and organisational performance management in general (Kaplan and Norton, 1992: 71; Otley, 1994: 289; Otley, 1999: 363; Poister and Streib, 1999: 325; Greiner, 1996: 11; Ammons, 1995a: 37). This broad approach to performance measurement has been advocated in both management and performance management literatures and requires non-financial performance measures in addition to the traditional financial metrics (Kaplan and Norton, 1992: 71; Eccles, 1991: 131; Otley, 1994: 289; Otley et al. 1995: 31; Kennerly and Neely, 2002: 145). Non-financial process, output and outcome measures are particularly critical in public organisations, including municipalities, in which objectives are often non-financial and ambiguous and multiple stakeholders and accountability relationships exist (Moriarty and Kennedy, 2002: 395; Conroy, 2002: 133; Kloot and Martin, 2000: 231).
Measurement is the yardstick by which the value of productivity improvements can be quantified and assessed. Productivity data collected over time can be used to monitor performance, identify problem areas, establish standards for improved performance, evaluate the benefits of alternative improvement strategies, and refine resource needs relative to estimated demands. For citizens, productivity data provide a means for holding public officials accountable for public resources. Although the existence of a measurement system may temporarily motivate performance improvements, meaningful productivity increases will not be achieved without analysis of the data and implementation of policy or operational changes (Section 49, Local Government: Municipal Systems Act 32 of 2000).

Governmental productivity is the efficiency with which resources are consumed in the effective delivery of public services (Public Service Commission, 2002: 09). The definition implies not only quantity but also quality. It relates the value of all resources consumed – human, capital, and technological – to the output of public services or results achieved. Improved productivity should result in more and/or better services for the same unit cost, or the same quantity and quality services at lower unit cost (Section 49, Local Government: Municipal Systems Act 32 of 2000).

Local governments or municipalities are important, as they constitute a significant component of contemporary economies and contribute greatly to the quality of life of the residents in the local communities (Pollanen, 2005: 05). Regardless of the fact that the local government sector was one of the first public sectors to experiment with performance measurement in the 1970s (Hatry et al. 1977 cited in Pollanen, 2005: 05), empirical evidence on the use and usefulness of performance measures in municipalities is still somewhat limited and contrary. For example, in spite of the significant degree of reported development of performance measures in large municipalities, their proliferation has not been confirmed widely, particularly in medium-sized and smaller jurisdictions.
Moreover, the measures used tend to be low-level input and workload measures, not available for all programmes, not meaningfully used in decision-making and not reported to external parties (Kloot, 1999: 565; Ammons, 1995(a): 37; Ammons, 1995(b): 15; Greiner, 1996: 11; Bovaird and Gregory, 1996: 239; Streib and Poister, 1999: 107; Poister and Streib, 1999: 325; Kopczynski and Lombardo, 1999: 124). Therefore, an opportunity exists for further study of these issues in local government.

Performance measurement in the public sector is concerned with the assessment of performance of organisations, organisational units and programmes. Nyhan and Martin (1999: 348) defined it as:

“the regular collection and reporting of information about the efficiency, quality, and effectiveness of government programmes.”

Its primary function is to monitor the achievement of organisational and managerial objectives and thus serve as an important planning, control and decision-making device. As such, performance measurement can improve performance by promoting managerial (internal) accountability and timely corrective actions. Moreover, the external reporting of performance measures can enhance public (external) accountability by increasing the visibility of managerial actions on the reported performance dimensions (Waterhouse and Tiessen, 1978: 65; Kloot and Martin, 2000: 231; Broadbent and Guthrie, 1992: 03).

In addition to traditional public (external) accountability and managerial (internal) accountability, Sinclair (1995: 219) also identified political accountability, professional accountability and personal accountability. Political accountability refers to political line relationships whereby public officials are accountable to the minister, who in turn, is accountable to the Parliament, and ultimately to the general public. Professional accountability refers to accountability to professional organisations or bodies. Personal accountability is concerned with the adherence to internalised moral and ethical values and accepting responsibility for one”s actions. Therefore,
political accountability and professional accountability can be viewed as part of public (external) accountability and personal accountability can be considered to serve as ethical guidance to individuals dealing with both public accountability and managerial accountability.

Theoretically, an ideal performance measurement system in public organisations can enable an evaluation of the effects of programmes on the well-being of multiple stakeholders (Pollanen, 2005: 06). In an effort to progress towards this ultimate objective, Conroy (2002: 133) proposed socio-political measures in addition to traditional financial and efficiency, measures and Bovaird (2002: 69) recommended a community scorecard with social, political, and user-related measures for local governments. However, as direct measures of well-being do not exist, surrogate measures of varying degrees of sophistication are useful as indicators of well-being (Hartle, 1972: 05). Performance measures can thus be viewed as useful measuring sticks of the achievement of an organisation’s objectives and, ultimately, of its contribution to the well-being of its wider community (Pollanen, 2005: 06).

A common pragmatic approach to performance measurement is based on a process-oriented model, in which performance measures can be categorised into input, process, output, and outcome measures, although variations in the classification also exist (Ammons, 1995b: 15; Swiss, 1995: 67; Carter et al. 1992; Foltin, 1999: 40; Greiner, 1996: 11). This approach can be used as a basis for self-assessments and reporting on performance by managers for internal decision making and external accountability purposes, as well as a basis for evaluations by external regulatory and funding agencies. Input measures quantify resources used in providing services; output measures indicate the amount of work completed; process measures reflect the relationships between inputs and outputs or efficiency in the use of resources; and outcome measures relate to the intended outcomes or effects of services provided, or effectiveness (Pollanen, 2005: 06).

The notions of efficiency and effectiveness are at the heart of performance management, as they allow the delineation of managerial responsibilities and
accountability for the achievement of interim and ultimate organisational objectives at different stages of service completion (Pollanen, 2005: 06).

In accordance with Anthony and Govindarajan (1998: 131), efficiency is defined as:

“the ratio of outputs to inputs, or the amount of output per unit of input”

in addition, effectiveness is defined as:

“the relationship between a responsibility centre’s outputs and its objectives”.

The development, use and reporting of effectiveness measures can be considered as the ultimate objective of comprehensive performance measurement systems. However, due to difficulties in identifying and measuring outcomes for many typical public services (Kloot, 1999: 565; de Bruijn, 2002: 578), a trade-off exists between the objectivity of efficiency measures and the relevance of effectiveness measures, making it necessary to balance the two types of measures carefully (Mayne and Zapico-Goni, 1997: 03).

A significant amount of research on the use of performance measurement in municipalities has been undertaken during the mid and late 1990s (Kloot, 1999: 565; Ammons, 1995a: 37; Ammons, 1995b: 15; Ghobadian and Ashworth, 1994: 35; Bovaird and Gregory, 1996: 239; Bovaird, 2002: 69; Swiss, 1995: 67; Foltin, 1995: 40; Streib and Poister, 1999: 107; Kopczynki and Lombardo, 1999: 124; GASB and National Academy of Public Administration, 1997). In the USA, municipalities with exemplary performance measurement initiatives have been identified, for example, Sunnyvale, Palo Alto, New York, Phoenix, Portland, Dayton and Charlotte. However, reviews of the extent of performance measurement are somewhat mixed (Ammons, 1995a: 37; GASB and National Academy of Public Administration, 1997; Poister and Streib, 1999: 325).
Ammons (1995a: 37) and Poister and Streib (1999: 325) noted performance measurement and monitoring rates as high as 70 – 80 percent reported in previous surveys. However, Poister and Streib (1999: 325) found that only 38 percent of the cities surveyed used performance measures, more consistent with moderate use found in the GASB and National Academy of Public Administration (1997) cited in Pollanen (2005: 06) study and in document analyses by Ammons (1995a: 07), and pointed out that usage rates may have been over-estimated in some surveys due to the inclusion of only large municipalities. In Australia, Kloot (1999: 565) reported a significant increase in the use of performance measures, both financial and non-financial, in the Victoria local governments in the 1990s.

These findings mirrored similar findings in the UK local governments in the 1980s (Bovaird and Gregory, 1996: 239; Bovaird, 2002: 69). However, in all three countries, the measures have tended to be low-level input and output (workload) measures, instead of more desirable efficiency and effectiveness measures (Ghobadian and Ashworth, 1994: 35; Kloot, 1999: 565; Bovaird and Gregory, 1996: 239; Ammons, 1995a: 37; Ammons, 1995b: 15; Greiner, 1996: 11; Streib and Poister, 1999: 107; Poister and Streib, 1999: 325; Kopczynski and Lombardo, 1999: 124).

Although several potential uses have been reported, for example, strategic planning, budgeting and resource allocation, programme monitoring and evaluation and managerial appraisal and rewards (Kloot, 1999: 565; Poister and Streib, 1999: 325; GASB and National Academy of Public Administration, 1997 cited in Pollanen, 2005: 07; Ammons, 1995a: 37; Carter et al. 1992), the actual use in decision-making and external reporting, if any, often appears to have been limited to only selected areas. For example, Ghobadian and Ashworth (1994: 35) reported, based on case study evidence in the UK that the primary use in the early 1990s appears to have been for cost-cutting purposes.

Similarly, Bovaird and Gregory (1996: 239) and Kloot and Martin (2000: 231) concluded that the exercising control over local governments by the central
government has been the overriding role of performance measurement in the
UK. More fundamentally, Bovaird and Gregory (1996: 239) also argued that,
although performance measurement initiatives in the UK have had an
enormous symbolic effect, resulting in an image of efficient and effective
government, they have led to little change in actual governmental policies and
managerial practices.

Since the quality of life of the common person depends upon the quality of the
goods and services he or she uses, any deficiency in these can pose a threat
to the quality of his life, if not to his very existence. To meet these challenges,
local government can adopt the philosophy of TQM because it can lead to
quality certification, thus assuring its stakeholders of an independent and
unbiased appraisal of their quality systems and procedures (Kidwell et al.
2002: 63).

South African government organisations must have internationally recognised
and accepted management processes and appropriate leadership (Du Toit et
al. 2001: 80). Accountability for service delivery in the whole range of public
services involving people, such as education, health and social services has
now become increasingly relevant and important. This concern arises in part
from political and ideological considerations, where it forms part of a drive to
place public services within a framework similar to those governing private

Many organisations have moved towards a TQM path in their quest for quality
(Hoque and Alam, 1999: 1999). There is growing literature on TQM,
suggesting that organisations that pursue TQM have better productivity,
greater market share and improved profitability and efficiency (Oakland 1989,
Johnson, 1994: 259; Powell, 1995: 15; Maloney and Stower, 1999: 34; Hoque
and Alam, 1999: 1999). However, writers like Zbaracki (1998: 602) note that
TQM may provide an organisation with few technical benefits, but the claim to use TQM confers legitimacy on the organisation.

Ezzamel (1994: 269) has also identified costs and obstacles to TQM implementation and emphasises that there is possibility for management to over-emphasise use of detailed written rules and procedures, which separate the individual from their work. Such were also the arguments put forward by Brah et al. (2000: 1293) and the authors argued that TQM entails excessive retraining costs, demands unrealistic employee commitment levels, increases paperwork and formality and emphasises process over results.

Quality has become one the main methods by which increasing economic pressures on public expenditure have been challenged: as the acting director of the US Federal Quality Institute, Paul Sweetland was quoted as saying:

“Most agencies have less funds to work with, yet they are often expected to provide the same, sometimes more and improved, services to the public. So we, too, have been forced to find ways to increase both our efficiency and effectiveness” (Reynolds, 1989: 16).

Restructuring of an organisation along the lines of total quality management (TQM) is believed to increase customer orientation, timeliness and service performance, while reducing costs (Berman and West, 1995: 57). In the UK, however, critics of an unquestioning adopting of TQM have suggested it was part of a “political project” designed to complement Conservative government policies:

“The potential for cost saving and containment, the idea of introducing internal competitive relations, the dismantling of „bureaucratic“ cultures and the establishment of rational service specifications which were the responsibility of both employees and employers” (Kirkpatrick and Lucio, 1995 cited in Erridge et al. 1998: 341).
Quality initiatives were further linked to the commercialisation of public services, and the:

“needs and demands of sovereign customers in the market place”.

The different approaches to quality in the public sector would be examined below.

5.2.3 Quality initiatives in the public sector

The effects of economic crisis and growth of new ideas on the nature of government created radical changes within the public sector. The popularity of New Right anti-statist ideas meant greater emphasis was placed on market mechanisms, according to Savas (1987) cited in Erridge et al. (1998: 342). Furthermore, according to Kirkpatrick and Lucio (1995) cited in Erridge et al. (1998: 342) this created new relationships within the provision of services, such as competitive tendering and the internal market in health care. The underlying assumption was that the private sector was more efficient than the public sector (Metcalfe and Richards 1990 cited in Erridge et al. 1998: 342; Smythe, 1997: 21), and by applying commercial models of management and quality improvement, the standards of service could be increased without any increase in public spending.

Wilson (1995) cited in Erridge et al. (1998: 342) stated that a common theme in New Right thinking has been to improve performance through competition and increased accountability. With this model, managers of public services are held accountable not only to politicians but also consumers or citizens. The quality of outputs now became a focus of attention rather than just examining the use of inputs and there was a drive to decentralise, devolving managerial and financial responsibility away from the centre. This can be seen in practice with the opting-out of schools from local authority control and the creation of Next Step Agencies. Quality management came to be viewed as the answer to the main criticisms of public services; inefficiencies,
wastefulness and remoteness from those whom they serve (Walsh 1994 cited in Erridge et al. 1998: 342).

Quality was defined in terms of fixed standards representing “fitness for use” and allowed for external models of evaluation such as quality audits (Kirkpatrick and Lucio, 1995 cited in Erridge et al. 1998: 342). This approach ensured clear standards were set and that resources were used as efficiently as possible to meet these standards. Examples of these include: the Audit Commission monitoring the management of value for money within local government and health; the link between performance indicators in higher education research and teaching and resource allocation; and the production of tables such as police response times or hospital waiting lists. With these, the consumer was able to compare the quality of various organisations and judge performance, which would then provide the impetus for improved quality (Erridge et al. 1998: 342).

Perhaps the most publicised quality initiative was the 1991 Citizen’s Charter, which brought a variety of performance indicators under the one label. Standards of service delivery and management were established and Charter Marks awarded to organisations who achieve these standards, which could be withdrawn if standards fell. The performance indicators needed to acquire these marks were then made explicit both within the organisations and for the public, users of the service provided (Erridge et al. 1998: 343).

Pollit and Bouckaert (1995) cited in Erridge (1998: 343) see difficulties with the Citizen’s Charter in that it tends to define the citizen as a customer of services, ignoring other aspects of citizenship. The UK Conservative government took considerable steps to try to ensure that quality improvements did not create legal rights and that quality specifications embodied in public service contracts and service agreements were not actionable in court.

Gaster (1995) cited in Erridge et al. (1998: 343) mentions this system of redress for citizens with Charters is through complaint, an idea based on
theories of public choice. This contains certain questionable assumptions: that individuals will always behave rationally and that citizens have the power to choose not to use a service. The author argues that Charterism fails because citizens do not have this power and therefore other theories of human behaviour are required when examining approaches to quality.

Critics of quality initiatives in the public sector have come to regard the exercise as part of a government agenda to reform public services (Kirkpatrick and Lucio, 1995 cited in Erridge et al. 1998: 343). Quality was linked with theories of the New Right and public choice as market forces would increase efficiency, which would in turn lead to improvements in quality. This business or private sector approach was how policy makers intended to reform public services and quality was to form part of the agenda for change:

“The language of quality played a pivotal role in terms of legitimating government efforts to reorganise the public sector” (Kirkpatrick and Lucio, 1995 cited in Erridge et al. 1998: 343).

A second criticism lodged against quality initiatives is that they have tended to be based upon private sector practice, which cannot be applied directly to public services. The differing contexts between markets and the political environment mean that management in each sector requires different approaches. Public sector policy choices are generally more contentious and value based.

According to Kirkpatrick and Lucio (1995: 13) consumers of public services often do not have a choice as services may be rationed (for example, health care), monopolised (for example, electricity supply), “socially ordered” (for example, prison and police services); or individual consumers may lack expertise and influence. This latter point suggests a fundamental weakness in applying market-based models to public service provision, in that analysis of markets depends largely upon the choices of individual consumers, whilst public service provision is essentially concerned with collective choices of
groups in society mediated through political organisations and representatives.

Furthermore, Johnson and Callendar (1997: 41) argue that by allowing the private sector to influence the model of management in the public sector, the more traditional social and economic responsibilities of government have received less attention and the role of the state with respect to its citizens is now defined in economic rather than political or social science terms.

These contextual differences result in practical problems for organisations seeking to introduce quality initiatives. Chaston (1995: 428) lists three operational difficulties: future resource availability is largely in the hands of central government; for statutory or political reasons the public sector cannot withdraw from adverse market segments; and the diverse range of stakeholders may frustrate the selection of an optimal model. Thus, when formulating policy, managers must take into account not only the views of customers and staff, but also government policy, which will affect the organisation's future direction. This is also a problem with the ideas of empowerment and flexibility, as regulations, which have been designed to ensure probity can constrain flexibility and cause frustration among employees.

A third problem with the use of Charters and performance measurements is that they have been used to define quality process or output standards, but cannot be said to represent best quality management in terms of incorporating "broad-ranging and improvement-oriented measures" (Bessant et al. 1994: 12). These approaches would be closer to quality assurance or quality control levels in the evolution of quality models than TQM, according to Dale (1994) cited in Erridge et al. (1998: 344) which Dale and Cooper (1982: 11) refer to as:

"...a much broader concept than the initiatives which have gone before, encompassing not only product, service and process quality improvements but those relating to costs and productivity and people involvement and development".
This fact has been recognised by practitioners in the public sector, as Murby (1996: 62) reports from a speech by Jeff Belt of the Vehicle Inspectorate Agency:

“He said that the agency had achieved much from the adoption of such practices but that it was becoming increasingly difficult to sustain performance. For this reason the agency had to turn to total quality initiatives. These were already proving a dynamic force for change”.

Gaster (1995) cited in Erridge et al. (1998: 344) state that while the correct application of TQM depends upon unravelling the recipes cooked up by the quality gurus which may not be appropriate to services governed by motives other than increasing profits and market share, there are valuable lessons to be learned from the private sector in terms of attention to detail and systematic approaches. The criticisms of the New Right approach to quality outlined above are valid, but it can also be argued that any attempt to improve the quality of service provision is valuable, especially if this approach is used as one part of a more complete programme encouraging participation and empowerment.

Gaster (1995) cited in Erridge et al. (1998: 344) further argue that quality in the public sector is a collective exercise and needs to involve a more active role for consumers and citizens, and allow workers at all levels to feel valued. This cannot be achieved through standardisation and performance measurement alone but requires a notion of total quality, which at the same time incorporates public sector, rather than private sector values.

A number of total quality techniques have been employed by the public sector, such as quality circles, quality action teams, customer surveys and training, which have been designed to go beyond standardisation or Charterism (Erridge et al. 1998: 344). Redman et al. (1995: 21) suggests that on balance there is cautious optimism about the state of quality management in the UK public. Although their results fall well short of the claims of quality enthusiasts, they say the predictions of quality sceptics seem unduly
pessimistic and that there is a legitimate role for quality management within the public sector. There is no doubt that such quality initiatives can be used in any organisation to legitimate, promote and ease the implementation of policies and practices, which may be contentious, against the interests of some employees, professional groups, consumers or parts of the wider community.

Equally, it can be argued that any process resulting in demonstrable improvement in service delivery and performance at lower cost to the taxpayer is to be welcomed. These perspectives are not necessarily mutually exclusive: quality initiatives can be both a political project and legitimate goal at the same time. However, it is important that the quality model is appropriate to the public sector in general and the circumstances of the particular organisation:

“A strategy that is optimal for a predominantly clerical operation that has until now done little to systemise quality assurance is unlikely to suit another organisation which employs professional groups that have already articulated elaborate systems of peer review” (Pollitt and Bouckaert, 1995: 133).

It would be useful to examine the differences between the public and private sectors so as to understand the context in which total quality management (TQM) is implemented.

5.3. Public sector – why it is important and how it is different from the private sector

According to Donnelly (1999: 47), most public sector services were originally conceived in response to the failure of the commercial or private sector to deliver adequate quality in key areas for the well-being of society as a whole:

- Society”s demand for top quality water and for a safety-net health service helps halt and prevent the spread of disease;
• Provision of high standard public housing for citizens contributes to the eradication of the squalor of slums;
• Systems for the universal education of children underpin the development of a civilised society; and
• Public agency intervention protects the environment from the by-products of modern industry and society.

All illustrate public sector concern with quality issues – all of these make a difference to the quality of people’s lives. Therefore, quality in the public sector domain is not new phenomena but traditionally has been a response to quality “problems” or failures. The attention of modern public sector organisations has been concerned more recently with ensuring that the services they themselves deliver are as good, as responsive, as consistent, and as fair as possible in meeting public needs (Donnelly, 1999: 47).

After overcoming initial resistance to the baggage that comes with the modern usage of the word “quality” many public sector managers, when invited, would be relatively comfortable with the definition of service quality as: doing the right thing, right, first time, every time. However, most would identify the concept of “equity” as a fundamental, defining characteristic of public service and regard its omission from the definition as crucial. There are probably as many definitions of equity as there are social scientists but most would include the concept of fairness in the distribution of outputs as a key element (Donnelly, 1999: 47).

In practical terms, public sector managers are involved in, and interpret equity de facto as, the inequitable distribution of input resources (often-rationed on approved criteria) in order to achieve an equitable distribution of outputs. These outcomes – distribution of outputs – are often the most significant quality dimensions and are, perversely, the most difficult to measure and assess (Donnelly, 1997: 47). The aim of a public organisation is to satisfy certain needs of society, within the constraints of available budgets.
The definition of these needs for governmental organisations is a political question. In these cases, although the needs and requirements, which have to be satisfied, are externally fixed, the way they are satisfied is the public organisation’s own responsibility. This gives them some responsibility in the design of the product or service and delivery processes (Dewhurst et al. 1999: 267). In public organisations, the search for cost reduction is usually more important than improvements in quality.

Quality is often defined as the minimum demanded by Government or some form of regulatory authority where an improvement in quality does not lead to an increase in consumers’ demand (for example, an improvement in the quality of electricity supply does not imply an increase in its use). In addition, employees are usually content to work to a standard with considerable commitment to rules, regulations, and precedent. There is also a tendency to “playing it safe” and a lack of urgency to make improvements to key business processes (Dewhurst et al. 1999: 267).

The incentive to reduce costs is not as urgent for a public owned organisation as is the case of a competitive sector (Sherman, 1989). In the former, the only way to increase benefits to the consumers is by reducing costs. TQM has been introduced in public bodies and organisations of a number of countries (Harwick and Russell, 1996: 1891; Burbridge, 1995: 20; Masterson, 1995: 50; Davies and Hinton, 1993: 51) and this is changing the way in which they consider these types of issues.

The public sector consists of organisations that deliver goods and services of the government whether at a local or a national level. The size of the public sector varies from country to country, for example in communist countries the entire economy belonged to the public sector (Fryer et al. 2007: 497). Dewhurst et al. (1999: 265) defined public organisations as those organisations which were not profit oriented and then further categorised them as governmental and non-governmental organisations.
According to Fryer et al. (2007: 499), despite the increase in privatisation and internal markets, the public sector remains quite distinct from the private sector in a number of key areas:

- Whilst there are financial controls and targets, the primary goal is not maximising profit;
- Talbot (2003: 183) identified that most public services have three distinct areas or domains – the policy, the managerial and the professional – each of which had their own mores, working patterns and values and were constantly at odds with each other. The people within the organisations have to switch between them the different domains as well as having multiple reporting structures, for example, a physiotherapist would report on a professional basis to a senior-physiotherapist who may be based at a different site, but report locally to the hospital manager. This presents conflicts and uncertainties.
- Public sector organisations suffer from a lack of clarity about who their customers are – is a local council there to serve the individuals, for example a child with learning difficulties that require a dedicated classroom assistant or all the children who would benefit by a decrease in the staff: pupil ratio or the inspection team looking for value for money? (Ustuner and Coskun, 2004: 157).
- Along with the different needs of customers, the public sector organisations have a diverse range of stakeholders to serve, many of whom are customers as well.
- The public sector is subject to the whims and fancies of government, and usually a new administration results in a reorganisation with new boundaries, partnerships and so forth in at least one area of the public sector. Any reorganisation results in uncertainty and changes take time to settle down, neither factor is conducive to providing a first class service.
Parasuraman *et al.* (1985: 41) felt that service quality suffered from intangibility, heterogeneity and inseparability. By this they meant that:

- services cannot be precisely defined and measured, for example, a visit by a district nurse (intangibility);
- they are not consistent as they depend on the interaction between the individual service provider and the customer, for example, Social Services visiting an elderly person (heterogeneity); and
- the delivery and “consumption” of the service occur simultaneously and the customer may influence the outcome of the service provided, for example a police officer asking a group of young people to move on (inseparability).

These characteristics, as shown by the examples above, are common in the public sector and combined with the infinite demand, variability of service provided, high expectations and limited resources differentiate the public from the private sector (Fryer *et al.* 2007: 500).

### 5.3.1 Public and private enterprises

The fundamental conditions of the public organisation are different from the conditions of the private enterprise because of political allocation instead of market allocation (Madsen, 1995: 166). When the price mechanism does the job of allocation, the private organisation may look upon its customers as a relative number of people willing to buy and able to pay. The public organisation has to look upon its customers as an absolute number of people of a certain kind. As you cannot give people whatever they want in the public sector, allocations are necessary, more or less without pricing (Madsen, 1995: 166).

The political system constitutes an environment for the public organisation. This system environment puts up contextual settings for the public organisation, which are different from the contextual settings of a private
company. Contextual settings at this systemic level must not be seen as barriers. The genuine system contextual setting has to be respected as a conditio sine qua non (essential pre-requisite) in transforming public organisations into TQM. That is why total quality in public enterprises requires:

- that any product or service offered to a certain kind of end-user is determined politically as a specific and restricted task of certain public organisations;
- that functions of allocating products and services are handled completely or partly by the public organisation rather than by the customer (Madsen, 1995: 166).

Theoretically, a public organisation does not have the market systemic mechanism to do the allocation function, which is necessary even in public servicing. The right to consume public services more or less free of charge is given to one side (the citizen customer), and payment is required completely or partly from another side (the taxpayers). On the other hand, benefits of public authority are consumed by „society“, but „paid“ by individuals (Madsen, 1995: 166).

Furthermore, according to Madsen (1995: 166), as far as genuine public service is concerned, the allocating functions are not to be based on the price mechanism. In a market system, the allocating functions are consequences of decisions made by customers, but in a political system, the allocating functions have to be structured into the enterprise. This structuring of allocating functions into public enterprises has to be legitimated politically. These basic points have to be borne in mind when public organisations are transformed to use TQM.

The public organisation has to cope with allocation as part of its very job. As a public enterprise, it does not have a price mechanism to tell people when to leave without having what they want. In delivering public services it has to make clear who the customer is and is not. It may have to decide which one
of its customers needs the service most, and may have to queue people in a fair and decent way. In implementing TQM in the public sector, it must accept representative democracy as an indispensable method of allocating politically, as far as allocation is not left to be carried out by the market. On the other hand, implementation of TQM in organisations or institutions in the public sector means to transform „quality” from a matter of political standards and / or professional standards into quality understood as end-users’ satisfaction (Madsen, 1995: 167).

Total quality management (TQM) and its reception in the public sector would now be examined.

5.4 TQM in the general public sector

From a situation where TQM was used only in goods producing companies, TQM has reached and also been used in the public sector. The interest in working with quality in the public sector has grown over the past two decades (Bergquist et al. 2005: 313). This growth can also be illustrated by the establishment of a large number of regional, national, and international quality awards in many countries (Eriksson, 2002; Chuan and Soon, 2000: 1065). Examples of awards are the Malcolm Baldrige National Quality Award (NIST, 2003) in the USA and the European Quality Award (EFQM, 2003) and the Swedish Quality Award (SIQ, 2002).

In many cases, applicants from different parts of the public sector, including the school sector and health sector, participate in these award processes. In the year 2000, in fact, all these awards had recipients from the school sector. In Sweden a particular award for the school sector, the Swedish Schools Award (Svenska kommunförbundet, 2003), was founded by the Swedish Association of Local Authorities in the mid-1990s. Another example of the increase of interest in TQM among public organisations, is the number of participants at quality conferences directed to the public sector (Bergquist et al. 2005: 314).
Because of the increasingly extensive global competition, a variety of community entities of many countries have put pressure on all aspects of public sector production to approximate more closely those same aspects in private industry, in terms of greater productivity and efficiency, better value for money, and so on (Beckett, 2000: 185). A review conducted by Beckett (2000) shows that countries such as the US, Britain, New Zealand, Australia, Canada, Israel, Finland and Sweden have brought about a widespread revolution in public management by introducing political reforms that cause public management to become market-driven and entrepreneurial (Hsieh et al. 2002: 899).


From a community perspective, the performance of public sector services is an integral part of community prosperity. Improved service quality will make public sector organisations more productive and less of a drag on the economy, and, because of the reduced necessity of increasing taxes, will make domestic industry more competitive in the global market (Cohen and Brand, 1993: 450). From an individual perspective, a satisfied customer, client or citizen-beneficiary of the public sector organisations will be more willing to pay for the services provided. For example, Furnham (1983: 113) and Glaser and Hildreth (1999: 48) have suggested that the relationship between citizens’ perceptions of government performance and willingness to pay taxes is positively correlated.

To respond to the increasing demands from customers and to be entrepreneurial, a variety of the public sector services of many countries, such
as health care, education, social services and government services, have
adopted total quality management (TQM) philosophy and practices to
enhance service quality and improve performance (Chi, 1994: 02; Cohen and
Brand, 1993: 450; Morgan and Murgatroyd, 1994; Saint-Martin, 2001: 105;
Younis et al. 1996: 369) by providing customer-oriented services (Font, 1997:

TQM is the culture of a profit-making organisation that is committed to
customer satisfaction through continuous service quality improvement. High
service quality can increase customer satisfaction, reduce customer
complaints and service costs, secure greater market share and attain
maximum possible profits (Pike and Barnes, 1996 cited in Hsieh et al. 2002:
900). In the 1970s, quality management was identified as a major
contributing factor to Japan”s competitive advantage in the world market and,
as a result, the Japanese model of quality management began to diffuse into
Western nations (Pastor et al. 1998: 201).

Many more entrepreneurially oriented models such as „reinventing”,
„reengineering” and the „virtual organisation” have been developed based on
TQM-based concepts (Johnston, 1996: 444). The relationship between TQM
and service quality is significantly positive in profit-making organisations
(Cohen and Brand, 1993: 450; Crosby, 1980; Deming, 1986; Pike and
Barnes, 1996). However, the relationship in the public sector is controversial
(Hsieh et al. 2002: 900).

Some researchers have found successful cases to support the effectiveness
of TQM in enhancing the service quality of public sector services (Cohen and
other hand, many writers have suggested that TQM is ill-suited to the public
sector for several reasons. These reasons include the nature of TQM itself,
the nature of the public sector itself, the work cultures of the professionals in
the public sector and the more problematic concept of the customer in the
public sector, all of which may make the public sector services inimical to
Hsieh et al.’s (2002: 900) research suggests that the controversial results about the relationship between TQM and service quality in the public sector have been obtained because previous research has studied the relationship phenomenally (that is, using case studies or using the characteristics of TQM and the public agencies as moderators). As Cohen and Brand (1993) have suggested that the success of TQM in profit-making organisations hinges largely on the right standard operating procedures for satisfying target customers, Hsieh et al.’s (2002: 900) study focuses on the effect that job standardisation, the core concept of TQM, has on service quality in the public sector.

Although the public sector services of many countries have adopted TQM to improve service quality, it is not true to assume that quality was previously a neglected concept in the public sector (Hsieh et al. 2002: 907). What is new for many organisations is that TQM introduces systems and processes designed to ensure that services are delivered with a greater conformity and standardisation than before (Wilkinson et al. 1998). The results of Hsieh et al.’s (2002: 899) study suggest that when holding constant the commitment of top-level managers to TQM and having clearly defined customers, job standardisation of tax collection offices is positively related to taxpayer service quality perceptions.

The results are meaningful because existing research findings about the effects of TQM on service quality in the public sector have been controversial. Hsieh et al.’s (2002: 899) study argues that previous research findings are controversial because they failed to look at the relationship between the core concepts of TQM – job standardisation and service quality. The authors suggest that the five major problems of applying TQM to the public sector (variability of service quality, problem of defining customers, focusing more on inputs and processes and less on customers, a lack of single-minded commitment to quality, bureaucratic inertia) highlighted by Fottler (1981: 01), Merton (1940: 560), Milakovich (1994/1995: 73), Morgan and Murgatroyd (1994), Swiss (1992: 356), Rainey (1997) and Wilkinson et al. (1998) can be considered as technical problems. These technical problems should be
studied as confounding variables in the sense of research design. These possible confounding variables might suppress or distort the relationship between TQM and service quality in the public sector (Hsieh et al. 2002: 908).

The findings of Hsieh et al.'s (2002: 899) study support Cohen and Brand's (1993) suggestion that, in the private sector, job standardisation with specific, by-the-book rules helps to eliminate variation in tasks that are performed constantly by different employees, and that the stricter the standard operating procedures, the more motivated employees are to do jobs efficiently and effectively. This implies that the relationship between job standardisation and service quality applies to both the private and public sectors.

In profit-making organisational research, the significant relationship between job standardisation and service quality is mediated by employee satisfaction (Hsieh and Hsieh, 2001: 147). From the viewpoint of contract-employees, a high degree of job standardisation leads to explicit rules, policies and procedures governing the work activities. Employees can easily follow standard operating procedures to accomplish designated service goals. Therefore, not only can job standardisation clarify work content and context, reduce role ambiguity and decrease role conflict (Sohi et al. 1996: 195), but it can also guide employees to achieve performance goals. This motivates employees and leads to changes in their job attitudes, such as job satisfaction.

Schneider (1980: 32) has suggested that job satisfaction is a primary reason that employees deliver good services. Hartline and Ferrell (1996: 52) verify that higher contact-employee job satisfaction leads to higher service quality perceived by customers. The service quality construct used in Hsieh et al.'s (2002: 899) study includes five dimensions: reliability, responsiveness, assurance, empathy and tangibles. These dimensions are all positively and significantly related to service quality in the private sector (Parasuraman et al. 1988: 12; 1991: 420).
In Hsieh et al.’s (2002: 899) study, the tangibles dimension is not significantly related to job standardisation. This implies that the construct of service quality used by customers in the public sector is different from that in the private sector. In the private sector, the relationship between tangibles and service quality is confounded by customer involvement in the service delivery processes. Tangibles are much more important in the formation of customer service quality perceptions in high-contact services than in low contact services (Lovelock, 1996). In practice, tax collection is a high contact service and the tangibles dimension should be an important determinant of service quality. This finding supports Rowley’s (1998: 321) suggestion that the service quality construct for the business world is different from that for public agencies.

The managerial implications of Hsieh et al.’s (2002: 899) study are twofold. First, when enhancing service quality, management must establish standard operating procedures as well as cultivate employees’ job standardisation perceptions. In the authors’ study, the National Tax Administration of Taipei, the data source, has been certified ISO 9002 since April 1999 and all tax collection offices are supposed to have the same standard operating procedures. However, the average scores of job standardisation perceptions of tax collectors in different tax collection offices differ. This difference in job standardisation perceptions is positively related to taxpayers’ perceptions on the service quality of the tax collection offices at which they filed their annual tax returns at the time of the survey conducted by this research.

Secondly, the results of Hsieh et al.’s (2002: 899) study imply that TQM will be among the best options that the public sector organisation may consider in dealing with increasing service quality, in terms of the principle of legality (Kickert, 1997: 15), public interest and accountability (Johnston, 1996: 444). Beyond TQM, many consider privatisation, reinventing, downsizing, re-engineering, volunteer-use, contracting out, and public/private partnerships as effective service delivery mechanisms to increase efficiency, quality, productivity and performance in delivering public sector services. However, these alternative measures have violated the principle of legality and
confronted the public sector employees with the real possibility of job losses (Johnston, 1996: 444). In Hsieh et al.’s (2002: 899) study it was shown that without violating the principle of legality, losing accountability and threatening the public interest, TQM can enhance taxpayer perceptions on the service quality of tax collection offices through job standardisation.

5.5 Nature of TQM in the public sector

The nature of TQM in the public sector can be seen to fall under one of the following headings (Morgan and Murgatroyd, 1994: 43):

5.5.1 Inherent nature of TQM inhibiting

Firstly, the nature of TQM itself inhibits its application to the public sector. Objections have been raised to the application of TQM in the public sector. The proposition is that TQM essentially belong to the private sector. The public sector does not have the same features as the private sector. The public sector is concerned with the delivery of a service whereas the private sector is concerned with the manufacturing of a product (Morgan and Murgatroyd, 1994: 43).

Some observers have pointed out the need for caution in implementing orthodox (private sector) TQM in government. In a carefully reasoned examination of the fit of TQM tenets in the government context, Swiss (1992: 356) identifies the emphasis on services rather than products, the need to focus on results, and sensitive issues in defining who government’s customers really are as problematic concerns in adapting TQM to the public sector.

Others, including Radin and Coffee (1993: 42) and Cox (1995: 89), point out that the heavily politicised environment of many public agencies, from the legislative as well as the executive perspective, presents additional hurdles for successfully implementing TQM in government. Rather than concluding that TQM is not appropriate for the public sector, however, these critiques tend to
argue for applying it selectively (in product-orientated agencies, for example) or tailoring the approach to fit the specific needs and context of a given agency.

On the other hand, protestations that TQM is incompatible with the public sector have begun to erode as convincing arguments are built based on both logic and experience. In many respects, this holistic approach is simply an amalgam of numerous long-standing trends in the field. Harrison and Stupak (1993: 416), for instance, argue that the real strengths of TQM lie in its emphasis on participative management, the use of objective data, strategic leadership, the democratisation of organisations and concern for clients which are already elements of contemporary public management theory and practice.

With respect to the political context, Walters (1994: 45) points out that:

"it is simply not natural political behaviour to embrace a new way of doing business that requires such significant up-front investment, while offering such subtle – even invisible – long-term payoffs".

Obviously, the full-scale institutionalisation of TQM philosophy and practice is a long-term, very challenging proposition (Poister and Harris, 1996: 86). Yet, Walters (1994: 40) concludes that the quality movement has survived the cynics and is stronger than ever in the public sector, but the author is careful to point out that:

"its success is likely to be measured in many small victories, rather than sweeping reforms".

The groundswell of enthusiasm for TQM has not always being matched with success in implementing it, however. Citing the findings of private sector studies that suggest that companies often do not give TQM the chance to prove its benefits, McGowan (1995: 321) states that the principle reason for the failure to successfully adopt TQM principles in some public-sector
organisations is a lack of leadership, which, in turn, is due to high turn-over
rates of top-level managers in many governmental organisations.

Other analyses of difficulties with attempts to transform various governmental
agencies into total quality organisations stress the need for changes in
organisational values and culture, redirected information systems and
sustained commitment over the long run (Maher, 1995: 387; McNabb and
Sepic, 1995: 369). Thus, given the challenges inherent in simply trying to
implement the approach in public agencies, it is not surprising that few
outcome-oriented evaluations of TQM's impact have been undertaken
(Poister and Harris, 1996: 86).

Thus, although TQM has been cresting through the public sector in a huge
wave of enthusiasm, little is known about its effectiveness (Poister and Harris,
1996: 86). In large part, this is because most TQM initiatives in government
have been implemented relatively recently and are likely to require sustained
commitment over several years to take hold fully. On the other hand, given
TQM's emphasis on process rather than product, its real impact may often be
conceived in terms of changing the fundamental nature of the organisation
and how it does business, rather than the results of those changes in terms of
traditional performance criteria such as effectiveness and efficiency.
Nevertheless, as governmental agencies continue to reorient themselves and
invest in this kind of holistic change strategy, there is a critical need to learn
more about the impact of TQM on the quality and productivity of service
delivery (Poister and Harris, 1996: 86).

One of the principal proponents of TQM in the public sector, Hyde (1992: 25),
points out that the supposed principles underlying the approach are really no
more than administrative proverbs until they are tested with rigorous
evaluation designs and subjected to the measurement of results. Wilson and
Durant (1994: 137) contend that as the initial euphoria surrounding TQM
wears off and sceptics question whether it really generates any meaningful
results, it is essential to evaluate TQM programmes on a systematic basis.
They advocate the use of theory-driven models that take implementation and contextual factors into account in interpreting the results.

There is hardly any hard evidence on the effectiveness of TQM programmes in government, particularly with respect to their impact on service delivery. In one of the few attempts to derive a preliminary assessment of the value of TQM, Bowman and French (1992: 53) revisit an earlier review of TQM activities at the Florida Department of Transportation, with a second small-sample employee survey conducted after the programme had become well established. Although the results indicate quite favourable perceptions of the impact of TQM on the department’s operating efficiency, no financial or operating data were available to confirm this impression. Over 40% of the respondents to one of the municipal surveys mentioned above indicated that it was too early to evaluate the results of their TQM programmes. Those who did report results noted modest but positive impacts (Berman and West, 1995: 57).

In one study that does examine actual performance, Mani (1995: 147) reports on the experience of the Internal Revenue Service (IRS), as one of the pioneers in federal government. Having initiated its TQM programme in 1986, the IRS had 500 Quality Improvement Project teams in action by 1989 and 2000 teams by 1992. These initiatives were credited with improving accuracy in answers to taxpayers’ questions, improving the accuracy of adjustments made on income tax returns, and increasing the use of electronic filing, which reduced error rates on returns.

Mani (1995: 147) examined the impact of TQM on productivity measured by comparing trends in input measures (personnel and operating costs) and outputs (collections, returns filed, returns examined and refunds issued) in pre- and post-TQM periods. The author found no significant difference in productivity before and after the implementation of TQM, even though the IRS had reported savings of millions of dollars directly as a result of the quality improvement teams and other TQM initiatives. However, the author suggests
that TQM might have helped the agency retain the benefits of earlier productivity increases.

Quality management means that an institution is meeting its internal and external customer requirements by doing the right things right the first time. In the private sector there is the notion of doing things right the first time. “Right first time” has become something of a summarizing slogan for TQM in manufacturing (Morgan and Murgatroyd, 1994: 44). Doing the same thing right every time is not an aspect of the public sector, this notion can be located within the private sector. The right first time or zero defects is as a result of an emphasis on prevention and the diligent use of measurement, data-driven elimination of waste and error (Bank, 1992: 23).

However, whether in private or public sector customer satisfaction is vital for the success of any organisation. Therefore, when providing a service this standard can still be applied. Instead of the “right first time” notion, in the public sector all customers should receive the same standard of service. In the manufacturing industry the product needs to be of a certain standard and quality, whereas with service provisions the product and quality needs to be adjusted according to the customer needs (Morgan and Murgatroyd, 1994: 44).

Therefore, the “right first time” notion can be applied in the public service. The process need to be right the first time to meet the context and the individual customer. The original manufacturing nature of TQM does not itself disable the application to the public sector (Morgan and Murgatroyd, 1994: 45). It is important to note that TQM should not be a one size fits all initiative. An organisation should carefully plan and consider where and when this process should be implemented. There might be departments or organisations which are working perfectly, the implementation of a new management system would do more harm than good. A thorough assessment should therefore, be done before a new management system is introduced (Morgan and Murgatroyd, 1994: 45).
In the private sector the quality is evaluated based on the customer expectations and those of the competitor in that industry. There is a notion that a customer is always right. This means that a customer is the best judge for quality services and products. Quality services and products are the foundation for customer satisfaction (Maimela, 2009: 474). The pertinent question is how will we evaluate the value of a service in the public sector? The absence of a market does not eliminate the quality component. In the absence of a market place the expectations of the customer will be used as criteria to determine the service standard. Customer satisfaction is therefore a strategic concept (Maimela, 2009: 474).

5.5.2 Nature of public sector hostile to the reception of TQM

Secondly, the nature of the public sector itself is hostile to the reception of TQM application. There are certain factors about the public sector which limits the application TQM in the public sector. The public sector is more resistant to change (Morgan and Murgatroyd, 1994: 47). The public sector is being over-regulated which makes change very difficult. Many people joined the public sector because change was less evident. This evidence would suggest that resistance to change in the public sector is largely composed of occupational cultural factors. TQM is dependent on cultural change in an organisation. The public sector can equally benefit from such change (Morgan and Murgatroyd, 1994: 47).

Public sector provisions are disconnected from performance. Public servants are largely paid out of budget allocation. Therefore, their salary is not dependent on their performance. There is the exception of senior management in the public sector. TQM would require a change in the budget allocation in order to provide incentives to well performing members (Morgan and Murgatroyd, 1994: 47).

Public sector managers are rewarded for performance. Employees are not rewarded based on performance. This leads to a de-motivated workforce.
Lower level employees will feel they are not rewarded for their hard work (Morgan and Murgatroyd, 1994: 47).

Public service managers are not free to enact management in the way that managers in manufacturing or commercial service provisions are. Public sector managers are not free to introduce new and innovative management skills. TQM requires us to make a clear distinction between making policies and implementing the policies. Politicians do not necessarily restrict themselves to policy making. As a result they usurp the function of management. It is difficult in the public sector to achieve customer satisfaction because there is no identifiable target group. The whole community needs to be satisfied. In most communities there is a big difference in socio-economic circumstances. Therefore, the expectations and needs of customers will differ (Morgan and Murgatroyd, 1994: 47).

5.5.3 Work cultures of public sector professionals contrary to TQM

Thirdly, the work cultures of professionals in the public sector are contrary to TQM. The success of an organisation in meeting its quality and performance objectives relies largely on its work force quality and involvement). When we look at this concept in the public sector it is problematic because most skilled workers are employed in the private sector. Therefore, continuous training is vital for the success of TQM in the public sector. Organisations will need to place greater emphasis on capacitating public servants in order to ensure effective implementation of TQM (Maimela, 2009: 474).

Unlike the private sector, the public sector does not have the privilege of the skilled workforce. This is one of the factors which make philosophies such as TQM difficult to implement. Improving organisational performance requires improvements at all levels of an organisation. Meeting the needs and expectations of people in the public sector through improved service delivery is one of the main objectives of modern public institutions. This requires the public service to be innovative in its approach (Mkontha, 2007: 163).
The application of TQM concepts in the service delivery process in the public sector and in local government would be discussed hereunder.

5.6 Applying TQM concepts to public services

5.6.1 Application of Deming’s 14 quality concepts to public services

To improve quality, Deming’s (1982, 1986) theories and methods stress both statistical process control and behavioural techniques (Milakovich, 1990: 24). According to Gitlow et al. (1989: 15), both aspects of the philosophy are equally powerful, for it is:

“the synergistic implementation of all the points that improves quality in a never-ending fashion”.

In other words, knowing what to do is as important as how to do it. These are Deming’s (1986) fourteen quality improvement concepts: (1) create constancy of purpose toward improvement of product and service; (2) adopt the new philosophy; (3) cease dependence on mass inspection; (4) end the practice of awarding business on the basis of price tag alone; (5) improve constantly and forever the system of production and service; (6) institute modern methods of training; (7) institute leadership; (8) drive out fear so that everyone may work effectively for the organisation; (9) break down barriers between staff areas; (10) eliminate arbitrary numerical goals, slogans and targets; (11) eliminate work standards and numerical quotas; (12) remove barriers that rob employees of their pride in workmanship; (13) institute a vigorous programme of education and retraining; and (14) take actions to accomplish the transformation (Milakovich, 1990: 24).

Milakovich (1990: 25) comments on the application of these fourteen points to public administration:

Create constancy of purpose. Everyone must clearly understand the mission of the organisation and his or her role in achieving it. Continuously improving
the quality of service to customers must be the focus of top management at all times. Governments are not businesses in the profit-making sense, but they are responsible for providing quality service to taxpayers and productive career opportunities for public sector employees. Linking public and private sector missions, Deming offers a broader, socially responsible role for business and government. Rather than merely making money for stockholders, private firms should exist to provide jobs through maintenance, innovation, research, constant improvements and economic growth. Government, in turn, should encourage new business ventures through public policies that increase economic growth, invention and initiative.

*Adopt the new philosophy.* One of the major problems that face most public organisations is the perception of inefficiency due to the size and complexity of the bureaucracy now in place. In a new age of international economic competition, people can no longer live with the delays, mistakes, incompetent service, defective materials and poor workmanship that they have accepted. Customer satisfaction must be emphasised as the primary objective of all public service organisations. In order to accomplish this goal, agencies must increase their efforts to streamline their processes, measure customer needs and merge data with management systems designed to monitor and improve quality continuously.

*Stop depending on mass inspection.* Instead of depending on mass inspection, require statistical evidence that quality is built into the process. Although inspection is one of the central concerns of quality control, quality cannot be inspected into a process or product. Thus, the objective should be to provide a quality service or product in the first place so that inspection and the rework needed to correct mistakes become unnecessary.

*Stop awarding business on the basis of price alone.* Instead of awarding business only on the basis of price, depend on meaningful measures of value as well as on price. Move toward a single supplier for any one item, and seek to build a long-term relationship of loyalty and trust. The emphasis of most governments on finding the lowest bidder usually leads to an unused
inventory of low-quality parts, costs overruns and low-quality service. Purchasing departments and procurement officers have the responsibility for initiating change, providing leadership and accomplishing the transformation in this vital area.

*Improve production and service.* Too often, public officials think in terms of programme – an organised sequence of tasks that has a beginning, middle and an end. TQM must be continuous, with breakthroughs to higher levels of goal attainment resulting after processes become visible, stable and under control (Imai 1986 cited in Milakovich 1990: 26). A good rule here is that any process or procedure that has been in place five or more years is definitely in need of review, probably of revision and perhaps of replacement.

*Institute modern methods of training.* Internal customers – employees – must be provided with the proper training, tools and methods if they are to implement quality improvement. Likewise, external customers must be given the proper specifications for supplies and services. Managers must work harder to define exactly what they need from vendors, how results are defined and measured operationally, and how the achievement of goals will be measured.

*Institute leadership.* Past methods have proved ineffective in motivating employees toward higher productivity while continually improving quality. New behavioural techniques and management practices are essential to transform public and non-profit organisational cultures. Supervisors must coach their subordinates by learning who needs special assistance or intensive guidance and training and then work individually with these individuals to enhance their job performance.

*Drive out fear.* Productivity losses from chronic anxiety in public agencies are staggering, so fear of change must be reduced. Management by objectives, management by numbers and management by results can all be reduced to their common denominator: management by fear. Outside the military, gone are the days of rigid chains of command, Frederick W. Taylor’s “scientific
management”, and Peter Drucker’s management by objectives, which made fear the primary tool of management and which considered “extrinsic” motivation to be the only way of instilling employee loyalty and increasing productivity.

**Break down barriers.** Everyone must work together to address the special causes of problems, take steps to eliminate destructive inter-departmental competition and replace it with co-operative teamwork. Communication across functions is essential if public organisations are to cut through the absorbent layers of bureaucratic middle management and provide customers with timely and efficient service. Any type of organisation can use such company wide quality control.

**Eliminate arbitrary goals, slogans and targets.** Zero defects, increase output by 10% and reduce accidents by 5% are all examples of empty exhortations that seek new levels of productivity without giving anyone the methods to achieve them. Such empty goals can only hinder attempts to achieve quality. Emphasis must be placed on providing workers with the means to achieve customer satisfaction, not on setting increasingly high standards and then cutting corners when work is not completed on time or within budget. This is short-term thinking at its worst.

**Eliminate work standards and numerical quotas.** Stress the quality of service rather than numbers. Allow properly trained and motivated employees to provide quality service free from the fear generated by morale-destroying effects of individual punishment-and-reward control systems, incentive pay and the merit system.

**Remove barriers to pride in workmanship.** Take positive action to train and equip the work force properly and to instill “intrinsic” motivation to do a better job without coercion. To accomplish this goal, management must stop blaming individual employees for system problems and concentrate instead on raising the overall level of agency performance.
Pursue education and retraining. Both management and the workforce must be educated in how to transform their organisations. Providing internal customers with the means to provide quality service is a necessary yet often overlooked phase of any TQM strategy. In order for top management to make the necessary corrections and adjustments to processes, training in statistical quality control techniques may be provided, especially at the supervisory and middle management levels.

Take actions to accomplish the transformation. In order to promote quality improvement on a daily basis, the organisation’s leaders must create a visible structure as well as a positive work environment. Some type of information processing centre plays an integral part in developing the overall quality consciousness of the organisation. However, this vital function must not be delegated to a bureau or division of productivity or quality control. Top managers must walk the talk, leading by active participation and personal example to achieve the transformation.

5.6.2 TQM dimensions applicable to the public sector

Furthermore, Dewhurst et al. (1999: 268) identified and examined ten (10) dimensions of TQM and applied each dimension to public organisations:

Top management support. According to TQM theorists, top management commitment is one of the major determinants of successful TQM implementation (Dewhurst et al. 1999: 268). It is typically claimed that commitment has to be the first step in applying and stimulating the TQM approach and top management have to accept maximum responsibility for the product and service offering. They also have to provide the necessary leadership in creating a vision and organisational values and motivating and aligning all their employees to this. In general, senior management has the main responsibility for the achievement of the organisational aims and objectives (Davies and Hinton, 1993: 51).
However, in public organisations these will be different than in a competitive situation. There is also a tendency for employees to think of themselves as professionals and not managers and there are usually considerable professional specialisms and demarcations, coupled with a certain degree of sensitivity to seniority; this complicates decision making. The concern about cost reduction will be greater than that about quality, and issues related to quality will be frequently reduced to the achievement of the legal technical requirements and levels set by regulation. The satisfaction of society’s needs within the constraints of the available budget is a major concern and this should be the focus of top management’s attention (Dewhurst et al. 1999: 268).

Customer relationship. In an organisation committed to TQM, the needs of customers and consumers and their satisfaction have to be in the mind of all employees and considerable attention paid to identifying these needs (current and latent) and satisfaction levels. Customers’ satisfaction is only important if improvements in the level of satisfaction lead to an increase in consumers’ demand. If this situation does not hold true, then there will be little need to listen, analyse and respond to consumer needs and requirements (Dewhurst et al. 1999: 268).

It is not unusual to find public organisations operating in a monopolistic situation having few concerns about product quality. Rovizzi and Thompson (1992: 74) suggest that States could behave as “marketing departments” to establish the necessary regulations about quality (that is, as governments establish regulations about product and service quality, they should be no less concerned about consumers’ needs).

The definition of a customer can be complex in governmental organisations (Robinson, 1994: 47). For private companies, the person who buys the product or service is considered the customer, but in governmental organisations it is not always so. The customer could be the whole society, which pays the budget of the public organisation with the aim of satisfying its needs. In some situations, the satisfaction of user needs does not increase
the social needs satisfaction. For example, a student attending a public university could wish that his/her university award him/her a degree without achieving the minimum academic levels, but this would conflict with social need satisfaction with reference to the development of the educational standards of the population of a Nation. Therefore, the concern of public organisations will not be the individual needs of their direct users, but the needs of society as a whole. The absence of choice, demand rationing and compulsion in respect of many public services is emphasised by Morgan and Murgatroyd (1994) cited in Dewhurst et al. (1999: 268).

For non-governmental organisations this problem does not exist, as they have some choice over their customers. However, some of these organisations specify the needs of their customers according to the organisation’s own system of beliefs (for example, religious organisations and political parties). This creates a conflict when social needs do not accord to those which the organisation wishes to satisfy. In this situation the organisation faces the possibility of disappearing and very often adapts its system of beliefs to customer’s needs in order to survive. When the customers of the organisation are their own members (for example, professional associations) they define the needs to be satisfied in a democratic manner (Dewhurst et al. 1998: 269).

Supplier relationships. In the case of organisations where TQM principles are applied in a serious manner, quality is a more important factor than price in selecting suppliers. Long-term relationships with suppliers are established and the company collaborates with its suppliers to help improve the quality of products or services and business efficiency. In a public organisation, suppliers should be carefully examined with respect to the achievement of those product characteristics which are related with legal requirements. The TQM principles, practices and mechanisms are of considerable value since they are not only useful in the achievement of legal requirements, but they will also help in cost reduction through the elimination of problems relating to returns, repairs and incorrect information (Dewhurst et al. 1999: 269).
In the private sector there is considerable emphasis on developing suppliers through supplier chain management activities such as long term contracts, improved communication, open book accounting and sharing of information. However, these types of issues appear to be of less interest in public organisations. According to Dewhurst et al. \(1999: \) 269, there are three possible main reasons for this:

1. The primary drive is cost reduction and meeting budgets, consequently, purchasing managers prefer a large number of suppliers and sub-contractors with the aim of forcing reductions in prices through swapping contracts between suppliers. This has been the traditional argument in the support of competitive bidding and tendering (Dobler et al. \(1984;\) Quayle, \(1992: \) 27).

2. One of the main legal requirements demanded of public organisations is to assure a continuous and readily available supply of the product or service. A problem generated by a reduction in the number of suppliers, which is a typical feature of a supplier development approach, is the risk of supply problems, due to strikes, accidents and other factors, so reducing the number of suppliers is of less interest. For example, in electricity supply it is usually the case that the demand for connections exceeds the internal capacity of the organisation responsible for distribution of electricity, consequently contractors are used to cover this requirement.

As this has to be satisfied without delay, an electricity distribution organisation needs several contractors who can work and deliver to the approved standard, and they will switch work between them to keep them tied into the company.

3. The need for compulsory competitive tendering to avoid fraud.

The system of supplier selection for public organisations are more or less defined by law, therefore managers have to limit themselves to application of
the appropriate legal procedures. However, should these procedures be defined in accordance with TQM criteria? Since these recommendations have as their aim continuous improvement and reduction in costs over the long term, there are no reasons for a public organisation not to apply them (Dewhurst et al. 1999: 269).

Masterson (1995: 50) presents an example of supply cost reductions in a police department resulting from minimisation of the product cost during its useful life instead of using the criteria of choosing the cheapest product. Erridge and Nondi (1994: 169) have analysed the results of the application of a hybrid model combining competitive bidding with TQM criteria. They found that these practices were not alien to public sector managers and resulted in the achievement of value for money within accountability requirements.

However, as Erridge (1998: 21) points out, the application of TQM criteria is difficult in some cases due to the fact that:

“the main problem in the public sector has been to ensure that suppliers are selected not on the grounds of political expediency, economic survival of companies, favouritism or fraud, but by transparent procedures open to audit which give all eligible suppliers an equal opportunity”.

The ISO 9000 series of quality management standards can be helpful for governmental organisations, since they establish internationally defined procedures of quality management and assurance. Since the behaviour of public organisations has to follow objective guidelines, without any form of favouritism, these norms offer procedures to evaluate suppliers with the aim of assuring quality.

Workforce management. In accordance with TQM principles, workforce management has to be guided by training, empowerment of workers and teamwork. This requires that adequate plans of personnel recruitment and training are implemented and workers need the necessary skills to participate in the improvement process. Training, empowerment and teamwork are of
interest to public organisations. In particular, it helps to change the way in which they are perceived. The main difference lies in the fact that these concepts have to be implemented within an environment which is looking for cost reductions and achievement of legal requirements. Employees are not used to thinking in terms of treating the next process as the customer, continually improving they do, identifying and copying best practice, holding discussions with customers to identify their needs and requirements and so forth and at the industrial or operating end of the organisation they are primarily interested in money (Dewhurst et al. 1999: 269).

The extent of training programmes in public organisations is huge and the high level of training that is required for many jobs means that the benefits which accrue from applying the acquired knowledge are considerable. The nature of many jobs (for example, medical doctors, teachers, lecturers, tax inspectors and senior military personnel) demands considerable autonomy, consequently empowerment in public organisations is usually wide ranging. Teamwork can also be deployed, but due to the nature of staff, which is often highly individualistic, this does not come easy. Unions are perhaps more powerful in public organisations than in a competitive environment and therefore their participation in the introduction and development of TQM is a necessity (Waltuk and Armshaw, 1994: 74).

In governmental organisations it is usual that each employee expects to do only the work that his/her contract and job description specifies, therefore job flexibility can be limited. As a consequence, for those governmental organisations who want to introduce TQM, problems may arise because some employees may not want to do particular types of work or may not have the necessary training. In governmental organisations, a clear definition of each job responsibility is, in general, necessary to avoid conflict between employees occupying different jobs (Dewhurst et al. 1999: 270).

*Employee attitudes and behaviour.* To implement TQM successfully, companies have to stimulate positive work attitudes, including loyalty to the organisation, pride in work, a focus on common organisational goals and the
ability to work cross-functionally. This is far from easy in a public organisation situation where the usual approach to work is conformance with technical requirements and reduction in costs rather than improvements in consumers’ satisfaction (Dewhurst et al. 1999: 270).

The motivation systems in a public organisation have to facilitate quality improvements within the budget. The specific characteristics of workforce management in governmental organisations in some European countries present difficulties in the application of reward systems. Monetary incentives are difficult to implement for several reasons. They include difficulty in the objective measure of individual or group performance, fixed budgets and, occasionally, trade union opposition. In governmental organisations, promotion is often related to seniority instead of performance and it may not be easy to dismiss staff who are underperforming (Dewhurst et al. 1999: 270).

These two facts make evident the need for imaginative motivation systems. Promoting social service spirit and developing a sense of public duty may be considered by some to be unfashionable, but it has proved to be a valuable motivation system for public service employees and it still remains even in the United Kingdom utilities which have been transferred from public to private ownership. In many non-governmental organisations, their members are in the organisation because they share its objectives. In this case, motivation is obtained by the achievement of these objectives (Dewhurst et al. 1999: 270).

*Product and/or service design process.* TQM encourages the participation of all departments in the design process and there is a degree of working together to achieve a design that satisfies the requirements of the customer, according to technical, technological and cost constraints. New product and/or service designs have to be thoroughly reviewed before they are produced and marketed and specifications and procedures clearly defined. Co-ordination amongst different departments is also a necessary requirement for public sector organisations. A lack of co-ordination results in problems with communication and the inevitable mistakes which make the achievement
of aims and objectives difficult, whether at a departmental or organisational level. In order to offer a product or service in accordance with organisational aims, clearly defined specifications and careful revision of design are critical issues (Dewhurst et al. 1999: 271).

A marketing department is of little importance to a public sector organisation since customers' needs are not amongst its main concerns. However, it is important to explain to the public and other customers what the organisation is doing, in particular, in the event of adverse criticism. The aim of inter-departmental meetings to discuss product and/or service designs will not be able to decide how to satisfy consumers' needs within technical, technological and cost restraints, but rather how to reduce costs. In the case of Quality Function Deployment (Griffin and Hauser, 1993: 01), consumers needs will be substituted by legal requirements and there will be no need to carry out the competitive analysis part of the product planning process.

Although product and/or service design is not the total responsibility of governmental organisations, they have some autonomy over the process. For example, in Spain the Government decide what type of illnesses are under the cover of the public health service and which medicines can be prescribed, but hospital staff take decisions about how to make appointments, how to organise their work in hospital and so forth (Dewhurst et al. 1999: 271).

In governmental organisations, their rigid structures make the co-ordination between different departments involved in the design process difficult. Sometimes there is social pressure to do things fast (for example, the creation of new universities). The risk if the quality is not expected because of the speedy development of the product and/or service is usually a political decision which is outside the control of the organisation. As has been stated before, non-governmental organisations define the needs which have to be satisfied according to their own members' decisions. In this case, the problem of design is not to adjust to consumers' needs but rather to satisfy the internal needs developed by the organisation in the most cost efficient manner. This
Process flow management. With respect to the process flow management dimension, TQM stresses the need for housekeeping along the lines of the 5S concept. It also proposes that statistical and non-statistical improvement instruments should be applied as appropriate, that processes need to be mistake proof, self-inspection undertaken using clear work instructions and processes have to be capable and maintained using statistical process control. All these aspects have the aim of achieving both the technical requirements of a product/service and decreasing costs (Dewhurst et al. 1999: 271).

Process flow management should be of interest to public organisations. However, not all the technical requirements will be defined by law and since the cost of losing customers is minimal, tools, techniques and systems are often only used to control and conform to certain legal requirements. In general, there is little thought given to using those aspects of TQM to improve the internal processes. Achievement of non-legal technical requirements has little benefit, apart from small increases in consumers' demand, therefore there will be little incentive to improve. Whilst the cost of losing customers is not usually an issue, a low level of conformance to what has been set out and promised does generate a social cost (Dewhurst et al. 1999: 271).

Quality data and reporting. In a TQM environment, quality information has to be readily available for effective decision making and should be part of the organisation's visible management system. The two main reasons why the availability of information is important are to know what improvements are needed and to provide the appropriate incentive for employees. Availability of information has two main kinds of uses in governmental organisations. First, it is used in the decision-making process in terms of both knowing the results of the decisions undertaken and taking the proper measures to correct any deviation from objectives, and thereby helping to motivate employees with
information about the improvements made and their effects. The second use is the need for transparency (Dewhurst et al. 1999: 272).

People both inside and outside the organisation have the right to know how the organisation is achieving the functions that justify its existence and how it is being managed; it is the duty of the organisation to provide this in a timely and easily understandable manner. However, in some organisations (for example, defence organisations) some data may be highly sensitive. In non-governmental organisations availability of information is important in order to manage in an effective manner, as in any other organisation. It is also important to employees since they should share the same objectives and the achievement of these provides the main motivation. Finally, the information provided to people outside the organisation takes different formats and is done in a variety of ways, depending on the characteristics of the organisation. For example, professional associations have a duty only to inform their members, on the other hand, charities have to inform not only their members but the whole of society, in order to obtain continuing support and funds (Dewhurst et al. 1999: 272).

Role of the quality department. To be effective, the quality department of a company needs access to top management and autonomy and also has to co-ordinate the work of other items (Dale and Oakland 1994 cited in Dewhurst et al. 1999: 272). The role of the quality department in a public organisation will usually be defined by the fact that the quality to be achieved is mainly fixed by law and regulators rather than by consumers.

However, the need to retain its independence and function as the co-coordinator of other departments’ quality-related activities maintains the same importance as in a competitive situation. The temptation of operation and service managers to give less attention to quality in order to achieve higher level of outputs does exist in monopoly and public sector organisations (for example, in electricity supply the number of connections made per day). The problems of lack of co-ordination also exist in these organisations and
therefore, the role of the quality department" is little different than in a competitive situation (Dewhurst et al. 1999: 272).

**Benchmarking.** Governmental organisations do have some obligations to make improvements on a continual basis, primarily resulting from governmental regulations and contact with the general public who have ever increasing expectations relating to service. Therefore, when competitors exist they can be used to benchmark, with respect to best practices. Benchmarking with similar organisations, with foreign organisations and internal benchmarking can also be useful. Non-governmental organisations can also use benchmarking to improve their efficiency (Dewhurst et al. 1999: 272).

The perceptions of the community of public sector performance will now be examined.

**5.6.3 Citizens’ perceptions of public sector performance**

In 1998, The Canadian Centre for Management Development and Service First Initiatives, the latter an agency responsible for quality improvement in the Manitoba government in Canada, in conjunction with Erin Research Inc., conducted a survey of 35 000 Canadian households. Results were weighted to reflect the Canadian population in terms of gender, age and province. 2 900 replies were received giving a 9.5 % response rate. It focused on the last ten years of citizen’s experience in citizen’s dealings with a wide array of public services across three levels of government (Sinha, 1999: 416).

The survey pointed to a new way of thinking about the evaluation of public sector performance. Some of the key findings of the survey are as follows (Sinha, 1999: 416):

*Inferiority of public sector services is a myth.* The idea that most private services are invariably superior to government services was discovered to be a myth. The results suggest that surveys that present questions aimed at
measuring customers’ or citizens’ perceptions of entities as broad as “government” or the “public service” in general have tendencies to evoke more negative than positive perceptions than do questions about specific service experiences. It was found that the performance deficiencies in the public sectors are smaller than previously assumed and for some services even non-existent. It was thus concluded that it is not only about understanding why one is undertaking a survey and what the survey seeks to achieve, but ensuring that the questions asked are relevant and appropriate for the population answering.

**Distinction in service performance versus service provider’s performance.** One of the biggest problems accounting for the poor showing of public sector organisations was found to be the vague and generally non-specific questions asked in surveys. These questions tend to evoke a stereo-type image of large and unresponsive organisations. On the other hand, when citizens were asked to evaluate a specific recent service encounter, the satisfaction ratings rose universally. Central to the problem of surveys invoking vague language is that interviewees never know if they are rating government or the process of governance.

**Drivers of satisfaction.** While many variables have, from time to time, been suggested as central to customer satisfaction; the survey found that only five out of twenty eight potential drivers determine citizens’ overall rating of service quality. In order of importance, they are: timely service, knowledgeable and competent staff, fair treatment, courteous staff and delivering the results citizens want. The findings that fairness (meaning due process, equal treatment to all) represents a crucial driver is important as this dimension has not been adequately represented in previous models.

**Distinction in service quality perceptions versus expectations.** The results of the survey also showed that citizens who have had a positive attitude toward government and the public servants rated the service quality higher. In this regard the results indicated that incorporating the effect of expectations in the
assessment or perception of service ought to be included in designing any new model.

_Distinction between levels of government._ The rating of satisfaction was further found dependent upon whether it was provided by local, municipal or federal authorities. The municipal or local services rating was consistently higher than provincial services and provincial services rating was higher than federal services on the whole. It was further found to vary upon the service experiences of the public, that is, recent ones versus experiences over the last ten years.

_Evaluation of public sector organisations needs to be segmented._ Survey results of satisfaction confirmed a common pattern whereby types of services appear to be predisposed to being evaluated more favourably (fire protection services) than regulatory services (for example, environmental licensing). The finding suggests that a particular satisfaction rating must be evaluated in terms of the function performed and not on the absolute score. A 70 percent satisfaction rating of a regulatory function may be excellent, while a score of 90 percent may actually raise concerns that the organisation may be neglecting some aspect of its enforcement responsibilities.

_Citizens are aware of the complexity, yet they demand equal or higher levels of service._ Private firms, in order to earn profit and survive, segment their customers; offering unique and preferential services (for example, preferred customers and VIP customers). Public sector services, on the other hand, in their efforts to carry out the mandate, know that they must not play favourites with citizens. They must, instead, seek to improve the prosperity and well-being of all citizens by ensuring the adherence to democratic principles and values (for example, rule of the law, democratic constitutional guarantees and so forth) and the principle of justice to all in the land (for example, fairness, equity and impartiality). The survey found that citizens are aware of this complex set of trade-offs and factor them into their evaluation. For example, when asked if governments have a more difficult task than the private sectors
in keeping every citizen satisfied, 54 percent agreed, 21 percent disagreed and 25 percent remained neutral.

5.6.4 The future of public sector TQM

According to Sinha (1999: 417), there is nothing in government organisations that ought to lead to the rejection of TQM. Indeed, the evidences are to the contrary. There are vital signs of a new culture transformation taking place with the recognition to satisfy citizen’s requirements. The new “citizen-centered” orientation would mean that everything that contributes to societal advantage, from business and community prosperity, to good schooling for children, to better health and safety, ought to be recognised and taken care of in the same way as world-class private sector companies do to strive for excellence.

For the next generation governments, choosing the future, however, will not be just a matter for wishing for a better tomorrow. The task is not small. Among the many complex issues that confront our governments – from unemployment, crime, poverty and drug abuse to educational needs, to name a few – community-wide quality improvement is not a small job. Processes that affect outcomes are complicated and interactive, yet the health and prosperity of nations and their citizens depend upon the degree to which government programmes and individual subsystems work together in an effective, synergistic way (Sinha, 1999: 417).

Government organisations will have to come out of past modes of management uncertainties. The difference between government and governance will have to be understood. Many struggling and individual public sectors will have to find ways to change their age-old cultural legacy. They have to begin to accept the consequences of not utilising the paths followed by leaders in the field. The complexities in defining and finding a leader will have to be clarified. While the role of elected representatives will always have a stronger influence, the contributions from internal leaders must provide the
much-needed foundation for new forms of managing from a quality perspective (Sinha, 1999: 417).

The dilemma of finding permanent leaders for quality in the public sector organisations will have to be resolved. Just as quality is everyone"s business, leadership is also everyone"s business. Just as quality is a process, leadership is also a process. Just as quality is not anymore about products and services, it is about organisations; leadership is also not about one or two individuals at the top echelon, but about “hidden leaders” in middle and front lines. There are enormous benefits in the quality movement and transformation if breakthroughs are achieved in developing organisation-wide leadership, similar to the task of creation of organisation-wide quality (Sinha, 1999: 417).

The issues of inter-connectedness of leadership, inter-disciplinary development of multi-skilled workforce, creation of teamwork environment and so on add further requirements for managers" and leaders” role in the organisations. Therefore, the following three issues are essential. First, there is a need to find permanent leaders of quality from within the organisation. Second, there is a need to create “contact spheres” in the whole organisation with a view to achieving as close an alignment as possible not only between managers of all levels but between leaders of all levels. Third, as the concept of excellence in service delivery is going through a rapid perceptual change from being part of complex whole to becoming a smaller and more effective change agent, there is a need to support the leaders in all levels in change management (Sinha, 1999: 418).

Sinha (1999: 418) state that there are definite signs of eagerness on the part of public managers to move faster. Solid gains have been made in many governments in many parts of the world. The lack of organisation-wide leadership in quality, however, is the main stumbling block. It is too early to tell how the citizens of a particular nation would react and perhaps even would care to react on the direct benefits resulting from their governments” quality initiatives when they all have tax reduction as the only real ultimate indicator
of success deep in their minds. Nevertheless, the race for quality in public sector organisations is far from over; it has just begun.

Service delivery can be improved in every level of government. There is no barrier to quality improvement in the public service. In order for the public service to be transformed there needs to be a commitment towards customer satisfaction. The success of the public sector can only be measured through the level of satisfaction from customers. This requires public servants to be aware of the needs and expectations of the customers. This is in alignment with governments' vision of bringing government closer to the people. Public participation is central to the South African democratic system of government. Any organisation will benefit by consulting with the public when considering the implementation of new initiatives. They will have the benefit of ideas from the people who they are serving (Cornellisen, 2005: 51).

Leadership in the public sector is different from their counterparts in the private sector. In most instances senior management is politically appointed in the public sector. This poses a potential problem in terms of accountability. The individual will be accountable to the constituency who appointed him (Cornellisen, 2005: 58).

Research have shown that managers in the private sector spend less time on decision making and more time in the application of those decisions, while the direct opposite is happening in the private sector. In the private sector a managers' performance can be judged based on the profit of the company. This is not the case in the public sector. In the public sector, the managers are not concerned with external pressure from shareholders. The implementation of TQM in the public sector could be frustrated by the decision-making system. In many instances there is a committee or superiors who have to give approval of decisions (Dean, 1996: 54).

There has also been a fair amount of scepticism of TQM having a positive impact in the public sector, government and in local government. An examination in this regard will now be undertaken.
5.7 Scepticism of TQM in the public sector

Kanji and Sa (2003: 269), state that despite the enthusiasm raised by the potential benefits of TQM implementation, the fact is that many initiatives have not delivered the promised results. Reasons for failure are to be essentially found in the insufficient support of health professionals, the lack of leadership commitment, and the tendency to look at TQM in isolation rather than putting it at the core of the institution’s strategy.

In an attempt to assess the impact of TQM on service delivery in a governmental organisation, Poister and Harris (1996: 97) examined correlations between various indicators of TQM activity and long-run changes in overall performance. Most of the resulting correlations are in the direction that would be predicted by the logic underlying TQM. To some degree, TQM activities are associated with attitudes that are more positive, fewer grievances, reductions in injuries and sick-leave usage, and improved quality of the highway maintenance activities performed. Greater involvement with TQM is also associated with improvement in pavement condition and a decrease in unmet highway maintenance needs. However, although the programme is also intended to improve labour productivity, these correlations were negative. In addition, with the exception of the attitude measures, all the correlations referred to above are quite weak to negligible in magnitude, suggesting that if TQM does affect favourably on service delivery at PennDOT, those impacts may be quite small.

Boyne and Walker (2002: 127) noted that TQM has been promoted by governments throughout the world and forms a central aspect of many public organisations” improvement strategies. The authors argue that this has been done in the dark because there is no systematic evidence on the validity of the TQM-performance hypothesis in public organisations. The available evidence does not offer comprehensive support for the view that TQM is positively related to organisational success.
In addition to better empirical work, an important theoretical issue requires more consideration. A significant difference between public and private firms is the role of government programmes of management reform. Whereas private firms largely choose their own approaches to management, a government may require a programme of public sector TQM to be adopted by its agencies. Thus, even if TQM works in private contexts where it has been voluntarily adopted, coercive means of transplanting it into public organisations may counteract or negate its potential benefits. In other words, voluntary rather than compulsory imitation of successful private practices may be the best route to performance improvement (Boyne and Walker, 2002: 127).

When studies of TQM in government have been undertaken, and evidence provided on the TQM-performance hypothesis, prescriptions for the adoption and implementation of TQM in government can be made with more confidence. Until then, TQM can be regarded as another private sector management fad that public managers may adopt with hope but with no solid expectation of positive results (Boyne and Walker, 2002: 127).

According to Stringham (2004: 202), TQM, as commonly implemented, tends to be an eclectic and sometimes disconnected mix of quality management and organisational change ideas and techniques. This fact alone makes it exceedingly difficult to judge whether TQM provides an appropriate and useful management tool for the public sector and whether those experiments with quality management in government have generally proven successful or unsuccessful.

When examined closely, empirical studies of the application of quality management in public organisations generally reveals a set of quality programmes only partially developed and implemented. TQM proponents almost universally insist that genuine quality management represents not just a set of management techniques and procedures but also a comprehensive change in organisational culture involving the entire organisation over an extended period of time. However, empirical data from studies of public organisations, which have experimented with TQM typically, cover only limited
implementations of some aspect of quality management for relatively brief durations of time, which does not provide a fair and logical assessment of its effectiveness in government organisations (Stringham, 2004: 2002).

According to Swiss (1992: 358), in its unmodified form, TQM is strikingly ill-suited to the government environment. The use of TQM in government has several major problems: insufficient modification for services; insensitivity to the problems of defining governmental customers, inappropriate emphasis on inputs and processes; and demands for top-level intensity that can be rarely be met by the governmental culture.

5.7.1 Services versus products

TQM was originally designed for routine processes such as manufacturing, yet most government agencies produce services rather than products. Although the problem of applying TQM to business services is widely discussed in the TQM literature (Deming, 1986: 171ff; Federber, 1981: 38; King, 1987: 27; Plsek, 1987: 28), solutions are elusive (Swiss, 1992: 358). TQM remains much more difficult to apply to services because services are more labour intensive, and they are often produced and consumed simultaneously. This makes uniformity of output more difficult, and it also means that the consumer will evaluate the service not only on the result but also on the behaviour and even the appearance of the person delivering it. If an efficient police officer quickly locates stolen cars but seems ill-groomed or curt, many of his or her customers will not be totally satisfied, despite receiving a high quality output (Swiss, 1992: 358).

Accordingly, quality measures for services are extremely complex. Factor analyses of customer surveys have indicated that overall quality measures for services can be broken into such components as access, communication, competence, courtesy, creativity, reliability, responsiveness, security, tangibles, and understanding (Parasuraman et al. 1985; Cravens 1988: 285; Garvin, 1984: 25, 1988). For many services, each of these components must
be measured and weighed before it can be determined that a high-quality service has been delivered (Swiss, 1992: 358).

Swiss (1992: 358) further state that TQM’s tenet about reducing variation is also more difficult to apply to services. The quality tracking charts and the concern about the product drift away from the optimum apply much more directly to assembly-line production (for example, measures of how well the auto door is fitted) than to government services that often have controversial or unclear norms. For example, no clear consensus exists about what processes should be tracked and standardised for a street-level bureaucrat such as a mental health professional or a classroom teacher (Swiss, 1992: 358).

5.7.2 The problem of defining the government customer

TQM’s most important principle is to delight the customer. Accordingly, the single most important question is: Who is the customer? Most discussions of TQM in government pay little or no attention to that question. In business, the company can usually choose its own market niche, and define its target customers: luxury car buyers, for example, or price-conscious food purchasers. For many public agencies, on the other hand, defining the customer is a difficult and politically controversial issue (Swiss, 1992: 358).

For the Bureau of Land Management (BLM), is the main customer the grazing interests, the mining interests, or the environmentalists? If some combination, how much weight should be given to each? Whether or not BLM is delivering quality services depends entirely upon the answer. Competing clients, with directly contradictory demands, can be found in most government services, from education to health care. Although these battles may be less fierce for those few government services that have routine, uncontroversial missions, they are never totally absent. For example, Wilson (1989: 122) has pointed out the competing clienteles that fight for the outputs of the seemingly non-controversial postal service.
Moreover, government organisations have obligations to more than their immediate clients. Sometimes the agency’s most important customers – the general public – are not only absent but totally inattentive, and yet the agency must risk offending its immediate customers in order to serve the general public. For example, a government agency that oversees banks and treats banks as its customers will greatly damage the public good by keeping banks, in TQM’s phraseology, delighted. Yet, if the agency puts the taxpaying general public first, it will look in vain for their delighted reaction; the general public will remain resolutely uninterested in the agency’s work unless there is a crisis (Swiss, 1992: 359).

This conflict between a programme’s direct customers (clients) and its ultimate customers (the general public, most of who are taxpayers) is often very acute for programmes that are not universally distributed. The problem arises because any definition of quality is always constrained by cost – a high quality $15 000 car is not the same as a high quality $60 000 car. In business this constraint does not usually affect customer satisfaction because the buyer of the product is also its recipient, so he or she can choose the appropriate level of cost and quality in order to be delighted (Swiss, 1992: 359).

No such balance is likely for non-universal government services such as health care, education, or water projects because the buyer is often not the recipient. The buying customer (general taxpayers) will often prefer to minimise costs. At the same time, the direct customers (recipients) of such programmes may expect a level of quality that is found only at a very high price, because they do not pay the full cost. No balance between costs and features is likely to please both groups (Swiss, 1992: 359).

According to Swiss (1992, 359) the literature on citizen surveys in government has pointed out the difficulty of measuring government performance by public reaction. Generally, public ratings of programmes are only tenuously related to objective measures of programme performance. Survey results are easily biased by isolated but highly publicised events or by ideological attitudes. However, surveys remain useful if viewed as one piece of organisational
information, but these survey weaknesses reflect these same inescapable problems of defining customers and of measuring services.

Because government agencies must serve a wide variety of customers who have widely divergent and even contradictory demands and because the general public remains a “hidden customer” with yet additional, often incompatible demands, government agencies often have to deliver a service or product that reflects an uneasy compromise. In such cases, the principle of delighting the customer or even satisfying customers begs too many questions to be a clear or useful goal (Swiss, 1992: 359).

5.7.3 Focusing on inputs and processes

Government has traditionally paid relatively little attention to outputs for many reasons: outputs are politically controversial and difficult to measure; legislators are primarily concerned about inputs such as budgets; bureaucratic prestige often accrues from control of inputs, especially personnel; and legal requirements often demand constant attention to strict procedural rules (Behn, 1982: 199; Wilson, 1989). With all the incentives in government to focus on inputs and processes, there is a constant threat of goal displacement – managers who blindly adhere to minimal legal requirements, or build empires, or put out fires, rather than help the public (Swiss, 1992: 359).

Given this unpromising environment, many public organisations are justifiably proud that they have implemented results-oriented systems such as Management-By-Objectives (MBO) performance monitoring systems, and programme budgets. Recent surveys show that such systems have been widely installed, but they continue to spread, and that most governmental users rate them a success (Swiss, 1992: 359).

These systems are most widespread at the local government level. Streib and Poister (1989a) found that by 1988, 66 percent of local governments, used programme budgeting, 62 percent used MBO, and 67 percent used performance monitoring systems. Larger cities employed all these techniques
at even higher rates, and the usage figures represented particularly substantial gains throughout the 1980s for programme budgeting and MBO. Over 90 percent of the users characterise these systems as “somewhat” or “very” effective (Streib and Poister, 1989b: 240). Quality circles were used by 32 percent of the cities, but only 25 percent of the users rated them as “very effective”. TQM proponents would ascribe this low effectiveness rating to the fact that the circles were not part of a broader supporting quality system (Swiss, 1992: 361).

Such systems allow many public agencies to now track results, not just processes. Because it is so difficult to determine outputs in the public sector, every success should be nurtured and savoured (Swiss, 1992: 359). As already noted, orthodox TQM disputes all this. According to Carr and Littman (1990: 61):

> “Many government agencies have difficulty developing performance indicators. This is because they focus on results indicators related to final output to external customers, rather than how processes are performing in making those products and services. Remember, if processes perform as intended, output should be of high quality. You begin by moving away from the concept of results indicators to process control indicators”.

TQM proponents correctly point out that in business, outputs in the form of quarterly profit reports represent short-term vision and can often lead to goal displacement. They fail to recognise that in the very difficult world of government, it is stressing inputs and processes that represent short-terms business as usual, and therefore focusing on governmental processes is likely to lead to goal displacement. In the public sector, a move toward stressing outputs is in fact usually a move toward the desired longer-range vision (Swiss, 1992: 359).
5.7.4 The problem of government culture

Orthodox TQM depends on an extremely strong organisational culture with an almost single-minded commitment to quality. In order to shape that culture, the managers must be continuously involved in improving management (Walton, 1986: 66, 92; Aguayo, 1990: 92, 117). However, turn-over of top-level managers is rapid for many government agencies, and government culture, structured to be open to many outside forces, is almost necessarily weaker than those of business. After summarising the many disincentives to concentrating on management, one analysis concludes:

“What is surprising is that government executives spend any time at all on managing their departments”. (Wilson, 1989: 217).

There have been reported positive impacts of TQM implementation in the public sector, government and in local government, which will be examined below.

5.8 Positive impacts of TQM in the public sector

Swiss (1992: 360) state that despite all these major problems, a great deal is worth saving in TQM. Public managers must adapt the system drastically to gain the advantages. Swiss (1992: 360) suggests that a reformed TQM would retain orthodox TQM’s feedback from clients, its emphasis on tracking performance, and its principles of continuous improvement and participation of the workers:

Client Feedback. Despite the problems in making customer reaction the guiding principle in government management, it is still useful to track the reactions of an agency’s immediate clients and to use them as one consideration in decision-making. TQM provides valuable advice on how to do this.
Tracking performance. TQM strongly condemns “managing by the numbers”. At the same time, one of its major components is quantitative tracking of quality through control charts and other quantitative tools. This performance tracking can make TQM a useful first system for some government agencies. After TQM is implemented, its success can lead to the addition of other quantitative but results-oriented systems, such as programme budgeting, MBO, and performance monitoring systems. TQM is likely to be particularly useful first system for those government workers and managers who have resisted other management systems because they feared such systems would “turn people into numbers”. Because TQM emphasises both intangibles (quality) and people (participation), as well as tracking through numbers, it can be a non-intimidating first step for those who have been put off by the quantitative aspects of other systems.

Continuous improvement. Each earlier public management innovation was resisted by many workers. Moreover, once the systems were implemented, they were often taken for granted and therefore atrophied over time. For both these reasons, TQM’s continuous improvement principle, if internalised by workers and managers, may be its most valuable contribution. The principle suggests that receptivity to new approaches is essential for high performance. If fully accepted, this principle would lessen the resistance to future innovations and would decrease the likelihood that they would later stagnate. As a useful side effect, acceptance of this principle would lessen the temptation to oversell future changes, since over-selling is often aimed at mitigating resistance.

Worker participation. Worker participation, now often called empowerment, has been an important management axiom for decades, but it is difficult to put into operation. TQM’s quality circles represent a valuable concrete step towards increased participation.

According to Warwood and Roberts (2004: 1109), there are key factors that contribute to the successful implementation of TQM and these have different levels of importance. These factors, in order of importance, are: effective
leadership, application of best practice, economic survival, market orientation and employee involvement.

Making the right choices for government organisations has not been easy. TQM as a cohesive frame of reference for significant improvement of economic and human development for example in the public sector management, on the massive scale, emerged in the United States for the first time in federal government in 1993 (Sinha, 1999: 415). “From Red Tape to Results: Creating a Government that Works Better and Costs Less” (National Performance Review, 1993), was regarded by quality professionals as one of the most dynamic documents of the day. The sheer volume of the work using TQM principles that has emerged in the eighties and nineties in the USA, Canada, the UK and other European countries seems to dispel many myths and misconceptions of the sceptics about quality in government. Moreover, there have been biases and misconceptions surrounding the issue of citizen satisfaction measurement methodologies that have being challenged and clarified (Sinha, 1999: 415).

Sinha (1999: 415) state that it is gratifying to note that extraordinary signs of progress have begun to appear in many government reports as itemised and listed under the following headings: Streamlining operations and workforce; Recognising citizens as customers; Instituting business process reengineering and benchmarking; Defining vision, mission and purpose; Using teams and empowering employees; Delegating authorities; Cutting red tape; Doing more with less; Creating partnerships with communities; Managing by results; and Using technology for improved communication.

In addition, the application of TQM has begun to redefine the administrative infrastructure and mindset of managers on other fronts, according to (Sinha, 1999: 415). For example:

- The old management models in public sectors that hardly differentiated between management and leadership are now beginning to change through identification and focus on meeting
and exceeding the needs of customers (citizens). Many organisations have started requiring that managers participate into the evolving new relationships between citizens and projects and connect them with programmes concerned;

- There are many public sector examples of how shared vision, stretched goals, clear and measurable objectives are proving to be more holistic and sensitive to citizen’s and stakeholders needs;
- The application of TQM tools and techniques has begun to reorient managers and policy maker’s arbitrary command and control methodology with strong emphasis being placed on leadership, teamwork and continuous learning;
- When authority is delegated broadly and in task-oriented terms, the hierarchical dynamics of control in many public sector organisations appear to be making impacts without disturbing the executive functions and administrative powers;
- Developments using information technology are unarguably benefiting many public sector organisations. Many departments are using technology to break their silos and overcome the distance barrier with citizens in search of best solutions;
- In many organisations, the rule-driven mentality is giving way to more reliable mission-driven management models. Performance indicators and critical success factors are being assessed regularly in areas never before imagined similar to the private enterprises;
- Management by facts is taking strong hold. Even if all data are not hard and tangible (compared to manufacturing environments), often customer surveys are being deployed to gauge progress and reset meaningful project agendas; and
- Process re-engineering is saving time, energy and taxpayers” money and devising ways to increase efficiencies and cut costs.

When analysing the benefits of TQM, it appears that TQM in the public sector could have a larger impact on society as a whole than TQM in private companies. The taxpayers could stand to benefit significantly. Misuse of
public funds could be prevented through the application of TQM. They will be sure to receive quality services. It is in the public interest that the public sector functions effective and efficiently (Dean, 2005: 54).

Prabhu et al. (2000: 84), in a survey of public sector organisations in the United Kingdom, found that those who had adopted business excellence thinking showed considerable strengths in some of the related human resources practices, leadership issues, service delivery, and quality matters. Equally, many of them faced major challenges in adopting appropriate performance measurement systems, in eliminating waste and reducing costs and in being innovative in service design (Robson and Prabhu, 2001: 249).

Douglas and Judge (2001: 158) conducted a survey of general medical hospitals. The study concluded that there was strong empirical support for a positive relationship between the degree of business excellence implementation and organisational performance – the greater the degree of business excellence implementation, the greater the benefit achieved. It was also suggested that the delivery of the benefit increases in correlation with the implementation of the quality practices.

In a research study conducted by Agus (2004: 615) to enhance the understandings of relationships between TQM practices and overall performance of the government in Malaysia, the results highlighted strong and positive association between TQM, overall service performance and customer satisfaction and suggest that an emphasis on quality would result in organizational gains. The findings suggest that employee focus is a very important factor in TQM implementation followed by training, customer focus, benchmarking and top management commitment. The results also exhibit the unique contribution of TQM towards service performance and customer satisfaction.

An examination of TQM in local government would now be undertaken.
5.9 TQM in local government

According to Davison and Grieves ((1996: 32), it would be misleading to suggest that local government has not been concerned with quality throughout its existence. Local authorities evolved as a function of representative government and therefore have had to concern themselves with the legitimate interests of their citizens. Local authorities were therefore required to be not only accountable to the localities in which they existed, but also proactive by “improving” the physical environment and the “civility” or manners of the populace. In 1893, in the UK, many were considering the relationship between value for money and quality of service.

In addition to external political pressures for change in local government, the emergence of quality control and TQM in the latter part of the twentieth century has created various discourses, which include the concepts of “excellence”, “value”, “conformance to specifications” and “meeting or exceeding customer expectations” (Davison and Grieves, 1996: 32). The idea that local government have claimed their legitimate role as champions of quality appears to be a limited objective of most. To recapture the spirit of municipal pride and rivalry of former times, local government might consider their core values, mission and strategies for continuous improvement. In addition, staff training in the form of teambuilding, project management, facilitation and leadership skills might be introduced (Davison and Grieves, 1996: 37).

Better use of population surveys and other research techniques would identify local needs and how they can be best delivered. By focusing on process quality, or to be more precise on values-driven business process re-engineering, bureaucratic practices can be redefined, or clarified, to achieve accountability, on the one hand and to eliminate unnecessary restrictions on the other. More importantly, because local government have multiple groups of customers rather than an atomized mass of individual customers, by focusing on the improvement of processes it will be necessary to identify the
(often competing) interests of different groups of customers and thereby seek the realignment of a common objective (Davison and Grieves, 1996: 38).

Service quality cannot, therefore, be seen simplistically as a tool to provide customer satisfaction since not all customers know what they want or can articulate their needs clearly. It would be more appropriate to view process quality as an approach, which seeks to change attitudes and behaviours of front-line staff by addressing the costs of not doing things right first time (Ovretveit, 1990) and by identifying typical problems and preventative techniques (Davison and Grieves, 1996: 38).

According to Mkontha (2007: 164) one of the objectives of local government reform was the introduction of improved managerial practices and community orientated service delivery. In order to achieve these objectives local government are increasingly making use of private sector strategies and approaches. A more effective and efficiently managed local government will make significant contributions towards service delivery in the public sector. Through the efficient and effective delivery of services local government will gain the trust and support of the community. Local government has an increasingly bigger role to play in the area of community empowerment. Therefore, the application of private sector principles will assist local government to meet these demands.

Continuous improvement forms the cornerstone of this new management approach. This involves change in the whole organisation. This is about changing the attitude of the workforce with aim of delighting the customer. The public sector is no different. The community needs to be delighted in the services which are delivered. In the public sector it might be difficult to achieve total customer satisfaction because we are using the expectations of the clients as a benchmark. The needs of the customers might differ a great deal depending on the persons’ position in society (Cornelissen, 2005: 44).

Traditionally, democratic local governments focus on inputs rather than outcomes. Money is usually invested in departments which are
underperforming. Government should consider an approach where departments are rewarded based on performance. With such an approach government will be creating a system which is performance orientated. The public service will need to be more result orientated. Public organisations will need to track their results in order to improve accountability and transparency. If we applied market orientated thinking in the public sector we would be accomplishing a great deal. The performance standard of the public sector will benefit the customers (Cornellisen, 2005: 51).

Dobbs (1994: 92) conducted a study on the implementation of TQM in local government in the City of Santa Ana in the USA and analysed the driving and restraining forces in its implementation. The City of Santa Ana defined TQM as an integrated approach to managing a significant culture change to improve customer satisfaction. The key driving force behind TQM was employee empowerment and worker satisfaction based on intrinsic motivation, involving collaboration among organisational work units, emphasising prevention rather than detection and measuring performance based on goals. Overall, the goal was to continually improve service via customer feedback and employee problem solving.

According to Dobbs (1994: 92) applying continuous improvement to the quality process itself enabled the city to identify a number of key issues for organisational learning. They learned major lessons about the implementation strategy, the scope of the pilot study, management training, the length and the nature of the training, the selection process for coaches, training for supervisors and managers and the necessity for a full-time person to implement the process. Some of the lessons learned were:

**Develop an implementation strategy.** The initial phase of the quality effort in the City of Santa Ana began without a clearly formulated implementation strategy. According to the leaders at the City of Santa Ana, careful consideration must be given to the what, how, why and who of initiating a quality improvement effort. Although the city executives experienced their share of difficulties in developing Total Quality Service (TQS), the early focus
on developing a systematic implementation strategy helped the city to regroup and gain momentum. Taking time to evaluate, reassess and learn from their mistakes allowed them to move forward with added impetus and direction.

**Start small.** Programme leaders found that it was wiser to start small and move slowly and carefully rather than starting in all departments, as TQS was initially implemented. Programme leaders suggested initiating a smaller pilot in one or two departments.

**Begin with managers and supervisors.** Cultural change efforts must begin with the education of top and middle managers and supervisors. It is critical that they understand the philosophy, tools and techniques and their new role in the quality structure. Failure to address the needs and expectations of this key group will result in a frozen layer capable of negating any effort to empower employees. In the initial effort, supervisors were given an orientation. After reassessment, supervisors and managers were thoroughly trained in the quality process, given the skills to lead and implement and expected to play significant roles in making the programme work in their work groups and divisions.

**Tailor the quality process to the environment.** The initial training process had been designed for a manufacturing rather than a service environment (a common problem of the quality movement). Employees had difficulty making the transition from the manufacturing-oriented concepts to those needed for service work. In the redesign of the programme, training materials were designed for a service environment.

**Create a selection process for coaches.** In phase 1 of the implementation effort, coaches volunteered or were appointed. In phase 2, a selection process that took into consideration the strengths and personal skills of the individual was designed. The prerequisite was that the individual participate in team training, express an interest in being a coach and have the aptitude and inter-personal skills to do the job. Of forty-five original coaches trained, approximately thirty retained their roles in the next levels of quality efforts.
The true meaning of continuous improvement is learning from both negative and positive outcome. As successful as the second stage of Santa Ana’s implementation efforts have been, there remain factors and negative forces that must be faced in the next round of continuous implementation. In this case, Dobbs (1994: 98) state that there are several issues which are key learning points for future change:

*Resistance to change.* All the forces that promote stability in personality and social systems can be perceived as resisting change (Watson 1969 cited in Dobbs, 1994: 98). So it was in the implementation of quality in the City of Santa Ana. There was reluctance and resistance on the part of some people until the stability and benefits of TQS were demonstrated. Individuals were concerned that TQS was a passing fad. In the words of Sensenbrenner (1991: 64), the former Mayor of Madison, Wisconsin stated:

“How was I going to get bureaucrats to change, they invented the status quo. Information, communication and involvement were used to deal with the resistance.”

*Bureaucratic policies.* Bureaucratic policies and procedures were also restraining forces. Creative problem solving, persistence and education were major factors in addressing this restraint. Individuals came to recognise that quality improvement is not a quick fix and that public sector organisations face certain barriers in the forms of codes and procedures that take time to change.

*Hierarchical management styles.* A lack of desire to reexamine traditional management practices among managers and supervisors was also a restraining factor. Employee empowerment and participative management philosophy, essential elements of TQM, threaten existing patterns of behaviour. Team problem solving of issues was seen as erosion of managerial power. Education and inclusion were used to deal with the resistance.
To support the quality improvement effort, managers need extra training beyond their quality improvement training. According to Leddick (1991: 69), managers who effectively support quality improvement efforts model, coach and reinforce as a matter of course in daily interactions with employees. They show them what to do, help them do it, and tell them when they did it right. Modelling, coaching and reinforcing from the highest levels of the organisation can be powerful facilitators of quality improvement.

5.9.1 Quality management as a strategic issue in local government

There are a number of factors forcing private sector companies to treat quality as an important strategic and competitive concern. These include globalisation of trade; greater price competition; increasing customer expectations; and shorter product life-cycles. The question can be asked: “how far are these concerns paralleled in the local government sector? (Appleby and Clark, 1997: 29).

The literature on quality management in local government highlights quality as being driven by the following “change-drivers” (Benington, 1994: 232; Clark, 1992: 23; Ghobadian and Speller, 1993: 29; Sanderson, 1992):

- customer expectations – which have risen dramatically over recent decades, partly because of comparisons which are made between public and private sector quality;
- constraints on spending – which have forced municipalities to focus on value-for-money and constantly improve their operations through the elimination of waste;
- government policy – which has been to promote compulsory competitive tendering (CCT) and market testing to open up the public sector to competition;
- the politicisation of quality – with all of the major political parties promoting quality for public services.
While there is some overlap between the pressures for change in the private and public sector in the areas of customer expectations and constraints on spending, there are also important differences, for example, the politicization of quality (Appleby and Clark, 1997: 29).

Ghobadian and Speller (1994: 53) identified a number of key issues for comparison of the quality gurus, namely Deming, Juran, Ishikawa, Crosby, Taguchi including Oakland (1993), Dale and Boaden (1993), and shows many areas of agreement for local government, which can be summarised as follows:

*External interface*: a customer focus is essential; the majority of gurus support supplier involvement, leading to long-term partnerships;

*Organisational context*: primary change agent is top management supported by implementation groups; Top management role is to promote quality and show leadership; Management style should be participative; Quality must become part of the organisational culture.

*Organisational requirements*: top management is essential; employee involvement and participation is essential; education and training is essential.

*Means and techniques*: appreciation of cost of quality is important; training programmes are essential; participation feedback (for example, good communication, quality circles and so forth) essential; statistical methods important although approaches vary; recognition and rewards systems important although approaches vary.

*Change*: pace of change must be gradual; nature of change, approaches vary but all based on continuous improvement.

While each author has much to say, many of their messages are similar and there have been numerous attempts to compare and contrast them (Appleby and Clark, 1997: 29).
5.9.2 The uniqueness of local government

The consideration of quality management issues in local government must be grounded in an understanding of local government’s distinctive purposes, conditions, and tasks (Leach et al. 1994; Stewart, 1988). Municipalities are distinguished from other organisations by a number of features:

- They are based on local elections. While municipalities exercise substantive powers they are subject to public accountability for those powers, enforced through the election process.
- They are multiple-purpose organisations – this creates challenges of balancing difficult choices both across and within service areas.
- They are multi-contact organisations within the area for which they are responsible.
- They gain their identity from the area for which they are responsible.

5.9.2.1 Local elections and the political dimension

The key processes of decision-making in local government are political processes in which the dominant factors are the political priorities of the majority party on the council, or the balance between the political parties in hung authorities. As Stewart (1988) cited in Appleby and Clark (1997: 30) states in his book on the management of local government:

“The management processes of the local authority therefore need to support the political process and fulfil the requirements of political control”.

Should elected members not recognise quality as a key issue then it is questionable if any quality initiative will succeed (Appleby and Clark, 1997: 30). Indeed, the UK Local Government Management Board (LGMB) in an undated briefing document for elected members on quality, states:
“it is vital that it [quality] is a political issue and not just a management issue...elected members have a major role to play in the strategic management of the authority...there are political choices to be made about what services are to be provided, to whom and at what standards...it is elected members who will have to decide what quality means for each service”.

This is consistent with the central importance of leadership in quality initiatives reported in the private sector quality management literature (Lascelles and Dale, 1991: 325; Porter and Parker, 1993: 13), but raises questions of the relationship and balance between elected officers and appointed officers in driving local government quality initiatives (Appleby and Clark, 1997: 30).

5.9.2.2 A municipality as a multi-purpose and multi-contact organisation

The municipality is not a single purpose organisation but a multi-purpose one, carrying out many different functions such as infrastructure development, housing and social care. Many of the most important decisions that each municipality has to make involve “multi-valued choice” (Vickers, 1972) between the many purposes of the organisation. Smith (1993a: 45; 1993b: 57) draws out an important point here, stating:

“Politics is the balancing of conflicting priorities. Different customers for a government service might have conflicting views about the appropriate mission for a department”.

Given that much of the private sector quality literature stresses the primacy of customers” needs and views but is based on relatively simple market models with homogeneous customer bases, this raises interesting issues and adds complexity to quality implementation in local government (Appleby and Clark, 1997: 31).
5.9.2.3 Local area identification

Municipalities are defined by the area they cover. From that area, they draw their name and identity. In that locality and normally only in that locality may they discharge their functions. They are often the largest employer and biggest property owner in the area and there are few residents who will not make use of municipal services every year. As Stewart (1989: 236) state:

“local identification is not an accidental feature of local government, it is its very expression which management must support and express”.

The above-mentioned are the characteristics of municipalities.

5.9.3 The organisational assumptions of local government

Thus far, the characteristics of municipalities have been discussed above. However, what is also the relevant to the management of quality are the organisational assumptions of municipalities. Leach et al. (1994) have broken these down into two groups. The first set of assumptions relate to the basic structural elements of the organisation (namely: necessity of the committee system, tradition of departmentalism and enforced role of the centre), while the second set relates to organisational processes, or ways of working (namely: formalities of accountability, dominance of professionalism, assumption of self-sufficiency, and presumption of uniformity). It is likely that each of these assumptions will, to a greater or lesser degree, influence the process of implementing quality management in a local government setting (Appleby and Clark, 1997: 31).

5.9.3.1 The necessity of the committee system and the formalities of accountability

The responsibility for all that is done by a municipality rests with the council consisting of elected councillors. A council will, apart from in exceptionally rare circumstances, exercise this responsibility through committees composed
of a number of councillors and in certain cases co-opted members. It is assumed that the main work of the council will be conducted through such a system and that this will be the main setting for the work of elected members (Appleby and Clark, 1997: 31).

Furthermore, it is normally assumed that committees will be structured around the main services of the municipality (for example, infrastructure development, social and community services, housing and so forth). This predominantly departmental approach to committee structuring tends to reinforce the already strong departmental, that is non-corporate, local government culture, in a way that is wholly inconsistent with the holistic and integrative philosophy of total quality management (TQM) (Appleby and Clark, 1997: 31).

5.9.3.2 The tradition of departmentalism and the dominance of professionalism

In municipalities the key divisions are the departments, which can vary both with the type of local authority according to its functions (for example, metropolitan, district or local municipalities). The departments within municipalities tend to have a characteristic structure, that is, headed by a chief officer normally drawn from the dominant profession in that department (for example, a city engineer, city treasurer, town and regional planner), and below the chief officers there is normally a multi-tiered hierarchy. This approach reflects an emphasis on the continuity of working, in accordance with established practice. Given this, it is hardly surprising that municipalities tend to be change averse and rooted in routine rather than innovation contrary to the continuous improvement approach central to the philosophy of total quality management (TQM) (Appleby and Clark, 1997: 31).

The main method of working in local government still lies within departments which means that the main pattern of organisational thinking lies within the department. Like the structure itself, this reinforces closed and limited approaches to organisation and problem solving, a further challenge to creating a total quality organisation (Appleby and Clark, 1997: 31).
5.9.3.3 The enforced role of the centre

Although the role of the municipality has been seen as the provision of a series of services, there have also always been a series of central departments (for example, finance, legal and administration, municipal manager) and central committees (for example, finance, human resources, performance review), sometimes known as the corporate core, which are not directly involved in service provision. It is often this staff which is responsible for supporting a municipality’s quality initiative (Appleby and Clark, 1997: 34).

5.9.3.4 The assumption of self-sufficiency and direct control

It has been assumed, almost without question, that when municipalities have been given responsibility for a function they would carry out that function (for example, street cleaning) through direct delivery of those services. It has been assumed not merely that municipalities should provide services directly, but that they should themselves normally employ all the staff (and other resources) required for the delivery of these services. The identity of the authority has been seen as deriving from the services provided and the staff engaged in that provision. This position has been challenged in recent years by central government’s programme of compulsory competitive tendering (CCT), but still stands to a greater or lesser degree (Appleby and Clark, 1997: 34).

5.9.3.5 The presumption of uniformity

It has also been assumed that generally municipal services should be of a uniform standard. This is not surprising. Sound public administration is normally associated with the impartial application of rules for the effective implementation of agreed policies. In local government differences have to be justified, whereas uniformity justifies itself. This is quite different from the differentiation in goods and services seen in the private sector where niches are actively sought and differences in customer service promoted (Appleby and Clark, 1997: 34).
5.10 The need to build local government reputation

Although different governments around the world have been undertaking large-scale privatisation programmes, they continue to finance and deliver core services – such as education, social security, criminal justice and health – that are of main significance to society (da Silva and Batista, 2007: 591). Some of the main issues addressed by new public management approaches are (Ferlie et al. 1996):

- Reflection of user concerns and values in the management process;
- Reliance on user voice rather than customer exit as the main source of feedback;
- The role of values, culture, rites and symbols in shaping how people behave at work;
- Attempt to make the public sector more business-like, by empowering less bureaucratic and more entrepreneurial management practices, once government may be diagnosed as bloated, wasteful, over-bureaucratic and under-performing.

The latter issue above is one of the main concerns for governments (da Silva and Batista, 2007: 592). Different authors have commented on research showing that people may have a negative image of government and may also manifest public cynicism toward it. For example, commenting on an American national survey of city managers and chief executive officers, Whelan (1999: 46) highlights that regarding perceptions of citizen trust, cynicism is present in about one-third of the cities with more than 50 000 inhabitants. Kell (1999: 51) comments on a survey of about 1000 Americans who were asked to rate, on a scale of 1 to 10, how well or how poorly their state”s government, federal government and McDonalds are managed and run. With rating “10” meaning very well managed and run, the average ratings were: 4,6 for federal government, 5,0 for state government and 7,0 for McDonalds. The author also addresses another research whose findings show that the public tends to
base its opinions about government primarily on very general impressions of a remote, vast and inefficient bureaucracy and on a negative image of government members.

Manifestations of public cynicism toward government often address the integrity, purpose and effectiveness of government and its members. Such cynical attitudes involve prevalent beliefs that government policies and public officials are inept, corrupt and out to take advantage of citizens. The consequences of this disillusionment are public alienation and disengagement (Berman, 1997: 105). Drawing from theories of human motivation and behaviour and organisational behaviour, Berman (1997: 105) points out that citizens question their relationship with government and experience disappointment when the following aspects are present:

- citizens believe that government is not helping them and is using its power against them;
- citizens do not feel engaged with government issues as they feel ignored or misunderstood; and
- citizens find government policies and services to be inefficient and ineffective.

Worsening even more the government image, the widespread initiatives towards privatisations programmes might suggest that government is an incapable producer (da Silva and Batista, 2007: 592). In fact, it is becoming increasingly difficult for citizens to understand how they can buy airplane tickets, book a holiday and furnish a house in a couple of mouse clicks and they have to stand in a queue for hours to renew their driving licence (SPSS Executive Briefing, 2000). Despite government efforts to improve its performance, citizens see government taxing them, charging them fees and fining them; thus they tend to discount positive government outcomes, which are considered as due to them in exchange for such payments (Berman, 1997: 105).
Regarding government outcomes, the means through which people learn about them are of crucial importance for the public sector. In an environment of mass communication it is not always possible to directly address a target audience. Messages may be filtered or re-interpreted by the media. For instance, tabloid newspapers may deliberately emphasise the sensational. There is also the fact that people tend to average bad news that is people tend to accumulate successive pieces of negative information received about an organisation and form a more unfavourable overall image of it (Davies et al. 2003).

Public cynicism towards the public sector and government can be reversed, the ways in which, will now be discussed.

5.10.1 Reversing cynicism

In the same way people develop a negative view of government, they may also believe that government can change itself and be helpful to society (da Silva and Batista, 2007: 593). It is possible to develop efforts in order to build a positive public image towards government that is governments can use a range of strategies to enhance their reputation. For instance, according to Berman (1997: 105), some public administration strategies to reduce public cynicism are: showing that government uses its power to help citizens instead of being indifferent or harming them; explaining what government does and how it serves the interests of the public; incorporating customers input into decision-making processes; and enhancing public satisfaction through the improvement of organisational performance and development of effective communication of that performance.

Kell (1993: 51) also addresses these aspects, emphasising that the major elements for building a more positive image of the public service are: obtaining citizen feedback, acting on citizen feedback to make improvements, communicating those improvements back to the public and obtaining citizen feedback again. Moore (2003: 30) adds to this arguing that the key to public engagement lies in identifying unrecognised assets, gifts and capacities of
citizens, discovering their motivation to act, and capturing government’s resources to support their activities.

Besides, to reshape its public image, the government should also promote change in its employee attitudes towards customers. Government employees must become more customer-focused, more accountable and responsive to the taxpayers they serve (Kell, 1993: 51). The development of trust must involve a sense of belonging that serves the emotional needs of individuals (Berman, 1997: 105). This assertion strengthens Davies et al. (2003) cited in da Silva and Batista (2007: 593) affirmation that:

“people have shifted up Maslow’s hierarchy of needs and now want to express themselves not just as consumers but also as moral, social, political and even spiritual beings”.

Research conducted by Andreassen (1994: 16) found that government reputation is a strong driver for loyalty. From a public sector perspective, loyalty means that businesses believe that a government provides a market orientated business policy; therefore, organisations experiencing growth decide to keep their location within the region even if other governments propose relocation for their business. One important finding in Andreassen’s (1994) research is that as governments develops closer relationships with businesses in the region by offering high-quality services and by motivating the expression of customer voice, a strong correlation between satisfaction and loyalty will emerge.

Consequently, as these relationships develop over time, improvements in both reputation and satisfaction will generate stronger loyalty bonds between the government and the businesses in the region. The development of stronger loyalty bonds may increase the number of companies deciding to maintain their current location within the region, and also attract new companies and / or people to the region. These findings provide important evidence linking customer-focused practices with reputation improvement in the public sector context (da Silva and Batista, 2007: 594).
5.11 Conclusion

The past 10 years have developed and produced profound and fundamental changes in South Africa’s policy environment, a new public management framework, new legislation, and regulations to improve service delivery (Maimela, 2009: 470). TQM has been extolled as a key route to improvement in the public and private sectors since the 1980s. Governments across the world have identified quality as a central goal for their public services according to Pollit and Bouckaert (2000) cited in Boyne and Walker (2002: 111). In response, many public organisations have developed quality programmes (Berman and West, 1995: 57; Swiss, 1992: 356) or use quality as a central part of their improvement strategies (Chackerian and Mavima, 2001: 379; Halachmi, 1997: 07; Lee, 2000: 423; Puran and Ngoyi, 2000: 117; Wechsler and Clary, 2000: 264).

The public sector hopes that the application of these principles would assist them in providing efficient and effective services to its people. Experts argue there are notable differences in the management of public and private sector organisation. Excellence in service delivery can be equated with TQM in the public sector. New monitoring systems are implemented to ensure better accountability and efficiency (Mkontha, 2007: 163).

Thus, the public sector will require the same level of service and professionalism as they are used to in the private sector. However, the achievement of these quality standards is difficult. The community needs to build trust in the public sector and cooperate in order to facilitate the transformation of the public sector (Morgan and Murgatroyd, 1994: 43). The application of this management initiative will not be as smooth as public sector management would hope.

However, the experience of public organisations that have implemented TQM has not always been positive. Some organisations have not achieved much, whereas others have had great success (Reger et al. 1994: 565). Failure is frequently identified as an implementation problem (Hackman and Wageman,

In Chapter 06, local government as an institution of governance is presented in terms of the institutional theory perspective. This theoretical perspective will serve as the basis, which informs the introduction and implementation of quality management standards and excellence models, in support of the total quality management (TQM) philosophy within the Makana and Drakenstein municipalities.
6.1 Introduction

This chapter provides a review and examination of institutional theory. The aim is to understand institutional theory and its implications for the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in developmental local government. Local government institutions exist within a context of other organisations and actors (internal and external), private and public, with whom they may cooperate or compete.

This thesis would argue that institutional entrepreneurs collectively play a critical collective leadership role in order to successfully implement and institutionalise quality management standards and excellence models in support of the total quality management (TQM) philosophy in developmental local government despite the fact that their beliefs and actions are determined by the institutional environment they wish to change.

Firstly, in order to appreciate the collective leadership role of institutional entrepreneurs, it would be instructive if the concept of the “institution” were understood, in view of the fact that these individuals operate within an institutional framework and institutions are rooted within a societal context. To this end, institutional theory and structuration theory will be discussed to provide a theoretical framework from which to understand the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in developmental local government.

Secondly, it will be argued that institutional entrepreneurs must have a common purpose and work as a collective in ensuring that the implementation and institutionalisation of quality management standards and excellence
models in support of the total quality management (TQM) philosophy within developmental local government are successful.

A variety of studies have tested the impact of public management on service delivery, on the assumption that new organisational forms lead to better results (for example, Andrews et al. 2006: 52; Brewer and Selden, 2000: 685; Meier and O’Toole, 2001: 271, 2002: 629; Rainey and Steinbauer, 1999: 01; Walker and Boyne, 2006: 371). An alternative view is offered by institutional theory, which argues that the primary objective of organisational change is not better performance but greater legitimacy. In other words, organisations adapt their internal characteristics in order to conform to the expectations of the key stakeholders in their environment. Over time, norms and rules emerge that limit the management arrangements that are deemed acceptable (Ashworth et al. 2009: 01).

In this chapter, institutional theory will be presented by discussing the concepts of “institution”, isomorphism, institutionalisation, institutional entrepreneurs, and collective institutional entrepreneurship in order to obtain an appreciation and understanding of the writings and thinking on institutional theory. In Chapter Seven, structuration theory and institutional entrepreneurship will be discussed and examined as far as they relate to institutional theory.

6.2. Institutions

The roots of institutional theory run richly through the formative years of the social sciences, enlisting and incorporating the creative insights of scholars ranging from Marx and Weber, Cooley and Mead, to Veblen and Commons. Much of this work carried out at the end of the nineteenth and beginning of the twentieth centuries, was submerged under the onslaught of neoclassical theory in economics, behaviourism in political science, and positivism in sociology, but has experienced a remarkable renaissance in our time (Scott, 2004: 02).
The concepts of institution and institutionalisation have been defined in diverse ways, with substantial variation among approaches (Scott, 1987: 493). Thus, the beginning of wisdom in approaching institutional theory is to recognise at the outset that there are not one but several variants. Some versions are much more carefully defined and explicit about their definitions and referents, while others are less clear in conceptualisation. Although there seems to be an underlying similarity in the various approaches, there is little agreement on specifics (Scott, 1987: 493).

6.2.1 Definitions of institutions

The classical definition of institutions goes back to Hughes (1936), who presented institutions as stable and slowly changing social systems. Selznick (1949) used the role and effects of values on organisations to explain institutionalism. He viewed institutionalisation as a process by which organisations or social entities are infused with values beyond the technical requirements of their tasks (Selznick 1957). This perspective became known as old institutionalism (e.g. DiMaggio and Powell, 1991) after Meyer and Rowan’s (1977) idea of macro influences on local phenomena was introduced as the foundation for the new institutionalism (Farashahi, et al. 2005: 03).

Based on the work by Berger and Luckmann (1967), institutional theorists (e.g. Zucker 1977; Meyer and Rowan 1977) argue that institutions are socially constructed templates for actions generated and maintained through ongoing interactions. They view institutions as providers of frameworks and procedures that a particular set of organisations should follow. Burns and Flam (1987) define institutions as shared rules, which categorise social actors, their activities, and their relationships (Farashahi et al. 2005: 03).

The new view of institutions and institutionalism has been perceived differently in various fields of social science. Goldsmith (1992) argue that management and organisational theorists view an institution as a role or an organisation, but economists and sociologists view it as a rule and a convention. The fact is that, there is a consensus among researchers in all
fields of social science about the existence of institutions and their effects on organisations in different contexts. For example, organisational economists believe that institutions (as structures of governance) exist and persist as long as the benefits they provide are greater than the transactional costs of creating and sustaining them (e.g. Williamson 1985). From Williamson’s (1993) point of view, “the institutional environment is a set of political, social and legal ground rules that establishes the basis for production, exchange and distribution” (Farashahi et al. 2005: 03).

Institutional economists (e.g. North 1986) get closer to the sociological perspective by arguing that institutions are sets of repetitive interactions, customs and rules that will provide both incentives and disincentives for individuals. Political scientists, on the other hand, look at institutions as prescriptions for required, permitted, or prohibited actions (Ostrom 1986). Political scientists also believe that institutions reflect the preferences and power of the units constituting them and, at the same time, shape those preferences (Keohane 1988) (Farashahi et al. 2005: 03).

Finally, sociologists reject the rational-actor model used mainly by economists and some political scientists and turn toward the cognitive and cultural explanation for institutions. They believe in supra-individual units of analysis that cannot be reduced to aggregations or direct consequences of individuals” motives (DiMaggio and Powell 1991). There are sociologists such as Barley and Tolbert (1997: 93) who believe that institutions are “abstract algebras of relations among members of social sets”, and consider the behavioural and structural instead of the cognitive and cultural explanation of institutions.

Institutionalisation from the sociologists” point of view is both a “phenomenological process by which certain social relationships and actions come to be taken for granted” and shared cognitions that define “what has meaning and what actions are possible” (Zucker 1983). From this perspective, the institutional environment is a pattern of social relations and embedded interpretations (Burns and Wholey 1993: 106; Meyer and Rowan 1977: 340).
According to Meyer and Rowan (1977: 340), organisations make socially prescribed and accepted stories about their actions. Although organisations may act differently, these stories are made to affirm the organisations' legitimacy. This was the basic idea upon which DiMaggio and Powell (1983) built their concept of isomorphism. They argued that organisations are similar because they want to attain legitimacy in their environment.

DiMaggio and Powell (1983) believe that there are competitive and institutional types of isomorphism, since both competition and structuration (or interactions) can be sources of pressure for the organisations' isomorphic behaviour. By competitive isomorphism, they mean organisations are similar because of the market competition. This type of isomorphism is the focus of population ecologists (Hannan and Freeman, 1977: 929).

The institutional isomorphism is, in fact, organisational competition for social legitimacy. This can be political, economic, and even market legitimacy. In 1983, DiMaggio and Powell introduced coercive, mimetic, and normative mechanisms as three methods of institutional isomorphism. In their later studies, DiMaggio and Powell (1988; 1991; 1997 and 1998) refer to these three methods as different types of isomorphism. Campbell (1997: 15) has classified these three perspectives - economic, political, and sociological - as rational choice, historical and sociological schools of new institutionalism.

In spite of differences between these perspectives, all share a common proposition: those institutions have a significant influence on the behaviour of individuals and organisations. The sociologists' perspective, particularly the new institutional theory, is widely accepted among organisation theorists and business policy researchers. It is believed that institutional theory explores significant dimensions of social organisational experience that have not been explored by other theories (DiMaggio, 1988: 03; Zucker 1988). This theory is viewed as one of the most appropriate approaches to explaining the relationship between institutions and organisations, the behaviour of organisations (e.g. DiMaggio and Powell 1983; Meyer and Scott 1983; Oliver,
Researchers have tried to examine the effects of institutions on specific dimensions of organisations such as organisation’s form (i.e. Arndt and Bigelow, 2000: 494; Austin, 1998: 255; Burns and Wholey, 1993: 106; Fligstein, 1985: 377; Palmer et al. 1993: 100), performance (i.e. Carroll et al. 1988: 233; Kraatz and Zajac, 1996: 812; Peng and Luo, 2000: 486; Townley, 2002: 180) and strategy (Cheng et al. 1998: 87; Henisz and Delios, 2001: 443; Judge and Zeithaml, 1992: 766; Lamertz and Baum, 1998: 93). Institutional theorists have been able to answer both the why (Why is there a direct relationship between organisations and institutions?) and the how (How do they affect each other?) questions for the relationship between institutions and organisations by using variance and process theories respectively (Scott 1995). They have also been able to elaborate the organisational conformity or resistance to institutional rules and expectations (for example, Oliver, 1991: 145).

6.2.2 Approaches to understanding institutions

However, an interesting question that has rarely been addressed is: To what extent are our perceptions and perspectives of institutional theory institutionalised? In other words, are we following certain approaches when applying institutional theory because they are taken for granted in the literature? If so, these isomorphic research activities may constrain our understandings of social realities (Farashahi et al. 2005: 04).

It is with this question in mind, that institutional theory; institutional entrepreneurship together with structuration theory would be studied in order to enhance our understanding of the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in developmental local government.
According to Tolbert and Zucker (1994: 01) institutional theory is driven by the question of why different organisations, operating in very different environments, are often so similar in structure. Scott (2004: 02) argues that institutional theory attends to the deeper and more resilient aspects of social structure. It considers the processes by which structures, including schemes, rules, norms and routines, become established as authoritative guidelines for social behaviour. It inquires into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse. Although the ostensible subject is stability and order in social life, students of institutions must perforce attend not just to consensus and conformity but also to conflict and change in social structures.

Ashworth et al. (2005: 03) contend that institutional theory has become a prominent lens through which organisational processes of continuity and change are interpreted and understood. It can be seen as a development of “open systems” views of organisation, one which emphasises the significance of social and cultural aspects of organisational environments rather than the task and technical elements given prominence under contingency theory and resource dependence theory.

Institutions consist of cognitive, normative, and regulating structures and activities that give meaning and stability to social behaviour. They are carried by cultures, structures and routines and they operate at several different levels (Scott, 2004: 02). Hatch (1997: 85) argue that in applying institutional theory to an analysis of a particular organisation one should consider how the organisation is adapting to its institutional context. For instance, analyse the sources (for example, regulatory agencies, and laws, social and cultural expectations) and types of institutional pressures exerted by the environment on the organization. Sometimes actions are repeated because explicit rules or laws exist to ensure their repetition (legal and political influences). Sometimes activity patterns are supported by norms, values, and expectations (cultural influences); sometimes by a desire to be or look like another institution (social influences).
A strong case can be made that societies – nations or groups of nations with similar characteristics – put strong imprints on organisational cultures. The idea of an industrial “sub-culture” draws attention to the fact that culture most fully corresponds to a society and that the sphere of industry includes a distinctive set of meanings shared by a group of people whose forms of behaviour differ to some extent from those of the wider society” (Turner, 1971: 01). Turner’s (1971) point of departure is his experience that when “moving from one industrial organisation to another, it is possible to observe certain similarities” which differ from behaviour elsewhere in society. Here the entire industry is conceptualised as a sub-culture. Individual organisations then may appear as sub-sub-cultures. By drawing attention to the cultural context of the focal object, it encourages a broader view of it (Alvesson, 2002: 155).

It can therefore be concluded that institutions are carried by formal organisations, regimes that convey a central authority system, and by culture, which gives meaning to the customary and the conventional in daily life. Institutions are also carried by individuals, and provide accounts of the social and legal constructions of individual identity.

The domain content of the institutional analysis can be described, at least partially, using Weber’s (1958; 1968) notions of rationality and power and the social constructionists’ conception of representation. These components are seen as forming axes of tension useful in specifying the extant context within economies employing administrative hierarchies as the primary organising structure (Dillard et al. 2004: 517).

Representation concerns the way reality is framed or symbolically described (Weber 1958; 1968). Weber (1958; 1968) focuses on the role that ideas, interpretations, and meanings play in legitimating social action. Weber (1958; 1968) recognises the central place of these symbolic representations in providing the context for social action. These representations can be classified in terms of the degree of subjectiveness (or objectiveness). Subjective representations are socially constructed ones, while objective representations are presumed to be logical, analytical ones. Subjective
representation relates to a situation where the legitimating process for action is social following from the interaction among individuals or collectives (Dillard et al. 2004: 517).

Given the recognition of symbolic structures as central to social action, the question arises as to the role these ideas, interpretations and meanings play in motivating legitimate and illegitimate actions within these societies. The social context provides the basis by which ideas and practices are deemed appropriate (legitimate), and for Weber (1958; 1968), the principal contextual factor is rationality. Rationality provides the legitimating conditions for evaluating criteria and practices (Dillard et al. 2004: 517).

*Formal rationality* (which is calculation) orientated, and substantive reality (which is values orientated), are set forth as the opposing organising principles for social action. Formal rationality is conceptualised as “value neutral, empirically based knowledge calculation with universal application” (Colignon and Covaleski, 1991: 145) and privileges economic efficiency through formal, rational analysis whereby the production process yields the highest ratio of outputs to inputs. For example, accounting figures are regularly accepted as value neutral, rational, and a universalistic basis for making economic decisions.

*Substantive rationality*, by contrast, concerns “the substance of the values, ends, needs of social groups and the institutions that promote them” (Colignon and Covaleski, 1991: 146). It is ends orientated, associated with the ethics, values and actions that promote the ends implied therein. For example, if protecting the environment were considered a central value, then practices of an organisation supportive of this objective would be privileged. Actions of entities within a society, may be justified either by formal rationality, by substantive rationality, or by both. Tension, normally, exists between the two types of rationality as ways of knowing and therefore justifications for actions. Such tension can result in conflicts at the societal, organisational field, or at the organisational level because of divergence in various groups” interests (Dillard et al. 2004: 518).
Another dimension of Weber’s (1958; 1968) framework is power, which is conceptualised as the means and degree of control over human and material resources (Colignon and Covaleski, 1991: 146). At the societal level, as well as the organisational field level, control is imposed through mechanisms that follow from a dominant ideology. At the organisational level, control can be gained either through the implementation of formal hierarchical structures or through social consensus. In the former context, the logic of the structures and duty to obey provides the context for action. At the other extreme, control is exerted by social consensus through processes that facilitate communication and consensus among the actors. The logic of personal choice and ongoing social interaction provides the context for action (Dillard et al. 2004: 518).

In the following section, the pressures that organisations face from the institutional environment will be discussed.

6.3 Schools of thought: Institutional Theory

There are seven (07) schools of thought pertaining to institutional theory extracted from the review of the literature.

6.3.1 Selznick’s (1957): Institutionalisation infusing value beyond the technical requirements

One of the earliest and most influential versions of institutional theory in organisations remains that associated with the work of Philip Selznick and his students. Selznick (1957) borrowed from Michels and Barnard in creating his somewhat distinctive model of institutional theory (Scott, 1987: 51). He viewed organisational structure as an adaptive vehicle shaped in reaction to the characteristics and commitments of participants as well as to influences and constraints from the external environment.

Institutionalisation refers to this adaptive process:
“In what is perhaps its most significant meaning, “to institutionalise” is to infuse with value beyond the technical requirements of the task at hand” (Selznick, 1957: 17).

Anticipating later work, Selznick (1957) distinguished between organisations as technically devised instruments as mechanical and disposable tools, and organisations that have become institutionalised becoming valued, natural communities concerned with their own self-maintenance as ends in themselves:

“….Organisations are technical instruments, designed as means to definite goals. They are judged on engineering premises; they are expendable. Institutions, whether conceived as groups or practices, may be partly engineered, but they also have a “natural” dimension. They are products of interaction and adaptation; they become the receptacles of group idealism; they are less readily expendable.” (Selznick, 1957: 21).

Selznick’s institutional approach also emphasised the importance of history – the “natural history” of the evolution of a living form that is adaptively changing over time, and he stressed a holistic and contextual approach. As Perrow (1986: 157) noted:

“For institutional analysis, the injunction is to analyse the whole organisation. To see it as a whole is to do justice to its “organic” character. Specific processes are, of course, analysed in detail, but it is the nesting of these processes into the whole that gives them meaning.”

Selznick’s (1957) distinctive brand of institutional theory was applied by him to the analysis of the Tennessee Valley Authority Public Corporation and by his students to a number of educational, service, and voluntary organisations. The typical research methodology is that of the case study, with an emphasis on adaptive change.
At the risk of oversimplifying Selznick’s (1957) rather complex views, his primary emphasis appears to have been on institutionalisation as a means of instilling value, supplying intrinsic worth to a structure or process that, before institutionalisation, had only instrumental utility. By instilling value, institutionalisation promotes stability: persistence of the structure over time.

Selznick (1957: 16) viewed institutionalisation as a “process” as something “that happens to the organisation over time”. He observed the extent of institutionalisation to vary across organisations – for example, those with more specific goals and those more specialised and technical in operation were seen to be less subject to becoming institutionalised than those lacking these features. The institutionalisation process was viewed as being subject to conscious design and intervention. Selznick’s (1957) conception remains largely definitional rather than explanatory: he defined and described the process but did not explicitly account for it. His treatment of institutionalisation informs us that values are instilled; not how it occurs.

6.3.2 Berger and Luckman’s (1967): Institutionalisation - A reciprocal typification of habitualised actions by types of actors:

According to Scott (1987: 495), both the second and the third versions of institutional theory are heavily indebted to the work of Peter Berger in the sociology of knowledge. This work is based on philosophical underpinnings established by German idealists and phenomenologists such as Dilthey and Husserl and strongly shaped by the ideas of Alfred Schutz. The most complete and influential statement of Berger’s ideas on institutionalisation is to be found in the work co-authored with Luckmann in which the central question addressed is: What is the nature and origin of social order?

The argument is that social order is based fundamentally on a shared social reality, which, in turn, is a human construction, being created in social interaction. It is recognised that man or woman as a biological organism confronts few limits or constraints in the form of instinctual patterns, yet
constraints develop in the form of social order. Berger and Luckmann (1967: 52) argued that this order:

“is a human product, or, more precisely, an ongoing human production. It is produced by man in the course of his ongoing externalisation….Social order exists only as a product of human activity.”

Social order comes into being as individuals take action, interpret that action, and share with others their interpretations. These interpretations or “typifications” are attempts to classify the behaviour into categories that will enable the actors to respond to it in a similar fashion. The process by which actions become repeated over time and are assigned similar meanings by self and others is defined as institutionalisation: “Institutionalisation occurs whenever there is a reciprocal typification of habitualised actions by types of actors” (Berger and Luckmann, 1967: 54). Both actions and actors are typed: certain forms of actions come to be associated with certain classes of actors; for example supervisors” give orders, workers follow them.

Like Selznick (1957), Berger and Luckmann (1967: 54) emphasised the necessity of employing an historical approach:

“Reciprocal typifications of action are built up in the course of a shared history. They cannot be created instantaneously. Institutions always have a history, of which they are the products. It is impossible to understand an institution adequately without an understanding of the historical process in which it was produced.”

As explicated by Berger and Luckmann (1967: 55), institutionalisation involves three phases or “moments”: externalisation, objectivation, and internalisation. The authors argue as follows: “we and our associates take action (externalization), but we together interpret for ourselves (objectivation); further, the objectivated world is internalised by us, coming to „determine the subjective structures of consciousness itself” (internalisation) (Wuthnow et al., 1984: 39). Each moment corresponds to “an essential characterisation of the
social world. Society is a human product. Society is an objective reality. Man is a social product” (Berger and Luckmann, 1967: 61). Together they combine the paradox „that man is capable of producing a world that he then experiences as something other than a human product” (Berger and Luckmann, 1967: 61).

This general conception serves as the foundation for the work of both Zucker (1977) and of Meyer and Rowan (1977) – theorists who have developed and applied these ideas to the analysis of organisational forms. Berger and Luckmann”s (1967) formulation is clearly visible in the definitions they employ as the basis of their own work.

Thus, Zucker (1977: 728) asserted that:

“institutionalisation is both a process and a property variable. It is the process by which individual actors transmit what is socially defined as real and, at the same time, at any time in the process the meaning of an act can be defined as more or less a taken-for-granted part of this social reality. Institutionalised acts, then, must be perceived as both objective and exterior.”

6.3.3 Meyer and Rowan”s (1977): Institutionalised belief systems which constitute a distinctive class of elements

Meyer and Rowan (1977: 341) embraced Berger and Luckmann”s conception:

“Institutionalised rules are classifications built into society as reciprocated typifications or interpretations….Institutionalisation involves the processes by which social processes, obligations, or actualities come to take on a rule like status in social thought and action.”

According to Scott (1987: 496), the common feature in all of these definitions is that institutionalisation is viewed as the social process by which individuals come to accept a shared definition of social reality – a conception whose validity is seen as independent of the actor”s own views or actions but is taken
for granted as defining the “way things are” and/or the “way things are to be done.” Still, these definitions are very general, pertaining to the construction of social reality – and, hence, stable social order – in all its various guises, not to features conducive to the rise of formal organisations in particular.

In subsequent work, however, Berger (1973) and other collaborators attempted to characterise the distinctive set of beliefs associated with the development of societal modernisation. Berger et al. (1973) argued that modern consciousness is shaped by the set of inter-connected belief systems associated with the development of (1) technological production, (2) bureaucracies, and (3) the pluralisation of life-worlds (for example, the differentiation of public and private spheres). These belief systems and their associated cognitive styles both develop out of and independently cause the further spread of “rational” economic, political, and social organisations.

Zucker (1983: 01) endorsed this view of organisation as an institutional form or, more compellingly, as “the pre-eminent institutional form in modern society.” Meyer and Rowan (1977) placed great emphasis on societal modernisation as being accompanied by the growth of “rationalized institutional elements” or “rational myths” that give rise to an increasing number of organisations as well as to the elaboration of existing organisational forms. The emphasis on institutionalisation as process has continued to dominate. The force of these models is in the cognitive convictions they evoke:

“….institutionalisation is rooted in conformity – not conformity engendered by sanctions (whether positive or negative), nor conformity resulting from a “black-box” internalisation process, but conformity rooted in the taken-for-granted aspects of everyday life….institutionalisation operates to produce common understandings about what is appropriate and, fundamentally, meaningful behaviour.” (Zucker, 1983: 05).

Zucker"s (1977) empirical work includes laboratory research demonstrating that subjects" behaviour is much more likely to be stable and conform to the
requirements imposed by other actors if the latter are perceived to occupy a position of authority in an organisation: Any act performed by the occupant of an office is seen as highly objectified and exterior (Zucker, 1977: 728). It also includes field studies of the process by which civil service reforms were diffused through a set of municipal governments during the period 1880 – 1935.

In Zucker’s (1977) approach, the focus is on a single pattern or mode of organisational behaviour and the emphasis is placed on the rationale for or nature of the process underlying adoption of or conformity to the pattern. By contrast, the work of Meyer and his associates has evolved in a somewhat different direction. Meyer and Rowan (1977) began to develop an alternative conception. From a primary focus on institutionalisation as a distinctive process – whether stressing infusion with value or with taken-for-granted meaning – institutionalisation began to be viewed as pertaining to a distinctive set of elements.

In this version of institutional theory it is emphasised that institutionalised belief systems constitute a distinctive class of elements that can account for the existence and/or the elaboration of organisational structure. This emphasis can be dated from Meyer and Rowan’s (1977) argument that the prevalence of organisational forms can be attributed not only to the complexity of “relational networks” and exchange processes but also to the existence of elaborated “rational myths” or shared belief systems. The emphasis shifts from the properties of generalised belief systems to the existence of a variety of sources or loci of “rationalised and impersonal prescriptions that identify various social purposes” and “specify in a rule like way the appropriate means” to pursue them (Meyer and Rowan, 1977: 343). These sources are described as institutionalised in that their existence and efficacy is “in some measure beyond the discretion of any individual participant or organisation” (Meyer and Rowan, 1977: 344).
6.3.4 Scott’s (1987): Institutionalisation - a set of differentiated and specialised cognitive and normative systems – institutional logics.

According to Scott (1987: 497), a number of important changes are introduced by this shift in emphasis. First, the salient features of organisational environments are re-conceptualised. In contrast to the prevailing theories of organisational environments – such as contingency theory or resource dependence theory – that call attention primarily to technical requirements, resource streams, information flows, and influence relations, the new formulation stresses the role played by cultural elements – symbols, cognitive systems, normative beliefs – and the sources of such elements. Institutional elements of environments begin to be defined in contrast to technical elements, and this becomes more explicit and pronounced over time.

Thus, Scott and Meyer (1983: 140) define technical environments as:

“those within which a product or service is exchanged in a market such that organisations are rewarded for effective and efficient control of the work process”.

in contrast to institutional environments that:

“are characterized by the elaboration of rules and requirements to which individual organisations must conform if they are to receive support and legitimacy…..”.

Second, it follows that there is less emphasis on institutionalisation as a distinctive process. Organisations do not necessarily conform to a set of institutionalised beliefs because they “constitute reality” or are taken for granted, but often because they are rewarded for doing so through increased legitimacy, resources, and survival capabilities (Meyer and Rowan 1977). Since the concept of institutionalisation is not definitionally linked to a distinctive process, analysts begin to theorise more explicitly about the variety
of types of processes that might cause an organisation to change its structure in ways that make it conform to – become isomorphic with – an institutional pattern. The best-known classification of this type is that developed by DiMaggio and Powell (1983) who distinguished among coercive, mimetic and normative processes leading to conformity. None of these classes, however, is consistent with the previous process-based definition of institutionalisation; that is, none focuses specifically on conformity based on the extent to which the model being adopted is taken for granted.

Third, with less attention devoted to process, more attention can be given to the nature of the belief systems themselves. In their formal propositions, Meyer and Rowan (1977) theorise about the general effects of rationalised institutional structure as though there were only one such structure, but with their concept of rational myths and through the use of many and diverse examples – public opinion, educational systems, laws, courts, professions, ideologies, regulatory structures, awards and prizes, certification and accreditation bodies, governmental endorsements and requirements – they understand the multiplicity and diversity of institutional sources and belief systems found in modern societies. Following this insight, more recent work has moved away from a conception of a single institutional environment to one of multiple institutional environments (DiMaggio and Powell 1983; Meyer and Scott 1983).

Fourth, there is the recognition that, in modern, rationalised societies, the forms and sources of social beliefs and other types of symbolic systems have themselves become more rationalised: traditions and customs give way to laws, rules, and regulations; and elders’ councils and other forms of traditional authority are replaced by the nation-state, the professions, and rationalised systems of law. Thus, this version of institutional theory tends to shift attention away from such environmental elements as the market, the location of resources and customers, and the number and power of competitors, in order to call attention to the role of other type of actors, such as the state and professional associations, that shape organisational life both directly by
imposing constraints and requirements and indirectly by creating and promulgating new rational myths.

Finally, with the shift to a focus on symbolic aspects of environments and their sources, this version of institutional theory has both contributed to and benefited from the resurgence of interest in culture. Thus, this version of institutional theory provides a bridge for students of organisations to link to the insightful work of Berger, Bourdieu, Douglas, Foucault, Geertz, and Withnow, to name only some of the leading contributors to the “new” cultural approaches (Scott, 1987: 499).

A fourth conception of institution embraces the idea just described of diversity among belief systems and links it with early, traditional view of social institutions found in general sociology. As conventionally defined, social institutions refer to relatively enduring systems of social beliefs and socially organised practices associated with varying functional arenas within societal systems, for example, religion, work, the family and politics. In most of these traditional definitions, social institutions are viewed as both symbolic – cognitive and normative – systems and behavioural systems, and strong emphasis is given to persistence and stability as a key defining characteristic (Scott, 1987: 499).

For example, in his early, influential discussion, Hughes (1939: 283) noted:

“More commonly the term institution is applied to those features of social life which outlast biological generations or survive drastic changes that might have been expected to bring them to an end…..There exists a tendency, of human beings to get set in their ways. Other animals undoubtedly show a similar tendency, but man alone transmits to future generations a great number of his acquired ways of behaving. He alone gives reasons for his ways, makes a virtue of them and glorifies them for their antiquity.

Hughes (1939) also anticipated Selznick’s (1957) views on institutionalisation as a source of value independent of instrumental utility:
“A ceremony may be celebrated by people who no longer know its origin and would repudiate its first meaning if they but knew it. A once technically useful means of achieving some known end persists as an accepted and even sacred practice after better technical devices have been invented (Hughes, 1939: 283).

Hertzler’s (1961: 81) discussion of social institutions has also had influence, and he stress the theme of persistence in stating:

“The institutions of a society have a high degree of stability and function as the major mechanisms for social continuity”.

Hertzler (1961: 84) also place great importance on the external and over determined nature of institutional patterns:

“Especially important is the fact that they are organised, that is, established, regularized, chartered, endorsed, and enforced, and hence made predictable and effective in all of the common or recurrent relational-functional situations.”

Finally, according to Scott (1987: 500), embedded in all of the early treatments, there was the structural-functional assumption that basic needs or survival requisites were set and that the differentiation of institutional spheres constituted an adaptive societal response to these requirements. Institutional analysis consisted of describing these different social structures – for example, much attention was given to the varying beliefs and practices in the conduct of family life as compared to economic pursuits – and linking them to a specified set of social requirements.

Friedland and Alford (1987: 36) propose that this relatively neglected conception of societal structure can usefully be revived, with some revision. As a starting point, they asserted that the notion of society comprising differentiated societal spheres containing different belief systems and defining different types of social relations is both correct and useful. Moreover, they insisted that it is essential to introduce substantive content into any discussion
of institutions. Different institutional spheres call up different belief systems. For example:

“The institutional logic of capitalism is accumulation and the commodification of human activity. That of the state is rationalisation and the regulation of human activity by legal and bureaucratic hierarchies. That of the family is community and the motivation of human activity by unconditional loyalty to its members and their welfare.” (Friedland and Alford, 1987: 36).

Friedland and Alford (1987) emphasised the importance of differentiated institutional spheres with varying substantive content but did not take on the question as to why such differentiation occurs. According to Scott (1987: 500) the aspect of early institutional arguments to which Friedland and Alford took exception is the assumption – one that frequently accompanies such functionalist models – of normative integration or institutional coherence. They suggested that there is no necessary harmony among various institutional complexes. Moreover, there may not be consensus within a given society regarding which beliefs are appropriate for what types of activities. Any given activity – the carrying on of productive work, the attempt to govern – can have multiple meanings and can be the focus of conflicting and contradictory institutional definitions and demands:

“Some of the most important struggles between groups, organisations and classes are over the appropriate relation between institutions, and by which institutional logic different activities should be regulated and to which categories of persons they apply. Are access to housing and health to be regulated by the market or by the state? Are families, churches or states to control education? Should reproduction be regulated by state, family or church?” (Friedland and Alford, 1987: 32).

Thus, this version of institutional theory focuses attention on the existence of a set of differentiated and specialised cognitive and normative systems – institutional logics – and patterned human activities that arise and tend to persist, in varying form and content, in all societies. These logics and
behaviours constitute repertoires that are available to individuals and organisations to employ in pursuit of their own interests (Swidler 1986 cited in Scott, 1987: 500). In this view, an important part of the social analyst’s agenda is not only to determine which organisations come to adopt which beliefs and practices but also:

“to study why the institutional arenas are patterned in the way that they are or the conditions under which new institutional forms develop” (Friedland and Alford, 1987: 18).

To approach the latter issue requires both a greater attention to content – to examining the varying substantive beliefs and behaviours associated with different institutional spheres – as well as the explicit adoption of a societal level of analysis to supplement the current work now underway at the organisational level of analysis for a related analytical framework and agenda (Burns and Flam 1986).

6.3.5 Rational-Action Neo-institutionalism

Rational-Action Neo-institutionalism emphasises the way in which individual rational action is channelled by the “rules of the game”, including laws, inherited organisational forms, and norms. Actors are seen as stable and exogenous. All kinds of institutions are studied within this framework but there is most focus on economic rules or formal political institutions. Institutional change is conceived as an effect of strategic action of individuals or as a result of (invisible or visible) selection mechanisms (DiMaggio, 1998: 697).

6.3.6 Social-Constructivist Neo-institutionalism

Social-Constructivist Neo-institutionalism argues that all elements of rational-action models – actors, interests and preferences – are “socially constructed” and therefore endogenous. Research is focused on informal institutions such as schemata, roles, scripts, or “taken-for-grantedness”. Institutional change is
seen as a process of isomorphism or diffusion through mechanisms such as pressures to appear legitimate and normative schemes embedded in training and practice (DiMaggio, 1998: 697).

6.3.7 Mediated-Conflict Neo-institutionalism

Mediated-Conflict Neo-institutionalism focuses on how state and other institutions structure and mediate conflict among groups with distinctive interests. They study stability and change of the institutional set-up (formal and informal organisational forms) in various contexts as a result of institutionally mediated political conflicts (DiMaggio, 1998: 697).

Currently, a multitude of institutionalist approaches flourishes in the social sciences (Nielson 2007: 03). New species crop up alongside revitalised older brands. It is hard to distinguish new species from re-labelled well-known types and the terms being used by observers to distinguish the various species suffer from myopia and often confuse instead of clarify. Most attempts are confined by the boundaries of the disciplines. However, a few contributions cover trends in the social sciences in general. The surveys by Hall and Taylor (1996) and Campbell (1997) comprise implicitly not only institutional approaches in political science but also at least some institutionalisms in other social sciences (Nielsen, 2007: 03). The typology transcends the disciplinary boundaries although the three institutionalisms are seen as originating from economics, sociology and political science, respectively.

DiMaggio (1998: 698) identifies some commonalities between the various institutionalisms as well as emerging hybrids. Mediated-Conflict Neo-institutionalism shares with Rational-Action Institutionalism a realist conception of actors and a view of interests as flowing relatively straightforwardly from identities and structural positions. Social-Constructivist Neo-institutionalism and Mediated-Conflict Neo-institutionalism find common ground in their concern with informal institutions and cognitive repertoires.
Social-Constructivist Neo-institutionalism typically distances itself from the rational-action model of Rational-action Neo-institutionalism but even here a re-rapprochement is seen to take place following the shift of focus within Social-Constructivist Neo-institutionalism that actors behave in non-rational ways of depicting and explaining different conceptions of rationality in different contexts. In addition hybrids have emerged, for instance, in economic history with the contributions of Anvar Greif and Douglass C. North as particularly outstanding (DiMaggio, 1998: 698).

Nielsen (2007: 08) argue that the contribution of DiMaggio (1998) is stimulating in his attempt to develop conceptual tools to cut through the confusion and myopia among observers of the burgeoning field of institutionalist thought, and it is constructive in its suggestion for an agenda for future dialogue and joint work between different institutionalisms. However, for DiMaggio (1998) - according to Nielsen (2007: 08) - work is also seen as reductionist in its image of contemporary institutionalist approaches within the social sciences. He ignores contributions from the „pure“ rational choice, social constructivist and power-struggle frame of reference, respectively.

Institutional theory is chosen as the main theoretical lens because this research study is specifically looking at the process of institutionalisation at an organisational level. The process involves the creation of new structures, new practices and roles that later become routinised and formalised in the organisation. The practices are embedded in the organisation and self-maintaining over certain periods of time. After being institutionalised these processes or practices will be taken for granted and accepted as norms without further justification or elaboration, and are highly resistant to change (Zucker, 1987: 446). This idea will be further explored in detail hereunder.

Thus, it can be ascertained that there are seven versions of institutional theory, namely: (1) Selznick’s (1957) version where institutionalisation means infusing value beyond the technical requirements of the task at hand; (2) Berger and Luckman”s (1967) version where institutionalisation occurs whenever there is a reciprocal typification of habitualised actions by types of
actors; (3) Meyer and Rowan’s (1977) version where emphasis is placed on institutionalised belief systems which constitute a distinctive class of elements that can account for the existence and or the elaboration of organisational structure; (4) Scott’s (1987) version which focuses attention on the existence of a set of differentiated and specialised cognitive and normative systems – institutional logics – and patterned human activities that arise and tend to persist, in varying form and content, in all societies. DiMaggio (1998) distinguishes three new institutionalisms: (5) Rational-Action Neo-institutionalism (RAN); (6) Social-Constructivist Neo-institutionalism (SCN) and (7) Mediated-Conflict Neo-institutionalism (MCN).

It should be clear from the seven versions of institutional theory reviewed that while there are some basic recurring themes, there nevertheless exists much variation among contemporary institutional theories of organisation. The researcher would argue that DiMaggio’s (1998) versions of institutional theory namely, Rational-Action Neo-Institutionalism and Social-Constructivist Neo-Institutionalism would be most appropriate to use to understand the institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in developmental local government given the fact that it incorporates themes of the other five versions of institutional theory.

Furthermore, Rational-Action Neo-Institutionalism focuses on formal political institutions such as the Makana and Drakenstein municipalities and where institutional change is conceived as an effect of strategic action of individuals (DiMaggio, 1998: 697). Social-Constructivist Neo-Institutionalism argues that all elements of rational-action models – actors, interests and preferences – are “socially constructed” and therefore endogenous. Institutional change is seen as a process of isomorphism or diffusion through mechanisms such as pressures to appear legitimate and normative schemes embedded in training and practice (DiMaggio, 1998: 697).

By adopting the Rational-Action Neo-Institutionalism and Social-Constructivist Neo-Institutionalism approaches, one can ascertain how the values of
participatory democracy, effective, efficient and accountable service delivery in developmental local government, which are enshrined in the Local Government: Municipal Systems Act 32 of 2000, are given effect to within the Makana and Drakenstein municipalities respectively.

6.4 Isomorphism

According to Giblen (2006: 644), institutional theory places less emphasis on the relationship between organisational structures and performance. Instead, organisations are seen as adopting structures that are widely used by key environmental actors (accrediting bodies, funding agencies, government, professional associations, etc.). These structures are not necessarily adopted because they lead to improved effectiveness in a technical sense; organisations incorporating these structures are viewed as legitimate by environmental actors.

“The adoption of prescribed structures demonstrates organisational worth” (Hinnings and Greenwood, 1998: 53) and “demonstrates that the organisation is acting on collectively valued purposes in a proper and adequate manner” (Meyer and Rowan, 1977: 349). Organisations may receive support from the environment, independent of their ability to achieve their goals.

Giblen (2006: 645) asks the question: why emphasise the notion of legitimacy over organisational effectiveness? From an institutional perspective, some organisations, given the nature of their work, are simply unable to demonstrate the effectiveness of particular structures or strategies. Mastrofski and Uchida (1993: 352) write:

“police departments represent a class of organisations that Meyer and Zucker (1989) characterise as ‘permanently failing’, because despite their inability to demonstrate technical efficiency and effectiveness, they usually survive”.

Lipsky (1980) writes that this is an element that distinguishes public service organisations from for-profit business organisations. Unable to demonstrate
worth through performance measures, organisations can show worth by conforming to the demands of outside actors, ultimately resulting in external support (Mastrofski and Uchida, 1993: 352).

These ideas about how organisations should be structured impact organisations through powerful actors in an organisation’s environment. Organisations often adopt structures and practices that are externally supported regardless of their effect on agency performance (Meyer and Rowan, 1977: 340). As a result, organisations in the same field tend to resemble one another to the extent that widespread adoption of these supported structures occurs. The similarity is described by institutional theorists as isomorphism, and typically results from three types of pressures – coercive, normative, and mimetic (DiMaggio and Powell, 1983: 147).

Institutional theory emphasises isomorphism, a trend implying that organisations become more and more alike (Alvesson, 2002: 155). Meanings and patterns are imported from various instances outside individual organisations. For reasons of legitimacy as well as for reason of adopting a cognitive view of the social world as ordered and comprehensible, people in organisations are sensitive to the meanings, ideas and definitions of what is natural, rational and good as developed by various institutions such as professions, state agencies, science, management consultants and so on (DiMaggio and Powell, 1983: 147 and Meyer and Rowan, 1977: 340).

DiMaggio and Powell (1983: 150) distinguish between three different institutional pressures and give them distinctive labels. They argue that when the pressure to conform comes from governmental regulations or laws, then coercive isomorphism pressures are at work. When the pressure comes from cultural expectations, for instance via the professional training of organisational members, then normative isomorphism pressures are at work. When there is a desire to look like other organisations, it is termed mimetic isomorphism pressures and it is explained as responses to uncertainty that involve copying other organisational structures, practices or outputs.
6.4.1 Coercive isomorphism

Coercive isomorphism results from both formal and informal pressures exerted on organisations by other organisations upon which they are dependent and by cultural expectations in the society within which organisations function (DiMaggio and Powell, 1983: 150). Such pressures may be felt as force, as persuasion, or as invitations to join in collusion (DiMaggio and Powell, 1983: 147). In some circumstances, organisational change is a direct response to government mandate: manufacturers adopt new pollution control technologies to conform to environmental regulations; nonprofits maintain accounts, and hire accountants, in order to meet tax law requirements; and organisations employ affirmative-action officers to fend off allegations of discrimination. Schools mainstream special students and hire special education teachers, cultivate parent-teacher associations and administrators who get along with them, and promulgate curricula that conform to state standards (Meyer et al. 1981). The fact that these changes could in some instances be largely ceremonial does not mean that they are inconsequential. As Ritti and Goldner (1979: 233) have argued, staff become involved in advocacy for their functions that can alter power relations within organisations over the long run.

The existence of a common legal environment affects many aspects of an organisation’s behaviour and structure. Weber (1958; 1968) pointed out the profound impact of a complex, rationalised system of contract law that requires the necessary organisational controls to honour legal commitments. Other legal and technical requirements of the state – the vicissitudes of the budget cycle, the ubiquity of certain fiscal years, annual reports, and financial reporting requirements that ensure eligibility for the receipt of federal contracts or funds – also shape organisations in similar ways (DiMaggio and Powell, 1983: 150).

Pfeffer and Salancik (1978: 188) discuss how organisations faced with unmanageable inter-dependence seek to use the greater power of the larger social system and its government to eliminate difficulties or provide for needs.
They observe that politically constructed environments have two characteristic features: political decision-makers often do not experience directly the consequences of their actions; and political decisions are applied across the board to entire classes of organisations, thus making such decisions less adaptive and less flexible.

Meyer and Rowan (1977: 340) argue persuasively that as rationalised states and other large rational organisations expand their dominance over more arenas of social life, organisational structures increasingly come to reflect rules institutionalised and legitimated by and within the state. As a result, organisations are increasingly homogeneous within given domains and increasingly organised around rituals of conformity to wider institutions. At the same time, organisations are decreasingly structurally determined by the constraints posed by technical activities, and decreasingly held together by output controls. Under such circumstances, organisations employ ritualised controls of credentials and group solidarity.

Direct imposition of standard operating procedures and legitimated rules and structures also occurs outside the governmental arena. Sedlak (1981) cited in DiMaggio and Powell (1983: 151) document the ways that United Charities in the 1930s altered and homogenised the structures, methods, and philosophies of the social service agencies that depended upon them for support. This was as a result of coercive pressures. As conglomerate corporations increase in size and scope, standard performance criteria are not necessarily imposed on subsidiaries, but it is common for subsidiaries to be subject to standardised reporting mechanisms (Coser et al. 1982).

Subsidiaries must adopt accounting practices, performance evaluations, and budgetary plans that are compatible with the policies of the parent corporation. A variety of service infrastructures often provided by monopolistic firms – for example, telecommunications and transportation – exert common pressures over the organisations that use them. Thus, the expansion of the central state, the centralisation of capital, and the coordination of philanthropy all support the homogenisation of organisational
models through direct authority relationships (DiMaggio and Powell, 1983: 151).

Roy and Seguin (2000: 449) state that public organisations pursue efficiency objectives in becoming isomorphic. Isomorphism is characterized by a strong degree of similarity between organisations in the environment, “because they face similar conditions”, thus, isomorphism conditions organisations to “adopt emergent, socially defined elements” as well as established practices (Dacin, 1997: 48). According to Leiter (2005: 05), non-profit organisations can also be expected to resemble one another because they fit the profile of organisations subject to coercive, mimetic and normative isomorphic forces. Non-profit organisations are generally thought to be highly dependent, especially on their funding sources; hence, they are subject to coercive isomorphic pressures.

Coercive isomorphism (a) is linked to the “regulative aspects of institutions: Institutions constrain and regularise behaviour,” (Scott, 1995: 35) (b) is based on expedience, and (c) legally sanctions legitimacy (Scott: 1995: 35). There are two forms of coercive isomorphism, namely top-down and bottom-up.

6.4.1.1 Top-down coercive isomorphism

Top-down coercive isomorphism results from formal and informal demands made on organisations by upper-level jurisdictions (DiMaggio and Powell, 1983: 150). The top-down pressure often manifests itself as a condition for funding or approval for lower-level jurisdictions providing regulated services, such as municipalities that dispense local government services according to provincial and national norms. The improvement of these services is centrally decided upon, and locally applied.

Most studies use degree of control by the state, via law, regulation or resource flow, as the measure of the degree of institutionalisation. This makes it difficult to distinguish institutional from resource dependency explanations, since compliance with governmental edict depends on
organisational dependence on the state in one form or another; non-compliance thus risks disruption in funding (Zald (1978) and DiMaggio and Powell (1983) cited in Zucker, 1987: 457). But even the use of subtle pressure is commonly associated with resource flows, as when schools are encouraged to apply for grants that provide special programmes for disadvantaged pupils, or local governments are encouraged by central authorities who control funding to adopt a radically different mode of service delivery, as they were in England and Wales Hinings et al. (1986) cited in (Zucker, 1987: 457).

Instances with more disruptive consequences are reported. Evans (1995: 03) deplored the use of benchmarking in the context of Compulsory Competitive Tendering (CCT). Popular in Australia and the United Kingdom, CCT is a procedure that subjects municipal departments to competition with outside providers for contracts to deliver the town’s services. Evans (1995: 03) claimed that in this context, benchmarking has primarily being used to determine what things should cost and ignores other aspects such as customer satisfaction. Furthermore, in the Australian context, since the early 1980s benchmark indices from municipal governments have been gathered in a compulsory manner by an Audit Commission, mainly for external accountability purposes; but because of generally poor perceptions about the validity and the relevance of the data, this has been of little use for service quality improvement (Bowerman and Stephens, 1997: 77).

Furthermore, coercive isomorphism can also take indirect or covert forms. In such cases, authority patterns are sometimes disguised by the support and backing of higher authorities. Due to its mere availability, this support cannot be ignored because of its highly desirable face value, and failure to take advantage of it can be interpreted as a sign of incompetence (Roy and Seguin, 2000: 453).

Service quality initiatives are sometimes enforced only ceremonially. For local and state services, Hatry (1996: 539) asserted that most performance measurement efforts have been top down, driven by the requirements from
the legislature or from a central administrative office, and their results have been little used by programme personnel for management or programme improvement purposes. Consequently, thus far, United States governments seem to have put much more effort into discussing and processing performance measurements than into using them (Hatry, 1996: 539). This undermines the hypothesis that measurement is undertaken for instrumental reasons, as an underlying enabler of improvement.

6.4.1.2 Bottom-up coercive isomorphism

The second form of regulative isomorphism – bottom-up – stems from cultural expectations in the society within which organisations function (DiMaggio and Powell, 1983: 150). Welch and Wong (1998: 45) stated that there exists a worldwide pressure on public bureaucracies to cut waste and increase output. They also predicted that new policies and reforms are most likely transferred and adopted among geographically proximate countries with similar economic, social and political contexts. As supporting evidence, similarities in the service improvement mechanisms used by public organisations have been observed across nation-states (Organisation de cooperation et de development economique [OCDE] cited in Roy and Seguine, 2000: 453).

In the health care sector, the adoption of total quality management (TQM) by United States hospitals during the mid-1980s resulted largely from pressures of cost-minded stakeholders (for example, third party payers, insurance companies, employers, etc) for increased cost-efficiency in service delivery (Westphal, 1997: 379). Langley (1997: 26) observed that the Quebec CLSC (Local Community Services Centre) was inspired partly by a number of spontaneous experiments established by local community groups in poorer areas of Montreal, Canada. Bolman and Deal (1991: 275) stated that organisations that pursue multiple and elusive goals can gain legitimacy by displaying an appearance that conforms to the way society thinks they should look.
For instance, Public Service 2000, a Canadian attempt to reform federal public services initiated in 1989, was designed as a response to external pressure from the public on bureaucrats to improve public services (Morin: 1998: 16). Democracy is exercised more vigorously at the local level, such that municipal jurisdictions face more demands. Similarly, Cigler (1996: 65) stated that for municipal governments, quality-related concerns from local community organisations have received heightened attention. Local administrators not only must do it right, they must convince others that everything was done right.

6.4.2 Mimetic isomorphism

Mimetic isomorphism derives from uncertainty, which is also a powerful force that encourages imitation. When organisational technologies are poorly understood, when goals are ambiguous, or when the environment creates symbolic uncertainty, organisations may model themselves on other organisations (March and Olsen 1976). The advantages of mimetic behaviour in the economy of human action are considerable; when an organisation faces a problem with ambiguous causes or unclear solutions, modelling or mimicry may yield a viable solution with little expense (Cyert and March 1963).

Modelling, as the term is used, is a response to uncertainty. The modelled organisation may be unaware of the modelling; it merely serves as a convenient source of practices that the borrowing organisation may use. Models may be diffused unintentionally, indirectly through employee transfer or turnover, or explicitly by organisations such as consulting firms or industry trade associations. Even innovation can be accounted for by organisational modelling. As Alchian (1950: 211) has observed:

“While there certainly are those who consciously innovate, there are those who, in their imperfect attempts to imitate others, unconsciously innovate by unwittingly acquiring some unexpected or unsought unique attributes which under the prevailing circumstances prove partly responsible for the success.
Organisations tend to model themselves after similar organisations in their field that they perceive to be more legitimate or successful. The ubiquity of certain kinds of structural arrangements can more likely be credited to the universality of mimetic processes than to any concrete evidence that the adopted models enhance efficiency. Meyer (1981: 01) contends that it is easy to predict the organisation of a newly emerging nation’s administration without knowing anything about the nation itself, since:

“peripheral nations are far more isomorphic – in administrative form and economic pattern – than any theory of the world system of economic division of labour would lead one to expect”.

6.4.3 Normative isomorphism

Normative isomorphism stems primarily from professionalisation. DiMaggio and Powell (1983: 152) define professionalisation as the collective struggle of members of an occupation to define the conditions and methods of their work, to control “the production of producers”. Larson (1977: 49) furthermore goes on to state that professionals seek to establish a cognitive base and legitimation for their occupational autonomy. As Larson (1977), points out, the professional project is rarely achieved with complete success. Professionals must compromise with non-professional clients, bosses, or regulators.

Professions are subject to the same coercive and mimetic pressures as are organisations. Moreover, while various kinds of professionals within an organisation may differ from one another, they exhibit much similarity to their professional counterparts in other organisations. In addition, in many cases, professional power is as much assigned by the state as it is created by the activities of the professions (DiMaggio and Powell, 1983: 152).
Two aspects of professionalisation are important sources of isomorphism. One is the resting of formal education and of legitimation in a cognitive base produced by university specialists; the second is the growth and elaboration of professional networks that span organisations and across which new models diffuse rapidly. Universities and professional training institutions are important centres for the development of organisational norms among professional managers and their staff (DiMaggio and Powell, 1983: 152).

Professional and trade associations are another vehicle for the definition and promulgation of normative rules about organisational and professional behaviour. Such mechanisms create a pool of almost interchangeable individuals who occupy similar positions across a range of organisations and possess a similarity of orientation and disposition that may override variations in tradition and control that might otherwise shape organisational behaviour (Perrow, 1974: 31).

One important mechanism for encouraging normative isomorphism is the filtering of personnel. Within many organisational fields filtering occurs through the hiring of individuals from firms within the same industry; through the recruitment of fast-track staff from a narrow range of training institutions; through common promotion practices, such as always hiring top executives from financial or legal departments; and from skill-level requirements for particular jobs. Many professional career tracks are so closely guarded, both at the entry level and throughout the career progression, that individuals who make it to the top are virtually indistinguishable (DiMaggio and Powell, 1983: 152).

It is important to note that each of the institutional isomorphic processes can be expected to proceed in the absence of evidence that they increase internal organisational efficiency. To the extent that organisational effectiveness is enhanced, the reason will often be that organisations are rewarded for being similar to other organisations in their fields. This similarity can make it easier for organisations to transact with other organisations, to attract career-minded staff, to be acknowledged as legitimate and reputable, and to fit into
administrative categories that define eligibility for public and private grants and contracts. None of this, however, ensures that conformist organisations do what they do more efficiently than do their more deviant peers (DiMaggio and Powell, 1983: 154).

In view of the fact that this research study is being conducted within a developmental local government context, it would be instructive to obtain a comparative understanding of isomorphic pressures exerting itself in international local government / municipalities.

6.5 The application of coercive, mimetic and normative pressures in local government

It is submitted that there has been very little academic research that has been undertaken on the implementation and institutionalisation of change management programmes in local government. Notwithstanding this, there have been three cases in local government where institutional theory was used as a theoretical framework namely, in German, Australian and British local governments. All three-research studies adopted a case study approach.

The German research study utilised the notion of institutional isomorphism to explore the nature of change of modes of control. In particular, it assesses the mechanisms for change, whether control mechanisms are changing due to coercive, mimetic or professional mechanisms. The Australian research study considered the impact of a major national government initiative and pieces of local government legislation on the internal practices of a large Australian municipality. In the British local government research study, the Business Excellence Model as developed by the European Foundation for Quality Management (EFQM) used the concept of isomorphism, developed within institutional theory, to explain the progress of the Business Excellence Model in local government.
6.5.1 Institutional Isomorphism in a German Municipality

Lodge and Wegrich (2005: 214) explain that the German system (often characterised as a system of “multi-level governance”) is said to be particularly prone to institutional isomorphism, both within and across policy domains. Even in policy domains, such as prisons and the control of building administration, that are constitutionally hard-wired as “state” rather than “federal” activity, homogenisation pressures exist in a number of ways: first, because of the existence of “vertical brotherhoods” of (not only male) officials in the same domain with a shared professional outlook regardless of their administrative or political location; second, because of a prominent and traditional legalistic desire to establish harmonious approaches instead of diversity; and third, because of mechanisms of “third-level coordination” via inter-governmental conferences and administrative working groups.

Furthermore, both the local authority building administration and the prisons domains are certainly “mature” (that is, “structurised”) in that they have been at the heart of state activities for a considerable duration; in such a context, adoption of policy instruments is said to follow the demand; to obtain legitimacy rather than performance (Lodge and Wegrich, 2005: 214).

According to DiMaggio and Powell (1991: 67), coercive isomorphism is caused by informal and formal pressures by organisations upon which other organisations depend. Although the German local government policy domain is shaped by a considerable degree of constitutional decentralisation and autonomy rather than federal control, such pressures are nevertheless likely to occur in a number of ways, ranging from potential framework-setting roles of federal ministries (in particular in times of budgetary constraints), to the dominant role of the Interior ministries (i.e. local government oversight) within the policy domain. Furthermore, Interior ministries in the various states played a central role in advancing broad administrative reform policies. This served as standard setter with regard to modes of control. German constitutional law, which is applicable throughout the states, also exerted considerable pressure for conformity in the application of modes of control.
6.5.2 Institutional Isomorphism in an Australian Municipality

In Australia, the major catalyst for public sector reforms has been the National Competition Policy (NCP) from 1993. NCP is based on the belief that public sector entities must become more like their private sector counterparts, which allows them to use outside resources to run their operations if they believe they can receive a better service by doing so (Clark and Corbett 1999; Corbett 1996; O’Faircheallaigh et al. 1999). This is intended to assist public sector entities to have costs similar to private business operations (Funnell 2001; Funnell and Cooper 1998; Moll and Hoque 2000).

In recent years, new public management (NPM), as it is called in the public administration literature, has become popular in public sector accounting research (Lapsley, 1994: 337; Olson et al. 1998; Pollit and Summa, 1997: 110; Rose and Lawton 1999; ter Bogt and van Helden, 2001: 263). The key theme of the introduction of NPM ideals into the public sector is to improve public sector efficiency, and away from “accountability for managing outcomes”. Caution and conservatism are now viewed as outdated styles of public sector management that are going to be replaced by more flexibility and continuous improvement initiatives (Parker and Gould, 1999: 110).

NPM is an evolutionary and continuously developing concept (Hood, 1995: 93). Whilst NPM is an integrated management concept linked to performance measurement and the achievement of organisational effectiveness, its application varies in different organisational contexts. The elements of NPM suggested in the literature (Hood, 1995: 93) are as follows:

- *Hands-on professional management* – an emphasis on clear assignment of managerial responsibility for action;
- *Adoption of private sector management styles* – an emphasis on the adoption of private sector type management practices and employment conditions;
- **Benchmarking and competition** – a focus on monitoring performance, both internally and externally, and competition for the provision of products and services;

- **Budgeting** – a focus on the adoption of accrual-based budgeting with an emphasis on cost-cutting, process efficiency, greater discipline and parsimony in resource use;

- **Emphasis on customer-focused strategy** – a focus on the processes in delivering products or services based on flexible outcomes influenced by clients as opposed predetermined outcomes by service providers; and

- **Accountability (individually and departmentally)** – a focus on the degree of actual accountability exists for senior managers and what constitutes an accountability standard.

Successful implementation of these NPM ideals should put public sector entities on a more business-like footing, foster a more competitive environment and shift the traditional focus from a culture of complying with rules to a culture of managing for results (Hood, 1995: 93; Boxter, 1998: 18).

The major conclusions of this study are as follows: Australian Government regulatory policies (such as the National Competition Policy, Local Government Act, the Financial Accountability and Management Act and the Local Government Finance Standards) were the primary catalyst for a move to NPM ideals in the Associate City Council. Second, such a reform caused management to change its accountability structures and financial management systems. Third, budgeting became a broader governance issue with wider consultation of stakeholders: it did not appear to be a dominant mode of control. Fourth, a system of multiple measures played a vital role in decision making and performance evaluation. The findings suggest that the introduction of NPM ideals in the Associate City Council brought about changes in their management and accounting practices. A high degree of procedure and process regulated by legislation still remains, and it is questionable whether this will allow a complete movement to the adoption of private sector management accounting and control styles (Hoque, 2005: 379).
6.5.3 Institutional Isomorphism in British Local Government

Ashworth et al. (2005: 02) examined the impact of isomorphic pressures on the compliance of British local authorities with the wishes of central government, and the extent of their convergence on the same organisational forms. In local government, strategy content is principally concerned with the services that are provided and the methods by which they are delivered (Boyne and Walker, 2004: 231).

The Best Value regime was intended to stimulate two major changes in strategy content – innovation and partnership (particularly with the private sector). There was a strong expectation among policy makers that the regime would encourage local authorities to outsource services for which they are responsible. Local authorities were required to „challenge“ existing approaches and to explore new methods of service provision. They were expected to create, „nurture and manage markets“ in order to promote a „mixed economy of provision“ so that they can create „the conditions under which there is likely to be greater interest from the private and voluntary sectors in working with local government to deliver quality services“ (Department of the Environment, Transport and the Regions, 1998: Clause 7.30).

Accordingly, a willingness to use competition to drive improvement and innovation was seen as one of the hallmarks of high performing local authorities. Isomorphic pressures resulted in the involvement of external agencies in service provision (Ashworth et al. 2005: 11).

Coercive pressures can be seen clearly in the form of legislation, the Local Government Act of 1999, which introduced a mandatory duty to develop corporate strategies, review functions and set targets. Furthermore, the regime”s rigid programme of Best Value inspections provided an additional coercive pressure, designed to re-enforce council”s statutory obligations. However, there is also evidence to suggest that central government sought to build normative pressures, albeit to a lesser extent. For example, in contrast
to the previous Conservative government, prior to introducing the legislation, civil servants and ministers consulted extensively with trade unions, local government associations and professional groups (Ashworth et al. 2005: 11).

In addition, new Improvement and Development Agency (IDeA) for local government was established which:

“….works in partnership with all councils, to enhance the performance of the best, accelerate the speed of improvement of the rest, and develop the sector as a whole” (IDeA website: www.idea.gov.uk)

One of this agency’s key functions is to facilitate a peer review programme based on the „ideal local authority” but the organisation also offers general consultancy, support and guidance to local councils (Martin, 2002: 291).

In addition, central government encouraged mimicry through the introduction of benchmarking and the creation of the „Beacon Council” scheme, which aims to „recognise the best performing councils and spread best practice” (Department of Environment, Transport and Regions, 1998: Clause 8). This initiative identifies „outstanding” councils, which are consequently awarded „Beacon status” and thereby receive publicity of their work and a degree of national prestige. The scheme is described by the Improvement and Development Agency as one which:

“….identifies excellence and innovation in local government. It is much more than just a badge, however. The scheme exists to share good practice so that Best Value authorities can learn from each other and deliver high quality services to all.” (IDeA website: www.idea.gov.uk).

Beacon councils have a duty to disseminate their successful practices in order to facilitate improvement elsewhere. Such dissemination can take the form of road shows, open days, site visits, secondments and consultancy (Stewart 2003, cited in Ashworth et al. 2005: 12).
According to Boyne et al. (2004: 189) it is clear that when introducing the Best Value regime, U.K. central government had an explicit programme designed of change relating to organisational structure, culture, strategy formulation processes and strategy content. This programme for change was encouraged by legislation and inspection but also though pressure to emulate „high-performing” authorities and attempts to influence professional norms, standards and values (Ashworth et al. 2005: 12).

6.5.4 Isomorphic pressures in the Makana Municipality & Drakenstein Municipality

The above-mentioned three case studies in local government focused on the various isomorphic pressures that were exerted in the respective municipalities. This provides valuable insight into how the stated municipalities responded to these pressures. However, the issues of the process of institutionalisation, as well as the role of institutional entrepreneurs have not been addressed.

The intended original contribution to the body of knowledge in business, government and management that this research study plans to make is to further build on the three previous case studies in local government. This thesis will highlight the critical importance of institutional entrepreneurs working together as a collective in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy within developmental local government in order to enhance effective, efficient and accountable service delivery.

6.6 The process of institutionalisation

Tolbert and Zucker (1999: 196) carried out an important study that analyses the institutionalisation process. These authors start from the conception that the institutionalisation process results from a set of factors that act at different points in the process. They segment the institutionalisation process in three
stages and refer to these three stages as: habitualisation, objectification and sedimentation.

6.6.1 Habitualisation

Habitualisation, or the pre-institutionalisation stage, results from the need to innovate. As soon as new structural arrangements turn into organisational policies, procedures or rules, the habitualisation or pre-institutionalisation stage is reached. New structural arrangements are constituted in response to forces in the institutional environment. Three forces are dominant in this stage: (1) technological changes – technical or technological reorientations; (2) new legal resolutions – new legal arrangements that can provoke more or less receptiveness in organisations; and (3) market forces – resulting from economic factors (Tolbert and Zucker, 1999: 200).

6.6.2 Objectification

The move from habitualisation to objectification depends on two factors: organisational monitoring and theorisation. The former represents the identification of evidences (namely, management resolutions and minutes of meetings) in other organisations that have adopted the same policies, procedures or rules. Theorisation plays the role of justifying, by means of technical specialists, whether the new structural arrangements can solve the organisational problems that motivated the innovation. Organisational members will only reach a certain level of consensus when the sum of these two factors provides a positive result. The objectification stage can also be called semi-institutionalisation (Tolbert and Zucker, 1999: 201).

6.6.3 Sedimentation

The move from objectification to sedimentation represents full institutionalisation of the new structural arrangements. It means that, from this stage onwards, the new structural arrangements acquire historical continuity and are used by future generations of organisational members.
Three factors exert influence in this move: positive impacts, group resistance and defence by an interest group. The first refers to evidence inside the organisation that confirms the utility of the new structural arrangement. Group resistance is related to organisational members who are unsatisfied about the adoption of new structural arrangements and attempt to maintain the previous situation. Finally, the defence by an interest group represents the opposite of the previous situation, that is, organisational members who are in favour of maintaining the new institutional arrangements (Tolbert and Zucker, 1999: 201).

Oliver (1991: 152) developed a typology of strategic responses to the institutional process, namely acquiescence, compromise, avoidance, defiance and manipulation. Firstly, the acquiescence strategy represents the highest level of conformity or, in other words, total acceptance of institutional pressures and is related to three tactics: habituate, imitate and comply. Habituate means following invisible, taken-for-granted norms. Imitate means mimicking institutional models and to comply means obeying rules and accepting norms. DiMaggio and Powell (1983: 147), Scott (1987: 493), Cochia and Machado-da-Silva (2004: 11) understand that the tactics are the cornerstones that support the institutionalisation process.

Oliver (1991: 153) refers to conflicting institutional demands and inconsistencies between institutional expectations and organisational objectives as the elements that motivate the second strategic response, namely compromise. Compromise appears behind acquiescence in the decreasing scale of active conformity and shows partial acceptance of institutional pressures. It involves three tactics: balance, pacify and bargain. Balance means balancing the expectations of multiple constituents, pacify means placating and accommodating institutional elements and to bargain means negotiating with institutional stakeholders.

The third strategic response listed by Oliver (1991: 154) is avoidance, which means an attempt to impede the need to conform. Three tactics are related to this strategy: conceal, buffer and escape. Conceal means disguising non-
conformity, buffer means loosening institutional attachments and to escape means changing goals, activities or domains. In comparison with the two other strategic responses, Oliver (1991: 155) mentions that in contrast to acquiescence and compromise, which constitute strategic responses that organisations employ with the objective of partial or total conformity to institutional process, avoidance is motivated by the desire to circumvent the conditions that make conforming behaviour necessary.

Defiance is the fourth response to institutional pressures. It also involves three tactics: dismiss, challenge and attack. Dismiss means ignoring explicit norms and values, challenge means contesting rules and requirements and attack means assaulting the sources of institutional pressures. Oliver (1991: 157) characterises this strategic response as an unequivocal rejection of institutional norms and expectations.

The last strategic response, which is also the most active in terms of non-conformity, is manipulation. According to Oliver (1991: 157), manipulation is the most active response to these pressures because it is intended to actively change or exert power over the content of the expectations themselves or the sources that seek to express or enforce them. It involves three tactics: co-opt, influence and control. Co-opt means importing influential constituents, influence means shaping values and criteria and control means dominating institutional constituents and processes.

Oliver (1991) allows us to understand that both acquiescence and compromise are considered as institutionalisation and the other three (avoidance, defiance and manipulation) are responses that indicate non-institutionalisation. To continue his theoretical structure, Oliver (1991) highlights that the strategy an organisation chooses in response to the institutional pressures it is subject to, depends on the following factors: (1) cause - why are these pressures exercised?; (2) constituents - who is exercising them?; (3) contents - which are these pressures?; (4) control - how or through which means are they exercised?; and (5) context - where do they occur? Based on this theoretical construction, Oliver (1991: 160) presents a
series of hypotheses with respect to the predictors related to the five factors or antecedents mentioned above and to the strategic responses to institutional pressures.

From one side, Tolbert and Zucker (1999) propose to explain how the institutionalisation happens, and Oliver (1991) from the other side treated the agent"s answers. This way, conceptually, the authors (Tolbert and Zucker 1999) had no commitment with Oliver"s (1991) non-institutionalisation alternative, which treated the institutionalisation process in different levels (Frezatti et al. 2007: 57).

In general, both Tolbert and Zucker"s (1999) and Oliver"s (1991) understanding of the institutionalisation process do not consider the moment before the institutionalisation process, as highlighted by Ierfino (2005). According to this author, the analysis should assess the moment when current logic or practices get in conflict with the actors involved in the process, competing and going against the diffusion of new logic. Ierfino (2005) classified this stage as destabilisation or de-institutionalisation of current practices in response to the instability created in the organisational environment. Ierfino (2005) further describes the institutionalisation process discussed by Tolbert and Zucker (1999) and Oliver (1991) as re-stabilisation or re-institutionalisation of new logic.

As a consequence of the habitualisation, which resulted from an external pressure to innovate a new concept, process or technique, and depending on the manager"s strategic response, (namely, acquiescence or compromise), objectification may be reached. On the manager"s side, other responses (namely, avoidance, defiance or manipulation) are responses, which are not considered as being institutionalised. Following Tolbert and Zucker (1999), trying to explain the institutionalisation process, institutional entrepreneurs attention should focus on habitualisation phase to reinforce the elements that allow an increase in the institutionalised concept, process or technique. In the event that the objectification phase does not happen and neither is there a
return to the habitualisation phase, the chances of institutionalisation are reduced.

Once the objectification phase is reached, a kind of practical result produces a positive impact, reinforcing positively the concept, process or technique and producing the acquiescence or the compromise; on the other hand, group resistance may elicit other responses like avoidance, defiance or manipulation that would avoid the process of sedimentation. To reach sedimentation is an important objective but whether to preserve it or not depends on new external stimulation and new strategic responses of institutional entrepreneurs (Frezatti et al. 2007: 58).

According to Koene (2006: 377), an important factor influencing the process of institutional change is the power and discretion of the human and organisational actors in the process of institutionalisation. In Chapter Four, insights from institutional entrepreneurship and structuration theory will be drawn so as to fill in the gaps of institutional theory with respect to the transformative role of institutional entrepreneurs, with specific reference to collective institutional entrepreneurship, within institutions.

6.7 Criticisms of institutional theory

Neo-institutional theory, which possesses strong sociological origins, bases its arguments on the notion that organisations are socially rewarded by legitimacy, resources, and survival based on their acceptance of coercive, normative and mimetic institutional pressures (DiMaggio and Powell, 1991b: 63; Meyer and Rowan, 1991: 41). This implies the transference of contextual values, ceremonies, and symbols onto structures, strategies, and practices of an organisation, thereby generating isomorphism (Scott, 1987: 493; Zucker, 1987: 443). Organisations are posited to passively succumb to institutional coercive and normative pressures in order to obtain the social support of stakeholders (for example, adhering to regulations designed for environmental protection or requirements demanded by professional associations).
Such a deterministic approach to institutional theory has been challenged (Kraatz and Zajac, 1996: 812; Dacin et al. 2002: 45). de la luz Fernandez-Alles and Valle-Cabrera (2006: 504) addressed some of the criticism that institutional theory received by means of presenting five (05) paradoxes that arise out of the confrontation of institutional theory with other more “rational” approaches. Furthermore, de la luz Fernandez-Alles and Valle-Cabrera (2006: 504) defended the utility and power of institutional theory by showing its ability to inform managerial behaviour by combining institutional accounts with other, seemingly contradictory theories.

### 6.7.1 Paradoxes in neo-institutional theory

The following presentation of the paradoxes of neo-institutional theory is in response to the fact that the literature in this area has addressed relevant modifications to theory, prompted by Oliver’s (1991: 145) contributions, which have created great interest in researchers and practitioners alike, as reflected in the special issue of the *Academy of Management Journal* (2002) (Dacin et al. 2002: 45; Kraatz and Moore, 2002: 120; Sherer and Lee, 2002: 102). These modifications have resulted in a theory that addresses change, competitive advantage, and innovation in organisations. The selection of these paradoxes was motivated in part by several articles that have proposed the integration of this theory with others that, in origin, are contradictory and divergent (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 504).

Oliver’s (1991: 145, 1997: 697) contributions have emphasised the integration between the resource-based view of the firm and neo-institutionalism, supporting paradoxes 1 and 2 (namely: conformity versus differentiation and isomorphism versus heterogeneity), which are related to the creation of competitive advantages. Integration between transaction cost theory and neo-institutional theory, presented by Oliver (1996: 163), Poudre (1996: 103), Roberts and Greenwood (1997: 346) and Martinez and Dacin (1999: 75) formed the basis for paradox 3, associated with stakeholders and institutional embeddedness. The determinism of the ecological school, which shares a common origin with neo-institutionalism, and the integration between this
theory and the resource dependence theory (Tolbert, 1985: 01; Ingram and Simons, 1995: 1466; Rajagopalan and Yong, 1995: 271; Tsai and Child, 1997: 01; Proenca et al. 2000: 1011) prompted paradox 4, which deals with change. Finally, paradox 5 was motivated by the necessity of encompassing the study of public and private management, institutional and organisational differences, and the decoupling strategies that are used to obtain legitimacy (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 505).

6.7.1.1 Conformity versus differentiation

Paradox 01: Differentiation supports and sustains competitive advantage, but conformity to institutional pressures provides legitimacy, resources, and competitive advantage.

In contexts where institutional and competitive pressures exert strong influences, the strategic decisions of managers result in both conformity and institutional pressures, which leads to isomorphism and legitimacy, and in differentiation, which, following the resource-based view of the firm, can increase the possibility of creating a competitive advantage through heterogeneity in resources and capabilities. Although both alternatives have an effect on performance and the creation and maintenance of dominant market positions, little attention has been paid to the analysis of the effects of conformity on firm performance and competitive advantage (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 505).

Differentiation tends to reduce rivalry, increasing the possibility of building competitive advantages, whereas conformity improves the social support of stakeholders and therefore the legitimacy of the firm. Differentiation reduces competitiveness and the fight for scarce resources, thereby improving performance; but on the other hand, conformity makes all organisations similar and, therefore, the competitive pressures are stronger (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 505).
The resource-based view of the firm, which states that a competitive advantage can be supported by a firm's distinctive strategic resources (Barney, 1991: 99). Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers (Ogbonna and Harris, 2003: 512). However, a key question arises: how can organisations that face institutional pressures and accept their stakeholders' claims create and sustain competitive advantages? The new lines of institutional thinking answer this question and establish a point of connection with the resources-based view (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 505).

Conformity reduces differentiation but, at the same time, reduces risks associated with the loss of legitimacy and helps in resource acquisition. The fact that both points of view – differentiation and conformity – contribute to better understanding of the process of creating competitive advantages, thus integrating strategic and institutional views, reflects an intriguing contradiction:

“In markets with strong institutional and competitive pressures, both the differentiation and conformity propositions should be important” (Deephouse, 1999: 153).

Based on this contradiction, some authors, such as Staw and Epstein (2000: 523), have demonstrated that the acceptance of institutional requirements can be perceived as a means of being competitive.

Oliver (1996: 163) posits that neo-institutional theory explains heterogeneity and variation. Through institutional embeddedness and interconnection, the creation of competitive advantages can be explained because institutional embeddedness has an impact on organisational behaviour, causing it to seek an economic and social fit (Lounsbury, 1998: 50). Therefore, conformity leads to competitive advantages as a result of the relationship with stakeholders that increases legitimacy (see paradox 3), and the acceptance of exigencies
of different stakeholders from the institutional contexts that can result in 

6.7.1.2 Isomorphism versus heterogeneity

Paradox 02: Competitive advantage is supported by resource heterogeneity, 
but institutional isomorphism provides better access to resources, legitimacy, 
and also competitive advantage.

Traditionally, differentiation has been linked with heterogeneity, and 
conformity with isomorphism (de la luz Fernandez-Alles and Valle-Cabrera, 
2006: 506). Neo-institutionalism introduces a more realistic concept of 
isomorphism, one that considers it as a response to a strategic process 
(Dacin, 1997: 46; Haunschild and Miner, 1997: 472). This theory defines 
isomorphism as a process resulting from the inter-relations between the 
institutional context and the organisation. Because organisations, mostly in 
uncertain environments, tend to model each other, the mimetic processes and 
generate isomorphism – homogeneity and similarities – in the way they 
manage firms (DiMaggio and Powell, 1991b: 63).

In this sense, no organisation has an advantage over others that also blindly 
conform to institutional prescriptions (the most extreme posture adopted in 
response to the institutional pressures proposed by Oliver, 1991: 145), and 
therefore, the creation of competitive positions will be ambiguously explained 
by the institutional perspective. Isomorphism and, consequently, 
homogeneity are contradictory to the arguments about heterogeneity that 
come from the resource-based view (de la luz Fernandez-Alles and Valle-

The resource-based view of the firm explains the acquisition of dominant 
positions through the heterogeneity of firms’ resources. Whereas institutional 
isomorphism assumes the resource supply exists at the same level between 
organisations, thus reducing competition and differentiation, resource-based
theory assumes variation in resources. Despite this apparent contradiction, (Oliver, 1991: 165), states:

“Institutional Theory can explain not only homogeneity and isomorphism in organisations, but also heterogeneity and variability of generated profits”.

That is, the organisation can acquire competitive positions if it manages the institutional context within which its resources lie (Oliver, 1997: 697). In other words, neo-institutional theory has incorporated the logic of resource-based theory by introducing agency, allowing managers to manage how well they adapt to institutional pressures. The ability to interpret accurately, and to adapt well to, institutional pressures becomes a source of competitive advantage. That is, firms gain advantage from their superior ability to align themselves with their institutional context (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 506). The integration of neo-institutional and resource-based theory has thus emphasised the strategic dimension of neo-institutional theory and provides a better understanding of organisational behaviour and market imperfections (Tolbert, 1985: 01; Oliver, 1991: 145, 1997: 697; Ingram and Simons, 1995: 1466; Roberts and Greenwood, 1997: 346; Uzzi, 1996: 674, 1997: 35; Dacin et al. 1999: 317; Martinez and Dacin, 1999: 75).

6.7.1.3 Legitimacy versus efficiency

Paradox 03: In the pursuit of efficiency, some stakeholder interests are not attended to, thereby reducing legitimacy. However, legitimacy pursues efficiency in the diffusion process and efficiency pursues legitimacy as result of the relationship with stakeholders.

Legitimacy is defined as:

“a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman, 1995: 574).

There is little doubt that efficiency is a critical measure of performance; however, in recent years, more attention has been paid to the social dimension of performance. The relevance of stakeholders and the necessity of blending symbolic management together with classic management has encouraged firms to try to achieve an economic and social fit. Therefore, in contexts where institutional and technical pressures are acting, firms seek to obtain not only efficiency but also legitimacy, and must identify and satisfy the requirements of their stakeholders (Pfeffer and Salancik, 1978; Neilson and Rao, 1987: 523; McLarney, 2002: 255).

Both objectives can and must co-exist in the management process, but the paradox is derived from the fact that, through legitimacy, organisations can obtain efficiency despite the fact that they appear to be contradictory goals. This occurs as a consequence of institutional embeddedness, which has encouraged the development of research into strategic content because it allows one to envision the role of social context in the explanation of heterogeneity, the achievement of efficiency objectives, and legitimacy (Granovetter, 1985: 481; Baum and Oliver, 1992: 540; Oliver, 1996: 163; Osborn et al. 1998: 617; Dacin et al. 1999: 317; Kostova, 1999: 308). Granovetter (1985: 481) defines embeddedness as economic action within structures of social relations. Oliver (1996: 163) states that it is the process through which strategic and economic activities are developed in an institutional context formed by government, interest groups, public opinion, and business and professional associations.
Embeddedness is a variable that is measured through social capital, which is closely linked with isomorphism and legitimacy (Oliver, 1996: 163). Following Dacin et al. (1999: 317) institutional embeddedness allows for the redefinition of competition (Karnoe, 1995: 427). Powell (1996: 293) posits that embeddedness overcomes the classic dualities between the strategic and the institutional, the substantive and the symbolic, and the economic and the social. The acceptance of institutional pressures can create a distinct advantage, and blind acquiescence to the institutional context does not necessarily imply a return to the roots of old institutionalism, although this depends on the passivity of the organisation.

Institutions offer chances as well as dangers, and the pressures provoke the heterogeneity of the organisational responses (Powell, 1988: 115; Scott, 1995). Institutional embeddedness is capable of explaining market imperfections and the process of acquiring and maintaining competitive advantage in firms. Institutional embeddedness and its influence on the creation of competitive advantage is a recent and controversial topic because it determines not only when the sources of heterogeneity and change are based on social embeddedness criteria, but also how the competitive positions can be modified (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 507).

Organisational management and innovation, triggered by legitimate firms (assuming the ability to differentiate), are explained as attempts to obtain efficiency and legitimacy, provided by stakeholders whose interests must be taken into account in the management process (Sherer and Lee, 2002: 102). Firms must develop a substantive and symbolic management that combines both objectives in the management process (Ashforth and Gibbs, 1990: 117). The confrontation between institutional and competitive pressures will influence the decisions of organisations that will obtain competitive positions by attending to the interests of stakeholders. Social corporate responsibility must be managed by firms. Thus, the classic shareholder approach in which the firm pursues efficiency must be replaced by the stakeholder approach,
which also analyses the way firms obtain social results and competitive advantages (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 508).

6.7.1.4 Change versus inertia

**Paradox 04:** Institutional pressures have traditionally been associated with inertia and passivity, but the new lines of institutional thinking emphasise also how strategic management action and the interplay of these pressures in different contexts both result in change.

The management of change has played a key role in neo-institutional theory (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 508). Traditionally, change has been a controversial issue because the old institutionalism of Selznick did not include the ideas of change and adaptation; instead, inertia and persistence were emphasised (Zucker, 1977: 726; Kraatz and Zajac, 1996: 812; Kraatz and Moore, 2002: 120). Institutionalism was criticised mainly because it neglected the managerial role and assumed, therefore the passivity of organisations and determinism of the institutional context (Bada et al. 2004: 27). In this line, Zucker (1983: 04) expresses that:

> “the institutional environment limits an organisation, determining its internal structure, its growth and fall, and often, its survival”.

DiMaggio and Powell (1991a: 13) describe institutional environments as:

> “those which need conformity and acceptance, a fact that makes the organisations turn into iron cages, prisoners of the institutional isomorphism”

suggesting that:

> “the actors, making rational decisions, construct around themselves an environment that constrains their ability to change further in later years”

Therefore, in origin, the principle of stability inherent in classic institutional theory conflicted with the most active theories of adaptation, which portrayed organisations as continuously changing their structures and practices to fit a dynamic environment (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 508).

The new institutionalism, however, as presented by DiMaggio and Powell (1991a), analyses adaptation processes, and, with this postulate, studies have multiplied. The institutional pressures are always changing, and the constant interaction among institutions and organisations means that there is a process of adaptation to new institutional requirements, and, also, that institutional change is a consequence of organisations’ actions and dynamics (North, 1995).

Research into change has developed in the last two decades. This growing interest has motivated publication in 2002 of a special issue of the Academy of Management Journal in which researchers demonstrated the ways neoinstitutional theory explains change, focusing especially on the sources of institutional change, the factors that influence the way organisations respond, and the processes of institutional change (Dacin et al. 2002: 45; Seo and Creed, 2002: 222). Even though neo-institutionalism is not typical change theory, it is a valid approach with which to explain not only the similarity of isomorphism and stability in the organisational field, but also organisational behaviour, heterogeneity, and the creation of competitive position as a response to dynamic and turbulent environments (Greenwood and Hinings, 1996: 1022; Park and Krishnan, 2003: 265).

De la luz Fernandez-Alles and Valle-Cabrera (2006: 509) state that despite having been considered in its origins a theory with no potential to explain change, it has been deduced from institutionalism processes insights related to change and adaptation (Johnson et al. 2000: 572), like the isomorphism, the mimetic processes and the legitimacy.
6.7.1.5 Institutions versus organisations

Paradox 05: Institutional analysis has traditionally been applied to non-profit and social organisations. However, the growing interests of stakeholders are increasing the validity of applying this theory to other types of organisation.

A substantial amount of institutional work focuses on specific sectors such as education and the health sector, indicating that this theory is highly applicable for organisations of this nature, for:

“although ‘institutional’ elements are found in all organisations, the non-profit and social services sphere...are the ‘institutional’ spheres par excellence”.

(Brint and Karabel, 1991: 342).

The primary reason for the development of the postulate expressed by Brint and Karabel (1991) rests on the concept of the institution. Although in much of this work, the institution has been defined in a general way as the field that owns the normative rules and beliefs that form social action, the classic studies of neo-institutional theory considered such institutions as organisations that, in that institutional context, pursued social objectives (schools, hospitals and so forth). The remaining organisations under these postulates were envisaged as prosecutors of their own interests that, because of this, were exposed to different degrees of acceptance, and were thus excluded from these kinds of studies. Nevertheless, the growing interest on the part of organisations in attaining social status, and the necessity of satisfying social and economic exigencies, emphasises the applicability of institutional analysis in all types of firms (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 509).

This is an old controversy that has been laid to rest thanks to the development of institutional analysis, which has transferred organisational principles and management techniques from the private to the public sectors, explaining the development and diffusion of what is termed “new public management” (Rocca, 2000: 375). Owing to current features of the environment, all
organisations are institutions, to a larger or smaller degree, although the institutional forces to which they are exposed vary according to the nature of their core tasks and activities (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 509).

The reasons why the social services sectors have been the main objective of institutional analysis were (Zucker, 1983: 01): they are normally organisations in which activity is linked to a high degree of risk; these are sectors in which perfect information does not exist about input-output relationships, the connection between resources and goals, technologies, or what production standards must be; finally, in these sectors, constituents require what might be termed a high level of security. That is, becoming legitimate is essential, even more so than reaching the efficiency criteria of the technical environments (Meyer and Rowan, 1991: 41). The quest for a social fit is prioritised over the efficiency criterion (Hinings and Greenwood, 1988: 53).

Nevertheless, the growing interest of stakeholders in knowing if an organisation is acting according to institutional rules has generated in institutional analyses a true revolution in the consideration of the context of organisations. Environmental dynamics and the consideration of elements such as normative values or the symbols of normative and social prescription have led to recognition of the importance of symbolic management (Neilson and Rao, 1987: 523; Pfeffer, 1981: 01).

Owing to this emphasis on symbolic management, neo-institutional theory has much to offer outside the social sector, not only because of the great number of competitive firms that can be viewed using institutional analysis, but also because of the challenge of analysing in greater depth the active behaviour of those that were considered classical, such as examples from the healthcare and educational sectors. Symbolic management is closely linked to the concepts of social responsibility, trust, commitment, and ethics, referring to the key contributing factors of legitimacy. As more time passes, organisations are increasingly aware that it is critically important to maintain social support
from those who represent their key source of vital resources (de la luz Fernandez-Alles and Valle-Cabrera, 2006: 510).

In addition, social responsibility and symbolic management have increased the degree of accountability that firms must show their agents, who must be informed about their management in order to provide social support. This implies that the organisation must behave in congruence with the institutional requirements. From the classical conception, in which the organisation was mainly focused on customers, employees, and shareholders, comes the stakeholder theory, one that also considers pressures from government, the media, and public opinion. The key members then reach a special importance under neo-institutionalism, and specifically in dynamic and uncertain environments (Freeman, 1984; Donaldson and Preston, 1995: 85; Henriques and Sardosky, 1999: 87).

6.8 Conclusion

Institutional theory suggests that organisations are both influenced by and can influence the society in which they operate. Institutional theorists believe that the motivation for a change in internal practices might be to bring to, or maintain the legitimacy of, the respective institution. Institutional theory also focuses on the social contract that exists between the institution and society. This social contract is believed to represent the expectations of society. From an institutional point of view, it has been suggested that institution may change and adopt the norms of society to appear legitimate to that society. This infers that when societal norms and values change, institutional entrepreneurs, as a result of isomorphic pressures will work to preserve the institution”s legitimacy by incorporating, or appearing to incorporate, the new practices, norms and values.

There are seven versions of institutional theory and the use of a particular version would depend on the context in which the institution and institutional entrepreneurs are located in. Furthermore, the process of institutionalisation must be understood to gain a sense of appreciation of how the results of
isomorphic pressures are instilled in the institutional framework. The responses to institutionalised practices must also be understood so as to ensure that institutionalisation is successful.

Neo-institutional theory is proposed as an approach that explains the creation of competitive advantage. Its strategic nature is a consequence of the institutional embeddedness of a firm, supposing that a dominant position is reached not only through the differentiation linked with heterogeneous resources but also through the management of institutional pressures associated with homogeneity. Some classical institutional principles such as inertia, conformity, and determinism have been disputed, enriching management research in accordance with the contextual characteristics of the moment as they are applied to internationalisation, strategy, and issues of change.

The Rational-Actor Neo-Institutionalism and Social-Constructivist Neo-Institutionalism versions of institutional theory as conceptualised by DiMaggio (1998) together with Tolbert and Zucker's (1999) and Oliver's (1991) conceptualisation of institutionalisation would be used in this research study to understand the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein municipalities respectively.

In Chapter seven, structuration theory and institutional entrepreneurship and, in so far as it complements institutional theory, as further theoretical underpinnings of this research study, will be outlined and examined.
CHAPTER 07:
STRUCTURATION THEORY AND INSTITUTIONAL ENTREPRENEURSHIP

7.1 Introduction

The purpose of this chapter is to further argue that institutional entrepreneurs can play a critical transformative leadership role in order to successfully implement and institutionalise quality management standards and excellence models in support of the total quality management (TQM) philosophy in developmental local government despite the fact that their beliefs and actions are determined by the institutional environment they wish to change. Deeper insights from structuration theory and institutional entrepreneurship would be drawn so as to obtain a sense of appreciation of the transformative role of institutional entrepreneurs, as agents confined and operating within existing organisational structures, with specific reference to collective institutional entrepreneurship, within institutions.

A number of structural theorists (Urry, 1982: 100), including Bourdieu (1977) and Bhaskar (1979), have drawn on Berger and Luckman’s (1967) concept of the mutual constitution of society and individuals. It is the work of British sociologist Anthony Giddens, however, that has attracted most interest across a range of social and organisational fields, making him one of the world’s most-cited sociologists (Bryant and Jary, 2001: 43). Over the last four decades, Giddens has made a substantial contribution to our understanding of social theory (Giddens, 1990, 1991a, 1991b, 1992, 1996).

Drawing on the work of a range of scholars, including Goffman (1959, 1961), Garfinkel (1963), Foucalt (1979), Marx (1970), Weber (1947), Bhaskar (1979), Durkheim (1982), Freud (1969), Wittgenstein (1972), Hagestrand (1975), Bourdieu (1980), and Habermas (1970, 1972), Giddens developed and outlined a social theory which he calls „Structuration Theory“ (Hardcastle et al. 2005: 223). He proposes that people produce their social systems employing rules and resources (structures) during interaction (agency), knowingly or unknowingly reproducing these structures via routines and rituals that are
often taken-for-granted or unquestioned. Although this reinforces both enabling and constraining features of the social system already existing, social structures are always subject to change as a consequence of people’s intentional or unintentional actions (Hardcastle et al. 2005: 223).

Structuration theory would now be discussed and examined.

7.2 Structuration Theory

According to Barley and Tolbert (1997: 116), structuration theory and institutional theory provide complementary insights. Both share the premise that action is largely organised by institutions, widely held definitions of the behaviour and relationships appropriate for a set of actors. Both acknowledge that institutions are created, maintained and changed through action. Structuration theory, however, explicitly focuses on the dynamics by which institutions are reproduced and altered, an issue that has been largely neglected by institutional theorists.

In discussing structuration theory in relation to local government management research, it should be emphasised at the outset that it is a general theory of social organisation rather than a theory specific to the public sector or local government. Gidden’s primary objective (Gregory, 1986: 464), has been the establishment of an ontology of human society, an account of “what sort of things are out there in the world, not what is happening to, or between them” (Craib, 1992: 108). Structuration theory, therefore deals with social phenomena at a high level of abstraction rather than their particular instantiation in a specific context. Combined with the dense, and occasionally abstruse, style of Gidden’s writing, this can make it difficult to grasp the significance of structuration theory in the public sector and local government context. It would therefore be necessary to sketch out some of the key features of this theory and their possible implications for the local government context.
In order to clarify the connection between institutional theory and structuration theory, institutions can be seen as manifestations of mutually reinforcing signification (representations) and legitimating structures (values and norms). Institutions are reflected and sustained over time by the allocation and accumulation of resources associated with their enactment by agents.

Symbolic representations and/or values not associated with resource acquisition and distribution are eventually abandoned. Resources unfocused by rules will eventually dissipate. For institutional practices to exist at the organisational field level and be implemented at the same level there must be an ongoing, reproductive interaction of rules and resources. The two are mutually reinforcing. If one element is lost over time, de-institutionalisation takes place. This ongoing, reproductive interaction is the consequence of reflexive, knowledgeable human action. Thus, structuration theory provides a theoretically grounded explanation of the primary dynamics of institutionalisation, appropriation and de-institutionalisation in institutional theory. In other words, in general terms it specifies the “hows” of the institutionalisation process (Dillard et al. 2004: 521).

Structuration theory also addresses the issue of decoupling by recognising that structures and structural properties are socially constructed, thus not necessarily requiring justifications based on formal rationality for all actions. Perceived expectations and myths are allowed in the field of symbolic representations, as are the manifestations of formal rationality (Dillard et al. 2004: 521).

Rose (2009: 06) summarises structuration theory as a series of inter-related propositions: Firstly, the main substantive focus of social theory is not individual action and the experience of the individual actor (methodological individualism), nor the existence and requirements of some kind of social totality (structural-functionalism) and, to a certain extent Marxism, but social practices. It is social practices, which lie at the root of the constitution of both individuals and society. Secondly, social practices are accomplished by knowledgeable human agents with “causal powers”, that is, powers to make a
difference. Human agents are neither cultural “dopes” nor simply the product of class forces. They have a capacity for self-reflection in day-to-day interaction, a practical, often “tacit” consciousness of what they are doing and an ability under certain circumstances to do it.

Thirdly, however, these social practices are not random and purely voluntaristic, but ordered and stable across space and time, in short they are routinised and recursive. In producing social practices, which make up the visible patterns, which constitute society, actors draw upon “structural properties” (rules and resources) which are themselves institutionalised features of societies. Fourthly, structure is therefore activity-dependent. It is both the medium and outcome of a process of “structuration” – the production and reproduction of practices across time and space. This process is what Giddens has called the “double hermeneutic”, the double involvement of individuals and institutions. Put perhaps more truistically: „we create society at the same time as we are created by it“ (Giddens, 1984: 14).

7.2.1 Gidden's concept of structuration: an overview

The central concern of structuration theory is the relationship between individuals and society. Rejecting traditional dualistic views that see social phenomena as determined either by objective social structures, which are properties of society as a whole, or by autonomous human agents, Giddens (1984) proposes that structure and agency are a mutually constitutive duality. Thus, social phenomena are not the product of either structure or agency, but of both. Social structure is not independent of agency, nor is agency independent of structure. Rather, human agents, draw on social structures in their actions, and at the same time these actions serve to produce and reproduce social structure (Jones and Karsten, 2008: 129).

For analytical purposes, Giddens (1984) identifies three dimensions of structure (signification, domination, and legitimation), reflecting, it may be argued, his earlier theoretical interests in the work of Durkheim (1982), Marx (1970) and Weber (1947). Corresponding dimensions of interaction,
described as communication, power, and sanctions, are identified, with which the structural dimensions are linked through modalities of, respectively, interpretive schemes, facilities, and norms (Jones and Karstens, 2008: 129).

According to Jones and Karstens (2008: 129) an everyday example may help to illustrate this. The clothes that people wear to work reflect the influence of social structures that are reproduced by individuals’ conformance with accepted practice. One may expect, for example, that people working in an office will typically wear, more or less formal, business attire, such as a suit or smart casual clothing. When encountering somebody in a work setting we draw on structures of signification that inform our understanding of the person’s role. Therefore, if one meets a person in a white coat in a hospital, one is likely to assume that they are a doctor (at least in many settings), or, in a laboratory, that they are a scientist.

Clothes do not simply indicate who a person is, but also convey important messages about the powers that they are considered to hold (that is, structures of domination). Thus, police officers’ uniforms enable them to gain access to a crime scene or to influence people’s behaviour in ways that would be unlikely to be successful if they were in plain clothes, while in a military setting, sometimes subtle differences in people’s uniforms are important indicators of rank that are significant in that context, whether or not they are recognised by civilians (Jones and Karstens, 2008: 129).

There are also structures of legitimation that define the appropriate dress code in particular settings, the transgression of which may invoke sanctions. While no longer formally codified in sumptuary laws that defined permitted standards of dress at certain historical periods (Freudenberger, 1963: 37), contemporary organisations may differ, for example, in the degree of formality expected in employees’ dress, and even “dress-down Fridays” may be subject to clear limits on how casual attire may be: polo shirts allowed, perhaps; sleeveless T-shirts, unacceptable (Jones and Karstens, 2008: 129).
As may be evident from this example, the structures underlying dress codes are not implacable or immutable. They are sustained by their ongoing reproduction by social actors, but can be changed. So long as employees continue to follow the dress code, then its influence on the behaviour of new recruits is likely to be maintained. If certain individuals or groups challenge the code, then, over time, new structures, no less influential, may develop, as can be seen in trends toward more relaxed dress codes, such as IBM staff wearing suits of a colour other than blue, or British judges and lawyers no longer being required to wear wigs in court. Individuals are thus seen as possessing the capability to transform structures (Jones and Karstens, 2008: 130).

The production and reproduction of structure by action, moreover, may not occur exactly as expected, as there may be both unacknowledged conditions and unintended consequences of intentional action. For example, the structures of signification associated with a white coat may be traded on by a cosmetics salesperson, or an actor in a commercial, to suggest that they have technical expertise, or, more seriously, by a fantasist who pretends to be a doctor. The reproduction of accepted behaviour may therefore have the unintended consequence of also promoting other, potentially undesirable, behaviour (Jones and Karstens, 2008: 130).

### 7.2.2 The origins of structuration theory and its implications

Giddens developed structuration theory as a way of overcoming what he saw as deficiencies in the two approaches dominating social analysis in the late 1970s and early 1980s (Jones and Karstens, 2008: 130). One of these was positivism, or “naturalistic” sociology as Giddens refers to it reflecting its tendency to objectivism and its identification of biology as the most compatible model for social science [Giddens, 1984: 01]). Identifying “functionalist and structural approaches” as examples of this type, Giddens argued that they were “strong on structure, but weak on action” (Giddens, 1993: 04), seeing human agents as inert and inept, and emphasising “the pre-eminence of the social whole over its individual parts” (Giddens, 1984: 01). Giddens was
equally critical, however, of interpretive sociologies, such as Schutz’s phenomenology, Garfinkel’s ethno-methodology, and post-Wittgenstein language philosophy for being “strong on action, but weak on structure”, and having little to say on issues of “constraint, power and large-scale social organisation” (Giddens, 1993: 04). Structuration, therefore, sought to avoid such asymmetrical and dualistic treatment of action and structure by conceptualising the two as a mutually constitutive duality (Jones and Karstens, 2008: 131).

Gidden’s rejection of objectivism and naturalistic approaches, leads him to adopt a post-empiricist and anti-positivist approach to methodology (Bryant and Jary, 1991a: 01), describing the existence of universal laws of human activity, of the type sought by positivist researchers, as “markedly implausible” (Giddens, 1984: 345). Moreover, notwithstanding his criticisms of interpretative approaches, Giddens (1993: 13) describes the social sciences as “irretrievably hermeneutic; that is, reliant on interpretation. This does not mean, however, that “technically-sophisticated, hard-edged” research has no contribution to make on social research (Giddens, 1991b: 219) and the author specifically states:

“I do not try to wield a methodological scalpel...there is [nothing] in the logic or the substance of structuration theory which would somehow prohibit the use of some specific research technique, such as survey methods, questionnaires or whatever”. (Giddens, 1984: xxx).

These remarks do not contradict Giddens’s criticisms of positivism, though, as they relate to the use of particular data-gathering techniques, rather than the epistemology of the research approach in which they are employed (Jones and Karstens, 2008: 131). This is borne out by Gidden’s later comment that:

“the intellectual claims of sociology do not rest distinctively upon [hard-edged research]. All social research in my view, no matter how mathematical or quantitative, presumes ethnography”. (Giddens, 1991b: 219).
Hence, even a survey or experiment using only quantitative data necessarily relies upon some prior interpretation of the phenomenon under study – for example, the sorts of social practices involved in-group decision-making – that renders these data meaningful. Thus, for Giddens, all social research depends, at some level, on detailed study (and interpretation) of specific social settings (that is, ethnography) regardless of the specific data gathering and analysis techniques it employs (Jones and Karstens, 2008: 131).

### 7.2.3 Giddens concept of structure

In employing *structuration*, a term he borrowed from French, to describe his theory, Giddens sought to emphasise that social structure is continuously being created through the flow of everyday social practice. The authors’ position, therefore, differs from prevailing positivist and micro-sociological conceptualisations that view structure as either law-like regularities among social facts or patterns of aggregate behaviour that are stable over time (Porpora, 1989: 195). Giddens and Pierson (1998: 76) state that:

> “We should see social life, not just as society out there or just the product of the individual here, but as a series of ongoing activities and practices that people carry on, which at the same time reproduce larger institutions”.

According to Jones and Karstens (2008: 131), the emphasis of structuration is therefore on the interplay between individuals and society rather than on one or the other, and on process rather than static properties or patterns.

As a result, Giddens adopts a particular unconventional definition of structure as “rules and resources, organised as properties of social systems” that exists only as structural properties (Giddens, 1984: 25). These resources are seen as being of two types: allocative, which refers to:

> “transformative capacity generating command over objects, goods or material phenomena”
in addition, authoritative, which refers to:

"transformative capacity generating commands over persons or actors"

(Giddens, 1984: 33).

Giddens also distinguishes between:

"rules of social life [which are] techniques or generalisable procedures applied in the enactment / reproduction of social practices"

and: "formulated rules" such as those of a game or a bureaucracy, which are:

"codified interpretations of rules rather than rules as such"

(Giddens, 1984: 17).

Comparing the former with mathematical formulae, Giddens (1984: 20) argue that they provide rules for how to carry on in a given situation that individuals may be able to state without understanding their meaning or observe without being able to describe the underlying principle (Jones and Karstens, 2008: 131).

Giddens’ view that social structure exists only in the instant of action has also being criticised by Archer (1995: 61), who argues that such “central conflation” of structure and agency, means that structure is a product solely of contemporary practices, that it only exists in the here and now. How, then, to account for the effects of past social practices on present action? To avoid this “chicken or egg” problem, Archer (1995) proposes what she calls the “morphogenetic / morphostatic approach” that views society (social structure) as pre-existing the individual, but being transformed or reproduced through their actions. Stones (2005), however, argues that Archer’s (1995) criticisms are misplaced. While Giddens focuses predominantly on the instantiation of structure in “what people actually do” (Giddens and Pierson, 1998: 81), the author also recognises that their actions take place within a context that “places limits upon the range of options open to [them]” (Giddens, 1984: 177).
and that may have an objective existence. Stones (2005) suggests that, for Giddens, structuration involves both virtual *internal* and objective *external* structures, but social action is always mediated through the former.

### 7.2.4 Agency in Giddens’s structuration theory

Giddens’s view of human agency is strongly voluntaristic, arguing that, except in situations where they have been drugged and manhandled by others, human agents always “have the possibility of doing otherwise” (Giddens, 1989: 258). Thus:

> “the seed of change is there in every act which contributes towards the reproduction of any ‘ordered’ form of social life” (Giddens, 1993: 108).

It also leads Giddens to argue that structure is always enabling as well as constraining. Compared to Bourdieu (1977) for example, who sees agency as much more shaped by structural forces (even in the unintended consequences of actions), or institutional theory (Scott, 2001), which focuses on how actors’ beliefs and behaviours are shaped by their broader social context, therefore, Giddens’ agents are highly autonomous (Jones and Karstens, 2008: 132).

Giddens’s position has been criticised by writers such as Bhaskara (1979) and Callinicos (1985: 133), who question whether structural constraint simply places:

> “limits upon the feasible range of options open to an actor in a given circumstance” (Giddens, 1984: 177).

In many situations, the authors’ critics argue, agents often have effectively only one feasible option. This leads Archer (1990: 73) to propose that rather than being inseparable, constraint and action operate sequentially, while for Layder (1985: 146) structural power is:
“not simply a negotiable outcome of routine and concrete interactions and relationships”,

rather it may transcend and precede individual action and be relatively enduring.

This is a particular issue, Barbalet (1987: 01) argue, when considering material artefacts. For Giddens these cannot, themselves, be social structural resources (as he defines them) in power relations. They can, therefore, have no direct influence on action. Storper (1985: 418) suggests that Giddens under-estimates how material artefacts may affect action, arguing that:

“the dure’e of the material, although not imposing absolute constraints on system change, does mean that at any moment not everything is possible”.

Giddens, however, argue that anything other than his strong conception of agency amounts to a form of determinism. Even the threat of death, the author states, has no force, without the individual"s wish to die (Giddens, 1984: 175). Effective power thus depends on the acquiescence of those subject to it. Like Foucalt (1979), therefore, Giddens”s views of power is relational, based on a dialectic of control in which:

“all forms of dependence offer some resources whereby those who are subordinate can influence the activities of their superiors”

(Giddens, 1984: 16).

Rather than seeing power as a type of act (making people do things against their will, for example) or a stock of capital (like land or money that can be owned), Giddens views it as a capability manifested in action (Jones and Karsten, 2008: 133).
7.2.5 Agents’ Knowledgeability

It is an important feature of Giddens’ s position that:

“every member of a society must know...a great deal about the workings of that society by virtue of his or her participation in it” (Giddens, 1979: 250).

This knowledge is seen to be of three types: discursive consciousness –

“all those things that actors can say, put into words, about the conditions of their action” (Giddens, 1983: 76) –

and practical consciousness –

“what actors know, but cannot necessarily put into words, about how to go on in the multiplicity of contexts of social life”

and:

“unconscious sources of cognition” (Giddens, 1979: 05).

Rather than being the cultural or “structural dopes...of stunning mediocrity” (Giddens, 1979: 52) suggested by naturalistic (that is, positivist) theories, structuration sees social actors as continuously reflecting on their practice. Social actors are not only aware of how society works but may also be aware of sociological accounts of social practices in ways that may influence their understanding of their own actions (processes that Giddens refers to as discursive penetration and double hermeneutic respectively (Jones and Karstens, 2008: 133).

If social actors know a lot about how to “go on” in society, this does not mean that they are always in control of their actions. Giddens (1993: 108) state that:
“The production or constitution of society is a skilled accomplishment of its members, but one that does not take place under conditions that are either wholly intended or wholly comprehended by them”.

This contributes to Giddens’s scepticism about universal social laws referred to earlier, but also to the view that social laws referred to earlier, but also to the view that social generalisations are necessarily historical, that is, temporally and spatially circumscribed. In the terminology of Markus and Robey (1988: 583), therefore, structuration may be seen as an emergent theory.

### 7.2.6 Temporality and routine

Time and temporality has been a recurring theme of Giddens’s major writings (Jones and Karstens, 2008: 133). Giddens’s sees structuration as involving three “intersecting planes of temporality”: durée (the temporality of day-to-day life), the temporality of the Heidegerian dasien (the directionality of the human lifespan from birth to death) and the longue durée (the temporality of social institutions) (Giddens, 1981: 28). Thus structuration, it is claimed, links the temporality of the individual with that of institutions.

Structuration’s emphasis on the ongoing production and reproduction of structure through action over time leads to a distinctive concern with routinisation of all three planes of temporality. Thus Giddens argues that routine is:

“integral to the continuity of the personality of the agent...and to the institutions of society. (Giddens, 1984: 60).

Predictable routines and encounters provide individuals with ontological security, which underpins their personal identity.

Routines also play an important role in sustaining social institutions. Here Giddens distinguishes between two levels of integration, or:
“regularised relations of relative autonomy and dependence”

between social practices.

The first he refers to as “social integration” that is “systemness on the level of face-to-face interaction”, while the second is, “system integration” or “systemness on the level of relations between social systems or collectivities” (Giddens, 1979: 76).

7.2.7 Critique of structuration theory

The major criticism of Giddens’ work is that it is merely a collection of other theories; an eclectic account that leaves structuration theory open to much debate (Johnson et al. 1984; Held and Thompson, 1989 and Mouzelis, 1991). His writing has been described as „fox-like” (Cohen, 1998: 279):

“He shifts in and out of topics quite abruptly.. further complicating his explanation of the theory, providing abstract insights into the generic characteristics of society...”

Gregson (1989: 235) claims that the abstract nature of structuration theory fails to provide empirical utility, offering neither methodological directions of how to conduct the research or give actual examples of how Giddens’ theory can be applied to social science, with exception to Wills” study (Haralambos et al. 1996). In fairness, however, Giddens (1984: 304) does refer to other studies within The Constitution of Society. Gregson (1989: 235) further contest that its eclectic components add nothing new to social science and the theory becomes what Turner (1990) describes as a „categorising system”.

Archer (1996: 679) adds to this debate, inferring that this theory is analytically insufficient in its eclectic form, advocating for the value of understanding structure and agency independently in order to analyse their inter-relations. However, when separating structure and agency, it is easy for researchers to favour one over the other, unlike Giddens, who gives no precedence to either
but rather sees them as being mutually dependent. Nevertheless, it might be argued Giddens ultimately fails to overcome the opposition between structure and action (Kilminster, 1991; Rose, 1998), unintentionally giving victory to the knowledgeable agent who is assumed to have control over social structures (Hardcastle et al. 2005: 230).

This follows another major source of criticism, namely that Giddens simply assumes that agents always have the capacity to act freely and are knowledgeable about social institutions, which according to Clegg (1989; 1994: 274), gives precedence to agency at the cost of structure. Vaughan (2001: 198) extends this argument:

“Giddens makes structuration dependent upon agency because agents need to invoke structures through resources”,

and implies that if people began to act differently tomorrow, then society would change (Archer, 1982: 455). Giddens appears not to have addressed this problem (Hardcastle et al. 2005: 230).

Structuration theory has also been called a „weak“ critical theory (Morrow and Brown, 1994), since it has „potential“ rather than „actual“ emancipatory interest to „free and transform people“. Giddens rejects this criticism on the grounds that the theory addresses not only „what is“, but also „what might be”, combining the day-to-day concerns of life politics, with the ethics of emancipatory politics of „what might be“ (Giddens, 1990), questioning how we should live our lives; and encouraging people to seek new and better ways to improve social practice and outcomes (Cohen, 1998: 279).

However, critical concerns such as culture and gender are further assessed for their limited explanations. Murgatroyd (1989: 152) argues that Giddens excludes gender aspects of power encounters during social relations, and so only tells „half the story“. In his defence, Gauntlett (2002) explains that gender, like any other socially constructed phenomenon, including culture, is constituted through language and social rules. Should people break with
these normative rules, agents can respond aggressively to this breach in "shared" understanding of "normal behaviour". Giddens (1991b: 215) also addressed this criticism arguing that:

"masculinity and femininity are not simply given, but repeatedly reconstituted and reformed in the context of power differentials".

Giddens (1991b: 215) view is that gender is socially produced and reproduced by how structure, action, and power are constituted at any given time or place.

A central reservation about structuration theory that is evident in the critique of other social theorists, has centred around the "conflation" of structure and agency. Conflation "concerns the problem of reducing structure to action (or vice versa) and the consequent difficulty of documenting an institution apart from action" (Barley and Tolbert, 1997: 93). Archer (1996: 679) argues that conflating structure and agency weakens their analytical power. Archer (1996) maintains that, in order to account for why things are "so and not otherwise," it is necessary to maintain the analytical distinction between the "parts" of society and its "people," and supplies an ontological grounding for the distinction in Realism. Structure and agency, in her view, are "phased over different tracts of time" (human actors over the short term, structures enduring) which allows their analytical separation.

The central concern of structuration theory is the relationship between individuals and society. Social structure is not independent of agency, nor is agency independent of structure. Rather, human agents, draw on social structures in their actions, and at the same time these actions serve to produce and reproduce social structure (Jones and Karsten, 2008: 129). The concept of entrepreneurial activity amongst human agents, known as institutional entrepreneurship, would now be examined.
In organisation theory, institutions may be defined as a framework of routines, rules, roles, practices and procedures that shapes how actors make sense of problems in organisations (Scott 1995). Over time, these ways of framing organisational problems, if successful in achieving goals, are repeatedly selected by actors (Berger and Luckmann 1966). Eventually, institutions come to be understood by actors as organizational reality, or "the way things get done" (Berger and Luckmann, 1966: 59; Scott, 1987: 493; Meyer and Rowan, 1991: 41; DiMaggio and Powell, 1991: 63; Zucker 1988 and 1991). To various degrees, actors lose awareness that things were ever different in the past and begin to take the institutionalised arrangements for granted. They become unable to conceive of other ways of doing things (Berger and Luckmann 1966; Jepperson 1991). However, this is not the case with the entrepreneur.

According to Baez and Abolafia (2002: 525) interest in the entrepreneurial role of public administrators has a long history. It is linked recently to the popular government reinvention literature about how change and innovation enter public organisations (Osborne and Gaebler, 1992). Entrepreneurs are known for their skill as innovators, for their keen understanding of the dynamics of organisational change, and for their creativity in advocating solutions to policy problems (Brower and Abolafia, 1996: 287; Kingdon 1984; Schneider et al. 1995). Public administration theorists cite Barnard, Mintzberg, Argyris, Schumpeter, Selznick (Lewis, 1980: 260) and Kingdon (Doig and Hargrove, 1987: 22) as the sources for their conceptualisations of leaders as public entrepreneurs.

Various conceptualisations of entrepreneurship have been applied to the domain of the public sector. Teske and Schneider (1994: 331) and Schneider et al. (1995) distinguish between political entrepreneurs and bureaucratic entrepreneurs and thereby emphasise the difference in organisational settings of politicians versus public servants. Roberts and King (1996) explore the relationship of policy entrepreneurs to innovation in public administration.

7.3.1 Human Agency

Institutional theory continues to provide useful insights into explaining not only the homogeneity and persistence of institutions but also their change and transformation (Dacin et al. 2002: 45). Institutions are products of purposive human action (Jepperson 1991), consisting of “cultural-cognitive, normative and regulative elements” (Scott, 2001: 48) that provide stability and meaning to social life. In explaining institutional change, the role of exogenous events or “jolts”, such as economic shocks, in precipitating non-isomorphic change is widely acknowledged (e.g. Hoffman, 1999: 351). However, increasing attention is being paid to “endogenously” driven institutional change, where purposeful actors overcome the agency-structure paradox (e.g. Greenwood and Suddaby, 2006: 27).

Institutional change and the role of human agency in this process have become important themes of inquiry in organisation studies (Koene, 2006: 365; Pursey et al. 2009: 61). Research in the 1980’s emphasised the isomorphic pressures of institutions (DiMaggio and Powell, 1983: 147) and the long-standing tradition of institutional theory in sociology has provided us with an understanding of the building blocks and the various kinds of carriers of institutional logic (Scott 2001). Thornton and Ocasio (2008: 103) argue that the core assumption of the institutional logics approach is that the interests, identities, values, and assumptions of individuals and organisations are embedded within prevailing institutional logics.

Work on institutions has, then, traditionally focused on continuity, although it increasingly acknowledges the importance of change. In contrast, the work
on entrepreneurship has focused on change even as it acknowledges that change is difficult to accomplish. The juxtaposing of institutional and entrepreneurial forces into a single concept, institutional entrepreneurship, thus offers considerable promise for understanding how and why certain novel organising solutions – new practices or new organisational forms, for example – come into existence and become well established over time (Garud et al. 2007: 07).

According to Wijen and Ansari (2007: 05), scholars have explained institutional change by drawing on insights from three main „schools” within institutional theory. Hirsch and Lounsbury (1997: 406) have called for integrating insights from the „old institutionalism”, with its focus on issues of agency, vested interests, power, and informal structures (Selznick 1949), with those from „new institutionalism”, stressing structural constraints, embeddedness, and isomorphism (DiMaggio and Powell, 1991: 63). The third school, institutional economics, emphasises human agency in devising institutions “that structure political, economic and social interaction” (North, 1990: 97).

In theorising about agency, most scholars invoke the role of institutional entrepreneurs (Aldrich and Fiol, 1994: 645; Garud et al. 2002: 196; Greenwood and Suddaby, 2006: 27; Maguire et al. 2004: 657). Institutional entrepreneurs exercise social and political skills (Fligstein, 1997: 397; Garud et al. 2002: 196) to motivate others by providing them with common meaning and identities and manipulate existing institutions by co-opting important constituencies (Beckert, 1999: 777) in a process that has been described as „leveraging” (Dorado, 2005: 383).

According to Meyerson and Tompkins (2007: 307), early observations of institutional transformation tended to focus on changes triggered by exogenous shocks, such as the introduction of a new technology, government regulation, economic crisis, or new market entrants. However, more recent interest in institutional change has introduced questions about the role of the
individual and collective actors in initiating change endogenously, the qualities and skills they posses, and the challenges they face.

Decisions and outcomes are a result of the interplay between individual agency and institutional structure (Jackall 1988; Friedland and Alford, 1991: 232; Thornton and Ocasio, 1999: 801). While individual and organisational actors may seek power, status and economic advantage, the means and ends of their interests and agency are both enabled and constrained by prevailing institutional logics (Giddens 1984; Sewell, 1992: 01). This assumption, which over time has become known as embedded agency (Seo and Creed, 2002: 222; Battilana, 2006: 653; Greenwood and Suddaby, 2006: 27), distinguishes an institutional logics approach from rational choice perspectives on institutions (North 1990; Ingram and Klay, 2000: 525) which presume individualistic interests.

This assumption also distinguishes an institutional logics approach from macro structural perspectives, which emphasise the primacy of the structure over action (DiMaggio and Powell, 1983: 147; Meyer et al. 1997: 144; Schneiberg and Clemens, 2006: 195).

The embeddedness of agency presupposes the partial autonomy of individuals, organisations, and the institutions in society in any explanation of social structure or action (Friedland and Alford, 1991: 232). Society consists of three levels – individuals competing and negotiating, organisations in conflict and coordination, and institutions in contradiction and interdependency. All three levels are necessary to adequately understand society; the three levels are nested (embedded) when organisations and institutions specify progressively higher levels of constraint and opportunity for individual action.

Rather than privileging one level over another, this perspective suggests that while individual and organisational action is embedded within institutions, institutions are socially constructed and therefore constituted by the actions of individuals and organisations (Berger and Luckmann 1967). This suggests
that cross-level effects are critical. One limitation, however, is that most research, whether theoretical or empirical, tends to emphasise one level over another. Friedland and Alford (1991: 232), despite their call for multiple levels, emphasised the role of the societal level. Recent work on institutional entrepreneurship (Battilana, 2006: 653; Greenwood and Hinnings, 2006: 1052) has incorporated the relationship between levels as an important mechanism for organisational and institutional change.

According to Garud et al. (2007: 07), separately, each body of literature (namely, institutions and entrepreneurship) faces the limitations associated with the long-standing “structure-agency” debate. Privileging structure over agency leads to causally deterministic models wherein some features of the social world becomes reified and “structure” others, voiding agency and creativity from humans, which in the extreme are assumed to be automaton-like processors of objective information rather than interpreters of intrinsically ambiguous symbolic inputs. Theories that privilege agency, on the other hand, often promote heroic models of actors and have been criticised for being a historical, decontextualised and universalistic. Moreover, by emphasising intentionality, such theories give little attention to unintended consequences of action, which are important components of the reproduction of institutions.

Researchers from a wide range of disciplines have attempted to address these issues by offering theoretical perspectives that combine structure and agency in some form of mutuality constitutive duality. Giddens’s (1984) work on “structuration” and Bourdieu’s (1977) notion of “habitus” are, perhaps, the most well known. According to these researchers, structure is both the medium and outcome of social practices: instead of being in opposition, structure and agency pre-suppose each other and are mutually constitutive (Sewell, 1992: 01).

Crank (2003: 196) state that the issue of utilitarian versus institutional bases for human behaviour is called the problem of social action, and is one of the root problems of the social sciences. Dawe (1978: 362) describes the
problem of social action as follows. On the one hand, humans have agency – they make decisions that maximise self-interest. On the other, humans operate within societal institutions, and personal meanings and goals are predetermined by the values, constructions of knowledge, rational forms, cultural predispositions, and categorisations of social and moral reality embodied in those institutions. At the individual level, the question can be stated as: do people make decisions based on some utilitarian calculus of efficiency or effectiveness, or do institutional factors guide their behaviour? The issue extends straightforwardly to organisations when we consider that organisations do not “think” independently of their membership, but decisions are made by individuals – their employees, executives, and constituents – and both individuals and organisations have legal standing.

Recent studies of institutional change look at the development of organisational fields (Hoffman, 1999: 351), finding the seeds for change both in processes of deinstitutionalisation (Oliver, 1993: 271) and in the tensions growing out of the process of institutionalisation itself (Holm, 1995: 398; Sjostrand, 1995: 19; Seo and Creed, 2002: 222).

The growing interest in human agency is reflected in research on professions building and maintaining their professional fields (Greenwood et al., 2002: 58), studies investigating the importance of human action in establishing, maintaining and changing institutional contexts (Barley and Tolbert, 1997: 93; Seo and Creed, 2002: 222), and in research on institutional entrepreneurship (DiMaggio, 1988: 03; Fligstein, 1997: 397; Colomy, 1998: 265; Maguire et al., 2004: 657).

A basic question in these studies is: how can individuals initiate change in a context that is determining their behaviour? Holm (1995: 398) and Seo and Creed (2002: 222) investigated the possibilities of the institutional context to trigger change. DiMaggio (1988: 03) and Barley and Tolbert (1997: 93) studied the question of how individual action contributes to the process of institutionalisation. The research on institutional entrepreneurship investigates how institutional actors can pursue conscious projects of
institutional change (Fligstein, 1997: 397; Colomy, 1998: 265; Maguire et al., 2004: 657).

The external pressure on an organisation implies that management and personnel would have to face the prospect of change and mindsets in their work environment. Burns and Nielsen (2006: 449) state that a major scholarly challenge is to further conceptualise and seek empirical evidence for when, why, and how organisational actors (embedded agents) influence change while embedded in the institutional fabric of their organisational setting.

Institutional theorists have repeatedly called for a revitalisation that examines the cognitive micro-foundations of institutional theory (DiMaggio and Powell 1991; Selznick 1996; Zucker 1987). DiMaggio (1997) cited in George et al. (2006: 348) argues that scholars can never fully understand the formation, operation, influence and dissolution of institutions as carriers of culture without a coherent explanation of their cognitive underpinnings. Scott (2001) highlights the importance of individuals; internal representations of the environment and identities “cultural cognition” as one of the pillars of institutionalism. In fact, Scott (2001) suggests that attention to the cognitive features of the institutional environment is the major distinguishing feature of neo-institutionalism. However, as DiMaggio (1997) points out, the vastly different traditions, modalities, and methodologies of humanistic, interpretive sociology and experimentally orientated positivistic psychology have left a significant gap in the literature (George et al. 2006: 348).

The work within institutional theory considering the roles of human agency and the cognitive features of the institutional environment has focused primarily on the organisation, rather than the organisational decision-maker, as the key actor in initiating and sustaining institutional change (e.g. Casile and Davis-Blake, 2002: 180; Commons 1950; Galaskiewicz and Wasserman, 1989: 454; Hoffman, 1999: 351; Newman, 2000: 602; North 1990; Spicer et al. 2000: 630). Although these researchers identify a space for individual cognition within institutional theory, they do not elaborate on how human cognition shapes the institutional environment (George et al. 2006: 348).
In a small but growing body of research, scholars have been arguing that individuals have roles as agents and entrepreneurs in the perpetuation of institutions (Zilber, 2002: 234; Zucker, 1977: 726) or in their creation and change (DiMaggio, 1988: 03; Elsbach and Sutton, 1992: 699; Holm, 1995: 398; Johnson et al. 2000: 572; Martinez and Dacin, 1999: 75; Peng and Heath, 1996: 492; Selznick 1957). While their studies have recognised the importance of understanding individuals as key actors in the institutional processes, they leave room for the inclusion of established models from cognitive psychology that potentially facilitate the development of systematic tools for predicting how individual cognition is translated into actions in the environment (Zucker, 1977: 726). As researchers such as Zucker (1977), Robson et al. (1996) and others (Hoffman 1999; Holm 1995; Selznick 1996) make clear, understanding more precisely how institutional forces influence and are shaped by individual cognition and behaviour may be key to the further development of institutional theory (George et al. 2006: 348).

Seo and Creed (2002: 222) argue that the actions and consciousness of embedded agents are seen as not only shaped by existing institutional arrangements but also as continuously reshaped by the inevitable by-products of institutions: institutional contradictions. Such contradictions represent ruptures and inconsistencies among, and within, established social arrangements that can incite tension or conflict and create the conditions for institutional change to occur, as groups or individuals as an effect of their perception of such contradictions recognise the potential (and/or need) for change.

Furthermore, Seo and Creed (2002: 222) have identified four sources of contradiction: technical inefficiency, non-adaptability, institutional incompatibilities and divergent interests. All of these are accumulated results of continuous isomorphic adaptations. First, isomorphic conformance to the prevailing institutional arrangements to gain legitimacy may be at the expense of technical efficiency. Second, adaptability may be undermined by “lock-in” and “competency traps” and so on, as an effect of continuous isomorphic adaptations to the institutional environment. Third, the search for legitimacy
and stability through conformity with the external institutional environment may lead to a multitude of conflicting and inconsistent institutional arrangements within a particular field or organisation. Fourth, contradictions may arise due to misalignment between institutionalised ways and the divergent perceived interests of actors embedded in such ways. All potential sources of contradiction are likely to be inter-connected over time rather than mutually exclusive.

Dillard et al. (2004: 513) recognises that institutions are created and modified through actions of individuals and/or groups of individuals. However, implicit in its formulation, there is a hierarchy of institutional influence where the economic and political level provides the foundations for organisational field level institutions, and the organisational field provides the context for the institutions confronted by and embedded in organisations. It should also be recognised that different actor sets might be in a more influential position at different levels. For example, government officials, regulators and legislators may be the primary agents at the economic and political level. Industry leaders, labour unions and external consultants may have significant influence at the organisational field level, and the managers and workers may be the primary actors at the organisational level. The general idea of agency is maintained; however, the ability of any individual to contribute to the institutionalisation process is dependent upon a myriad of factors.

Institutional contradictions do not inevitably lead to institutional change. Human praxis is a necessary mediating mechanism. Praxis defines human agency of a political nature, which, though embedded in existing institutional configurations, attempts to influence and secure change in those very configurations (Seo and Creed, 2002: 225). Such institutional entrepreneurs are seen as potentially active and artful exploiters of social contradictions. Praxis comprises three component parts: (1) self-awareness and critical understanding of existing institutional arrangements, and how these arrangements do not meet the agent”s needs and interests; (2) mobilisation, rooted in new collective understandings of the institutional surroundings, as well as one”s positioning within them; and (3) multilateral or collective action to
reconstruct the existing institutional arrangements and, hence, impact personal (or group) circumstances (Bernstein 1971).

7.3.2 The Paradox of Embedded Agency and Institutional Entrepreneurship

Eisenstadt (1980: 840) was the first to use the notion of institutional entrepreneurship to characterise actors who serve as catalysts for structural change and take the lead in being the impetus for, and giving direction to, change (Colomy and Rhoades, 1994: 554). DiMaggio (1988), building on Eisenstadt (1980), introduced the notion of institutional entrepreneurship in institutional analysis to characterise organised actors with sufficient resources to contribute to the genesis of new institutions in which they see an opportunity to realise interest that they value highly (Leca et al. 2008: 03). Meyerson and Tompkins (1997: 307) state that the term institutional entrepreneur has been used to describe individual and collective actors who deliberately work to transform institutional arrangements to advance a set of interests.

According to Garud et al. (2007: 01) the term institutional entrepreneurship refers to the:

“activities of actors who have an interest in particular institutional arrangements, and who leverage resources to create new institutions or to transform existing ones” (Maguire et al. 2004: 657).

The term is most closely associated with DiMaggio (1988: 14), who argued that:

“new institutions arise when organised actors with sufficient resources see in them an opportunity to realise interests that they value highly”.

These actors – institutional entrepreneurs:
“create a whole new system of meaning that ties the functioning of disparate sets of institutions together” (Garud et al. 2002: 196).

Institutional entrepreneurship is therefore a concept that reintroduces agency, interests and power into institutional analyses of organisations. It thus offers promise to researchers seeking to bridge what have come to be called the “old” and “new” institutionalisms in organisational analysis (DiMaggio and Powell, 1991: 63; Greenwood and Hinnings, 1996: 1052).

Institutional entrepreneurs are the agents that create new and modify old institutions because they have access to resources that support their self-interests (DiMaggio, 1988: 03). By definition, institutional entrepreneurs can play a critical role in perceiving institutional differentiation, fragmentation, and contradiction by virtue of the different social locations they may occupy in the inter-institutional system and in taking advantage of the opportunities it presents for institutional change (Thornton 2004). Fligstein (1997: 397), for example, describes how entrepreneurs perceive and exploit contradictions in institutional logics to further their self-interest.

DiMaggio (1988: 14) argues that the creation of institutions requires an institutionalisation project in which the claims of institutional entrepreneurs are supported by existing or newly mobilised actors who stand to gain from the institutionalisation project (DiMaggio, 1991: 272). The challenge for the institutional entrepreneur is to create an environment to successfully enact the claims of a new public theory. Sometimes this involves institutional entrepreneurs organising from the centre of an established environment (Suddaby and Greenwood, 2005: 35) and at other times it may stem from the periphery of emerging fields (Maguire et al. 2004: 657).

However, the environments that institutional entrepreneurs enact to garner control of resources are not just material, they are also symbolic. To use an analogy to the bricoler, which, is a thing that is created from a diverse range of things (Levi-Strauss, 1966), institutional entrepreneurs creatively manipulate social relationships by importing and exporting cultural symbols.
and practices from one institutional order to another. In theory, the different social locations of the institutional orders bring to light different cultural tools for institutional entrepreneurs (Thornton, 2004). Note the focus on cultural resources as distinct from material resources; culture being something people strategically use, deploy, and mobilise. This focus is consistent with meta-theory of the institutional logics approach which views culture as both a motivation as well as a justification for action (Thornton and Ocasio, 2008: 115).

There are several mechanisms that institutional entrepreneurs use to manipulate cultural symbols and practices, for example story telling (Zilber, 2006: 281), rhetorical strategies (Suddaby and Greenwood, 2005: 35; Jones and Livne-Tarandach, 2007: 1075), and toolkit approaches (Swideler, 1986: 273; Boltanski and Thevenot 1991). Suddaby and Greenwood (2005) showed, for example, in their study of organisational forms in the accounting industry, how institutional entrepreneurs used “rhetorical strategies” to reinterpret and manipulate prevailing symbols and practices. Rhetorical strategies or “institutional vocabularies” were used by entrepreneurs to affirm or discredit the dominant institutional logic which defined the legitimacy of organisational forms. To discredit an institutional logic and bring about institutional change, entrepreneurs exposed the contradictions or ameliorated the contradictions by associating them with broader cultural analogies (Douglas 1986; Strang and Meyer, 1994: 100).

In returning to Holm’s (1995) concern with embedded agency, Leca and Naccache (2006: 627) argue from a critical realist perspective that the concept of institutional entrepreneur does not completely address the paradox of embedded agency because the concept by definition does not take into account the inter-related sequencing of structures and actions and the causal emergent properties of both structures and actions. They argue for a critical realist approach in which actors use the causal powers of pre-existing structures to create new institutions or challenge existing ones.
Within institutional theory, this broader structure-agency debate is often referred to as the “paradox of embedded agency” (DiMaggio and Powell 1991; Friedland and Alford 1991; Sewell 1992; Holm 1995; Seo and Creed 2002; Meyerson and Tompkins 2007; Leca et al. 2008). The theoretical puzzle is as follows: if actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities (Friedland and Alford 1991; Clemens and Cook 1999), how are they able to envision new practices and then subsequently get others to adopt them? Dominant actors in a given field may have the power to force change but often lack the motivation; while peripheral players may have the incentive to create and champion new practices, but often lack the power to change institutions (Garud et al. 2007: 09).

Garud et al. (2007: 09) state that one answer to this puzzle lies in conceptualising agency as being distributed within structures that actors themselves have created (Garud and Karnoe, 2003: 277). Consequently, embedding structures do not simply generate constraints on agency but, instead, provide a platform for the unfolding of entrepreneurial activities. According to this view, actors are knowledgeable agents with a capacity to reflect and act in ways other than those prescribed by taken-for-granted social rules and technological artefacts (Schutz 1973; Blumer 1969; Giddens 1984; Garud and Karnoe, 2003: 277; Mutch, 2007: 1123).

Agency is:

“the temporally constructed engagement by actors of different structural environments – the temporal-relational contexts of action – which, through the interplay of habit, imagination and judgment, both reproduces and transforms those structures in interactive response to the problems posed by changing historical situations” (Emirbayer and Mische, 1998: 970).
Conceptualised in this way, institutional structures do not necessarily constrain agency but, instead, may also serve as the fabric to be used for the unfolding of entrepreneurial activities (Garud et al. 2007: 09).

Institutional entrepreneurship not only involves the “capacity to imagine alternative possibilities”, it also requires the ability “to contextualise past habits and future projects within the contingencies of the moment” if existing institutions are to be transformed (Emirbayer and Mische, 1998: 963). To qualify as institutional entrepreneurs, individuals must break with existing rules, practices or logics they are championing (Garud and Karnoe, 2001: 277; Battilana, 2006: 653). Thus strategies must be developed (Lawrence, 1999: 161) to embed change in fields populated by diverse organisations, many of whom are invested in, committed to, and advantaged by existing structural arrangements. It is not surprising, therefore, that institutional entrepreneurship is viewed as an intensely political process (Fligstein, 1997: 397; Seo and Creed, 2002: 222).

Efforts at theorising struggles over institutional arrangements have generated interest in the linguistic and symbolic aspects of power where the focus is on the meanings that humans attribute to a situation, which, in turn, influences how they act in relation to it. Luke (1974) focused on the power of meaning when he introduced his notion of a third dimension of power (Hardy, 1985: 58) to create particular meanings for desired outcomes (Pettigrew, 1979: 57).

In the context of institutional theory, the relationship between power and meaning has been addressed through the concept of “translation” (Czarniawska and Sevon, 1996: 13; Creed et al. 2002: 475; Zilber, 2002: 234; 2006: 281), which is premised on the idea that the meaning of practices are negotiated locally (Lounsbury and Crumley, 2007: 993); with practices becoming institutionalised as meanings become shared and taken for granted across the wider field. This work challenges the idea that new practices are transmitted intact and unproblematically and, instead, emphasises negotiations “between various parties, and the reshaping of what is finally being transmitted” (Zilber, 2006: 283).
Efforts at shaping institutions will not go uncontested, and, therefore, these attempts can easily go awry (Garud et al. 2001). Consequently, institutional entrepreneurs must be skilled actors who can draw on existing cultural and linguistic materials to narrate and theorise change in ways that give other social groups reasons to cooperate (Child et al. 2007: 1023; Colomy, 1998: 265; Fligstein, 2001(a): 261; Greenwood et al. 2002: 58; Suddaby and Greenwood, 2005: 35).

7.4 The process of institutional entrepreneurship

The first challenge institutional entrepreneurs face is to impose the institutional change they promote, as existing institutional arrangements that favour the maintenance of established privileges are likely to be defended by those who benefit from the current situation (DiMaggio, 1988: 03; Levy and Scully, 2007: 971). Institutional entrepreneurs can sometimes impose institutional change on dissenting actors without having to win them over (Dorado, 2005: 383). Dorado (2005: 389) takes the example of Rockefeller as developed by Chernov (1998) to illustrate this point. As he controlled most of the oil refineries in the USA, John D. Rockefeller could change the way the oil market worked by controlling prices while other actors could not oppose this change. However, such situations are rare as dominant players who benefit from an existing institution are usually keener to support its maintenance than to promote changes to it (DiMaggio, 1988: 03).

Because they can seldom change institutions alone, institutional entrepreneurs must typically mobilise allies (Boxenbaum and Battilana, 2005: 01; Fligstein, 1997: 397; Greenwood et al. 2002: 58); develop alliances and cooperation (Fligstein, 2001: 261; Lawrence et al. 2002: 281; Rao, 1998: 912). In particular they must mobilise key constituents such as highly embedded agents (Lawrence et al. 2002), professionals and experts (Hwang and Powell, 2005: 179). Hence, institutional entrepreneurship is a complex political and cultural process (DiMaggio, 1988: 03; Fligstein, 1997: 397; Rao, 1998: 912) where institutional entrepreneurs must mobilise diverse social skills depending on the kind of institutional project they tend to impose
(Perkmann and Spicer, 2007: 23). Researchers have investigated how institutional entrepreneurs develop discursive strategies and use resources to develop those strategies. More recently, they have begun to investigate how institutional entrepreneurs design specific institutional arrangements to support their projects and stabilise their implementation (Leca et al. 2008: 11).

7.4.1 Using discursive strategies

According to Leca et al. (2008: 12) the discursive dimension is crucial in the literature on the institutional entrepreneurship process (Creed et al. 2002; de Holan and Philips 2002; Dorado 2005; Fligstein 1997, 2001; Maguire et al. 2004; Rao 1998; Rao et al. 2002). Some researchers even state that institutional entrepreneurship is mainly a discursive strategy whereby institutional entrepreneurs generate discourse and texts aimed at affecting the processes of social constructions that underlie institutions (Suddaby and Greenwood 2005; Munir and Philips 2005; Philips et al. 2004).

Rao et al. (2000: 244) state that:

“institutional entrepreneurs can mobilise legitimacy, finances and personnel only when they are able to frame the grievances and interests of aggrieved constituencies, diagnose causes, assign blames, provide solutions and enable collective attribution processes”.

This implies to theorise the institutional project in such a way that it will resonate with the interests and values and problems of potential allies (Boxenbaum and Battilana, 2005: 01; Fligstein, 2001(b):105; Suddaby and Greenwood, 2005: 35).

Such discursive frames include two major dimensions (Dacin et al. 2002: 45; Greenwood et al. 2002: 35; Maguire et al. 2004: 657; Tolbert and Zucker, 1996: 175). The first specification through framing of the existing organisational failing, includes diagnosis of the failure and assignment of blame for it. This includes the creation of institutional vocabularies – i.e. the
use of identifying words and referential texts to expose contradictory institutional logics embedded in existing institutional arrangements (Suddaby and Greenwood, 2005: 35). The second justification of the promoted project as superior to the previous arrangement, involves the institutional entrepreneur de-legitimating existing institutional arrangements and those supported by opponents (Suddaby and Greenwood, 2005: 35; Creed et al. 2002: 475) and legitimating the project at hand to stakeholders and other potential allies (e.g. Dejean et al. 2004: 741; Demil and Bensedrine, 2005: 58).

Leca et al. (2008: 12) further state that institutional entrepreneurs thus select frames according to their mobilisation potential, which is a function of the degree to which they (1) are endowed with some level of legitimacy in the same social system and have some resonance with the target audience, and (2) are able to generate tension around the legitimacy of a particular institutional arrangement (Creed et al. 2002: 475; Seo and Creed, 2002: 222). The aim is to emphasise the failings of the existing institutionalised practices and norms and demonstrate that the institutionalisation project will assure superior results in order to coalesce allies and reduce inherent contradictions in the coalition while exacerbating contradictions among opponents (Boxenbaum and Battilana, 2005: 01; Fligstein, 1997: 397; Haveman and Rao, 1997: 1606; Holm, 1995: 398; Rao, 1998: 912; Seo and Creed, 2002: 222; Suddaby and Greenwood, 2005: 35).

Legitimating accounts can transform listener’s identities by successfully framing what it means when a person supports or opposes a cause (Creed et al. 2002: 475). Rao et al. (2000: 239) suggest that defining and re-defining identity is central to building a sustainable coalition. Presenting a sponsored norm or pattern of behaviour as altruistic (Fligstein, 1997: 397) or nesting it in impersonal institution-based trust through standard structures and stable rules (Haveman and Rao, 1997: 1606) also favour diffusion.

However, even as they must develop projects that are sufficiently incompatible to generate a fundamental departure from existing institutional
arrangements, institutional entrepreneurs must avoid presenting their projects as too radical to avoid reactions of fear that might discourage some political allies. Institutional entrepreneurs must thus present their projects as sufficiently redundant with the most resonant frames available, those with the highest mobilising potential at the time, in order to attract support and new members, mobilise adherents and acquire resources (Maguire and Hardy, 2006: 07; Seo and Creed, 2002: 222).

To frame skilfully implies a high level of empathy with potential allies. Institutional entrepreneurs must be able to imaginatively identify with the states, and relate to the interests of others (Fliqstein, 1997: 398). They must possess sufficient social skills, including the ability to analyse and secure cooperation, to assess the configuration of the field and act according to their position and the positions of other agents in this field (Fliqstein 1999). Socially skilled institutional entrepreneurs who use empathy to convince allies that their project will be mutually beneficial act as brokers, introducing themselves as neutral and acting on behalf of the common good (Fliqstein, 1997: 398).

Institutional entrepreneurs elaborate from pre-existing frames that are either specific to an organisational field (Dejean et al. 2004: 741) or part of wider societal frames (de Holan and Phillips, 2002: 1515); Hardy and Philips, 1999: 217; King and Soule, 2007: 413; Lawrence and Phillips, 2004: 689). Each existing frame is a source of constraints on and resources for actors’ strategies (Hardy and Philips, 1999: 217). Thus, institutional entrepreneurs combine multiple frames and use rhetorical strategies to alter those frames, justify the project, and maximise its resonance (Creed et al. 2002: 475; Suddaby and Greenwood, 2005: 35).

Context has a significant impact on the discursive strategies developed and framed by institutional entrepreneurs. Studies suggest that institutional entrepreneurs operating in mature fields frame discourses so that they resonate with the interests and values of the dominant coalition’s members (Greenwood et al. 2002: 58; Suddaby and Greenwood, 2005: 35). This is
relevant when the coalition is unified. However, when the field is populated not by one coalition but by fragmented groups of diverse dominant field members, the institutional entrepreneur needs to find a common ground and elaborate an encompassing discourse that resonates with the interests and values of those different actors (Fligstein, 1997: 397; Hsu, 2006: 69).

Fligstein and Mara-Drita (1996: 01) and Fligstein (1997: 397) offer a remarkable example of this. They document how Delors managed to impose the notion on the common markets of the governments of the European Union at a time when those governments could not agree on a common purpose. In 1983, national leaders were caught in a bargaining trap; there being no programme on which all could agree, any initiative would be blocked. Delors developed an institutionalisation project around the vague idea of the completion of a single market. The content of the project “was left unspecified and actors could read anything into it,” which favoured the aggregation of multiple actors with interests likely to diverge (Fligstein and Mara-Drita, 1996: 12).

The foregoing example differs from situations in which institutional entrepreneurs intend to develop emerging fields, in which case they formulate a specific discourse aimed at establishing a common identity specific to the actors who will be part of the new field (Markowitz, 2007: 131; Rao et al. 2000: 239). The two strategies are combined when institutional entrepreneurs intend to promote new emerging organisational fields, in which case they need to legitimise the field to the major stakeholders on whom the field’s members (Dejan et al. 2004: 741; DiMaggio, 1991: 272; Koene, 2006: 365). Zimmerman and Zeitz (2002: 414) suggest that emerging fields favour the use of rhetorical strategies by institutional entrepreneurs, exploiting the fascination with novel practices and styles present in any social group to become “fashion setters” in creating institutions that can interest and attract decision makers.
7.4.2 Mobilising resources

The success of institutional entrepreneurs depends to a significant extent on their access to, and skills in leveraging, scarce and critical resources (Fligstein, 1997: 397; Lawrence et al. 2005: 180) needed to mount political action (Seo and Creed, 2002: 222).

7.4.2.1 Tangible resources

Tangible resources such as financial assets can be used during early stages of the process to bypass the sanctions likely to be imposed on the institutional entrepreneur who questions the existing institution by opponents of the proposed change (Greenwoods et al. 2002: 58): as well as to ride out the negative costs of the transitional period during which the new ideas are likely to be unpopular (Greenwood and Suddaby, 2006: 27). They can also be used to build a coalition with other players. Garud et al. (2002: 196) show how Sun was able to convince system assemblers, software firms and computer manufacturers to contribute to the network-centric approach to computing that it proposed, to oppose Microsoft’s Windows. Sun provided free access to Java instead of charging for that resource to encourage support for its project among system assemblers, software firms and computer manufacturers.

Institutional entrepreneurs can also use financial resources to pressure important stakeholders to favour a project (Demil and Benesdrine, 2005: 58), which might suggest that larger players are more likely to be successful institutional entrepreneurs (Greenwood et al. 2002: 58).

7.4.2.2 Intangible resources

Institutional theory insists on the importance of cultural and symbolic dimensions (DiMaggio and Powell, 1983: 147; Meyer and Rowan, 1977: 340) and research on institutional entrepreneurship on the ways actors can use intangible resources to impose their institutional projects. Existing research distinguishes three such resources – social capital, legitimacy and formal
authority – that can enable institutional entrepreneurs to be taken seriously by stakeholders and thereby influence relations between themselves and other actors.

Fligstein (1997: 398) suggests that successful institutional entrepreneurs are likely to be actors with high levels of social capital. Citing Coleman (1988), he defines social capital as one’s position in a web of social relations that provide information and political support, and considers the concurrent ability to draw on that standing to influence others’ actions. Institutional entrepreneurs can use position to sever the links between some groups – which they can then enlist as allies – and the rest of the field. Institutional entrepreneurs central to a field can establish alliances with more isolated agents who are able to act on their own, but can support a project (Fligstein, 1997: 398).

Phillips et al. (2004: 635) suggest that being central to a field helps to ensure that the texts created by the institutional entrepreneur will be acknowledged and consumed. Institutional entrepreneurs must thus strive to attain positions that enable them to bring together diverse stakeholders among whom they can champion and orchestrate collective action (Maguire et al., 2004: 657), or to be sufficiently powerful to impose institutional change by controlling access to resources (Dorado, 2005: 383).

Authors also consider previously earned legitimacy – the extent to which an entrepreneur’s actions and values are viewed as consistently congruent with the values and expectations of the larger environment – to be a central asset. To benefit from it, institutional entrepreneurs must build on the established legitimacy and identity (Durand and McGuire, 2005: 165; Rao et al. 2003: 795, 2005: 968) that enable them to be taken seriously by the stakeholders to whom a project must be articulated. Maguire et al. (2004: 657) maintain that institutional entrepreneurs in emerging fields, because support will need to be gathered from various constituencies rather than a few, yet to be identified prominent field members, need to possess legitimacy with a broad, diverse constituency rather than a narrow group.
Wade-Benzoni *et al.* (2002: 41), as noted earlier, suggest that members of activist groups connect the values of their cause to their personal identities to build on their legitimacy and thereby cultivate the value congruence that makes them a potent force for social change. In more mature fields, what matters is to achieve legitimacy with the dominant coalition members (Greenwood *et al.* 2002: 58) with whose support a project is likely to diffuse.

Although less studied, formal authority is also considered a useful resource for institutional entrepreneurs. Fligstein (1997: 397; 2001: 261) and Phillips *et al.* (2000: 23; 2004: 635) investigate the influence of this resource on the construction and diffusion of entrepreneurs discourses. Formal authority refers to an actor’s legitimately recognised right to make decisions (Phillips *et al.* 2003: 33). The authority of the state (DiMaggio and Powell, 1983: 147) and authority conferred by official positions and formal authorities. Such authority can help in framing stories (Fligstein, 2001: 261) and be used by institutional entrepreneurs to promote acknowledgement and “consumption” of their discourse by other actors (Phillips *et al.* 2004: 635). Maguire *et al.* (2004: 657) relate formal authority to subject position, considering such authority to be a feature of an entrepreneur’s position in the field.

Which kinds of intangible resources are more useful seems to depend on context. For example, Maguire *et al.* (2004: 657) suggest that in emerging fields, legitimacy with multiple stakeholders contributes to institutional entrepreneurs’ success. For institutional entrepreneurs who have well-established positions or reputations, this can be both enabling and constraining. Wade-Benzoni *et al.*’s (2002: 41) observation has already been acknowledged that members of activist groups connect the values of their cause to their personal identities and achieve, by building on their enhanced legitimacy, value congruence that makes them a more potent force for social change, and Durand and McGuire (2005: 165) show that in entering the new field of Europe as an institutional entrepreneur, AACSB had to build on, in order to benefit from, its established legitimacy and identity (Svejenova *et al.* 2007: 539).
### 7.4.3 Designing institutional arrangements

The role of discursive strategies and resources in political and cultural struggles that are likely to develop around institutional change has attracted much attention. But these political and cultural struggles always account for institution building in flux, that is, institutions are constantly designed and redesigned and changed due to the interactions of the different actors involved in the process (Leca et al. 2008: 17).

A less studied dimension is how institutional entrepreneurs design possible alternative institutional arrangements to support their projects (Hwang and Powell, 2005: 179; Jain and George, 2007: 535; Wijen and Ansari, 2007: 1079). According to Zilber (2002: 1035), that all actors might be or become active participants in the process of interpreting institutions – refining, sustaining or rejecting institutional meaning – makes the institutionalisation process highly uncertain. Hence, more recently, researchers have begun to consider how institutional entrepreneurs can stabilise interactions to ensure that institutions, once diffused, will be maintained. To this end, institutional entrepreneurs develop institutional arrangements. Such arrangements can be set during the institutionalisation process in order to favour collaboration (Wijen and Ansari, 2007: 1079). They can also be set to ensure the sustainability of the promoted institutions, once they are diffused. In so doing, institutional entrepreneurs shape the carriers of institutionalisation, which include regulative and normative elements.

Regulative carriers relate to legal provisions that establish and render mandatory new practices. Maguire and Hardy (2006: 07) show how institutional entrepreneurs contributed to the passage of a global environmental regulation, the Stockholm Convention on Persistent Organic Pollutants, and engaged in a struggle that eventually led to the passage of mandatory propositions.

Normative carriers, which contribute to the structuring and professionalisation of a field, include the development of specific measures (Dejean et al. 2004:...
741), professionalisation (DiMaggio, 1991: 267), the definition of a professional identity, and membership strategies (Lawrence, 1999: 161), certification contests (Rao, 1994: 29), tournament rituals (Anand and Watson, 2004: 59) and the establishment of standards (Garud et al. 2002: 196). They are prominent in emerging fields in which boundaries need to be set and a common identity is yet to emerge. These carriers are necessary and less likely to encounter resistance in such environments than in more structured settings. In mature fields, researchers have found institutional entrepreneurs to use primarily existing arrangements such as established professional associations to implement the institutional change they support (Greenwood et al. 2002: 58).

It has been shown that the above-mentioned studies on institutional change generally pertain to the agency-structure paradox or the ability of institutional entrepreneurs to spearhead change despite constraints. However, in a complex field like developmental local government, change also needs cooperation from numerous dispersed actors. This presents the additional paradox of ensuring that these actors engage in collective action when individual interests favour lack of cooperation. The concept of collective institutional entrepreneurship would be discussed hereunder.

### 7.5 Collective institutional entrepreneurship

To account for institutional change, most studies focus on institutional entrepreneurship (DiMaggio, 1988: 03), where purposeful actors leverage their social and political skills and spearhead change (Fligstein, 1997: 397; Garud et al. 2002: 196). With only a few „key“ entrepreneurs, agency or purposeful action is relatively concentrated with a high degree of coordination between the actors (Dorado, 2005: 383). However, many institutional changes are complex social processes involving highly diverse interests and perspectives.

This type of institutional change, initiated through „convening“ (Dorado, 2005: 383), requires collective action – joint activities by a wide group of actors on
the basis of mutual interests (Emery and Trist, 1965: 21; Marwell and Oliver, 1993) – and is beyond the capacity of individual actors or even a few key entrepreneurs. Institutional change in such domains requires „collective institutional entrepreneurship” (Mollering, 2007), a term that Wijen and Ansari (2007: 02) defines as the process of overcoming collective inaction and achieving sustained collaboration among numerous dispersed actors to create new institutions or transform existing ones.

Collective institutional entrepreneurship involves „collaborative leadership” (Chrislip and Larson, 1994), a form of leadership enacted not just by guiding actors but also through other media such as structures and processes embedded within a collaboration (Huxham and Vangen, 2000: 1159). It also requires „institutional work” or “practices that go well beyond those of institutional entrepreneurs” (Lawrence and Suddaby, 2006: 215) which include the purposive actions of multiple individuals and organisations, entrepreneurial as well as supportive, aimed at creating, maintaining and disrupting institutions.

Since collective interests do not always produce collective action (Heckathorn, 1996: 250), it becomes necessary, however, to not only bring collective resources to bear on the problem (Westley and Vredenburg, 1997: 381) but also to provide motivations to individual participants whose interests may lie in not cooperating. In other words, these situations present a collective action dilemma (Oliver, 1993: 271). Since most research endeavours have focused on either institutional change with concentrated agency or on dispersed agency without the need to coordinate, institutional entrepreneurship that depends on collaboration among numerous dispersed agents is a gap that needs scholarly attention (Dorado, 2005: 385). This research study would attempt to address this gap.

Change in collective action domains constitutes a double paradox. Apart from having to reconcile the agency-structure paradox or the ability of actors to spearhead change despite constraints (Seo and Creed, 2002: 222), actors need to resolve a collective action problem in which individual interests may
work against cooperation and promote collective inaction. Different causes underlie collective inaction. First, individuals may want to free-ride on the contribution of others (Olson, 1965). Second, a start-up problem may occur where action gets held up because all actors are waiting for others to take the lead (Marwell and Oliver, 1993). Third, there may be actor apathy, where actors abstain from engaging in collective action because they feel their contribution to the problem is insignificant (Fireman and Gamson, 1979). All these factors make non-participation and inaction rather than cooperation the likely outcome (Heckathorn, 1996: 250).

While collective institutional change can be triggered by external shocks or “jolts” (Hoffman, 1999: 351) such as scientific breakthroughs, natural catastrophes, regulatory upheavals, or technological discontinuities that raise actors’ sensitivity towards an issue and galvanise actors into cooperating, the focus here is on endogenous drivers or internal factors that explain how numerous dispersed actors overcome the collective action paradox to attain and sustain cooperation in complex domains. These internal factors are discussed hereunder.

7.5.1 Manipulating power configuration

Manipulating power configuration means skilfully reconfiguring power in a particular domain to achieve a power concentration that reduces the diversity of opinion and spurs collective institutional entrepreneurship. While old institutionalists highlighted how power struggles and conflicts of interests create change (Hirsch and Lounsbury, 1997: 406), neo-institutionalists, especially those focusing on non-isomorphic institutional change, also consider power and control of resources to be a central aspect of collaboration and change (Greenwood and Hinnings, 1996: 1052; Clegg et al. 2006).

Substantial power differences among participants in „volatile domains“ can inhibit the formation of collaborative relationships (Hardy and Phillips, 1998: 217), although the dominance of some over others can also provide the stage
for collaboration (Huxham and Vangen 2005). Power differences between actors can be used by the more powerful to dictate the rules of the game and induce cooperation; in the absence of a powerful „storekeeper“ or hegemon, others (free-riders) would be unwilling to „mind the store“ and regime effectiveness would erode (Krasner 1983).

7.5.2 Creating common ground

Creating common ground represents a repertoire of bridging tactics that socially skilled actors use to induce cooperation from both allies and adversaries (Fligstein, 1997: 397). These include: framing (Benford and Snow, 2000: 611), which induces cooperation by appealing to mutual identity and interests (Ansell, 1998: 359); setting an agenda which others believe to be in their own interests (Lukes 1974); expressing tangible and task-oriented, rather than elusive goals (Huxham and Vangen 2005); and building „cognitive legitimating“ by spreading public knowledge about an issue to make it more familiar and amenable to acceptance (Aldrich and Fiol, 1994: 645).

Actors should operate in harmony with the consensual norms and values of the society into which they are socialized. Instead of leveraging incentives or power, actors create common ground and coincident interpretations by promoting overriding values that all accept (Levy and Egan, 2003: 803), heightening actor awareness of their mutual interdependence and paving the way for a collaborative strategy of engagement.

7.5.3 Mobilising bandwagons

Mobilising bandwagons refers to actors enrolling large numbers of other participants to generate diffusion processes in favour of the collective issue at stake (Abrahamson and Rosenkopf, 1993: 487; Hardy and Phillips, 1998: 217). The momentum creates isomorphic pressures for a critical mass of adoption (cooperation) and allows for the emergence of new institutions. Indeed, collective action can only be successful when institutional
entrepreneurs are able to enrol a large majority of actors through the process of alliance building by including like-minded actors (Callon 1991).

7.5.4 Devising appropriate incentive structures

Devising appropriate incentive structures consists of designing institutional arrangements that encourage cooperation by reducing transaction costs – a common argument in institutional economics (North 1990). Wider support may also be garnered by creating appropriate incentive structures and raising awareness of non-compliance costs (Barret 2003). As neo-institutionalists acknowledge, such structures are typically conceived or stimulated by “calculating” and “interest-seeking” institutional entrepreneurs (Greenwood and Suddaby, 2006: 1052) who enforce cooperation through both material and non-material incentives (Knoke, 1988: 311).

The issue under contention can be made self-enforcing (Barret 2003) or be turned from a “public good”, accessible to all, into a “club good” with exclusive benefits for club members that commit themselves to the institutional arrangements (Neumayer, 2001: 122). Actors can also build and sustain cooperation by reducing the costs associated with negotiating, monitoring, and enforcing agreements (Keohane 1984). Forums can be created that provide information about the relative distribution of gain from compliance and which progressively build trust among participants.

Another instrument is issue linkage (Sebenius, 1983: 281), where different problems with positive inter-dependence are clustered to encourage and ensure cooperation (Levy et al. 1993; Milner, 1992: 466). Since institutions do not exist in a societal vacuum, the repercussions of agreement violation may extend beyond the focal issue (Axelrod 1984) as in the attempts by OPEC members to link oil discussions with political issues. Issue linkage widens the scope for mutually beneficial exchanges, thus opening up more possible solutions for “deadlocked problems” and facilitating effective retaliation against defectors or cheaters. Furthermore, it creates leverage by gaining actors’ commitment on low-priority issues and then getting them to cooperate on
high-priority issues (Susskind 1994). A related mechanism is side payments (e.g. offering technological assistance for non-proliferation agreements). Creating effective incentives can thus be a powerful driver of collective institutional entrepreneurship.

7.5.5 Applying ethical guidelines

Applying ethical guidelines means motivating actors to cooperate by invoking ethical factors such as sense of fairness, equity and altruism. While institutional theory typically explains behaviour as influenced by social norms, in many instances people act not because of normative conformity (Knoke and Wright-Isak, 1982: 209) but because they perceive the act to be the „right" thing to do (Wendt, 2001: 1019). Such moral legitimacy reflects a positive normative evaluation of activities based on existing value systems (Aldrich and Fiol, 1994: 645) and is „sociotropic": “it rests not on judgments about whether a given activity benefits the evaluator”, but rather on judgments about whether the activity effectively promotes societal welfare (Suchman, 1995: 579).

7.5.6 Using implementation guidelines

Using implementation guidelines refers to employing specific instruments to implement joint agreements. While institutional theory acknowledges that collective change can only be sustained if effectively implemented (Greenwood et al. 2002: 58), it does not offer specific insights into implementation mechanisms. Implementation capacity can be built through information transfer, research grants, technical assistance, training and management expertise to resource-constrained actors. Furthermore, periodic and timely assessments of the progress through review mechanisms (Young and Demko 1997) and non-compliance procedures (Wettestad 1999) ensure continued cooperation.

All the above drivers can be leveraged in acts of collective institutional entrepreneurship to engender and sustain cooperation in collective action
domains. Institutional entrepreneurs are located within the regulatory and normative frameworks of the institutions, which frameworks have already been decided upon. Their role is to implement the strategy of the organisation, which has already being formulated by other actors.

7.6 Conclusion

This literature review provides a textual review of literature readings in the thinking and practice on the subject of institutional entrepreneurship and structuration theory. Within the context of developmental local government these theoretical frameworks becomes ever more important within the changing environment that developmental local government finds itself in. It can even be called hostile, because of the unpredictability of the environment. It has therefore become important that institutional entrepreneurs are alert and be able to respond strategically to the issues of the community.

Within institutional theory and entrepreneurship, this broader structure-agency debate is often referred to as the paradox of embedded agency. The theoretical puzzle is as follows: if actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities, how are they able to envision new practices and then subsequently get others to adopt them?

Structuration theory is a theory of social action, which claims that society should be understood in terms of action and structure; a duality rather than two separate entities. By understanding how people produce and reproduce structures, then there is the potential for changing them. Criticisms that have been raised about structuration theory was also introduced. Structuration theory can be employed to explore how councillors and management in developmental local government produce, reproduce, and transform municipal leadership and management through social interaction across time and space.
In addition, because they can seldom change institutions alone, institutional entrepreneurs must typically mobilise allies, develop alliances and cooperation. In particular they must mobilise key constituents such as highly embedded agents, professionals and experts. Hence, institutional entrepreneurship is a complex political and cultural process where institutional entrepreneurs must mobilise diverse social skills depending on the kind of institutional project they tend to impose. The mobilisation of social skills by institutional entrepreneurs approach would be used to examine the research findings.

The theoretical framework underpinning this research is presented hereunder:

**TABLE 01: Theoretical framework underpinning research**

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<tr>
<th>THEORY / LITERATURE</th>
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<tr>
<td>Political Theory</td>
<td>Frodin (2009)</td>
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<td>Participatory Democratic Theory</td>
<td>Christensen et al. (1971)</td>
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<td>Principal-Agent Theory</td>
<td>Alchian and Demsetz (1972), Fama (1980), Jensen (1983)</td>
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<td>The Impossibility Theorem</td>
<td>Farazmand (2005)</td>
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<td>Organisational Behaviour Theory</td>
<td>Greatbatch and Clark (2005), Jackson (2001b)</td>
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<td>General Management</td>
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<td>Strategic Decision-Making Theory</td>
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<td>Quality Management Selection Theory</td>
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<td>Club Theory</td>
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<td>3.4.3.1</td>
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<td>Stewardship Theory</td>
<td>Davis et al. (1997)</td>
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<td>The „Customer” Concept in the Public Sector and Local Government</td>
<td>Donnelly et al. (1995)</td>
<td>4.10</td>
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<td>Bureaucratic Theory</td>
<td>Madsen (1995)</td>
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<td>Madsen (1995)</td>
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<td>TQM in the Public Sector</td>
<td>Morgan and Murgatroyd (1994), Dewhurst (1999), Sinha (1999)</td>
<td>5.5, 5.6.2, 5.6.4</td>
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<td>Structuration Theory</td>
<td>Giddens (1984)</td>
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In Chapter eight, the research design and methodology would be outlined, discussed and examined.
8.1 Introduction

The purpose of this chapter is to present the philosophical tradition underpinning this research, as well as to introduce the research strategy and the empirical techniques applied. The chapter defines the scope and limitations of the research design, and situates the research amongst existing research frameworks.

The research investigation will therefore be undertaken within the social constructionist paradigm by employing the case study methodology. A paradigm consists of an array of assumptions about what exists (ontology), how it may be known (epistemology) and how scientific work „ought“ to proceed (ethics), and a pattern of activities held to be consistent with these assumptions (Gergen and Gergen, 2003: 02).

8.2 Aims and objectives of the research study

Quality management standards and excellence models are management tools that can be applied to public, private and non-profit organisations in order. These management tools provide a framework and direction, which encourage a culture of performance and accountability in order to achieve total quality management (TQM). Local government managers could use these frameworks as a starting point to improve efficiencies in their municipalities, as the programmes afford them an opportunity to evaluate empirical facts to determine what leads to organisational success and deliverables.

The research problem statement is:

How should quality management standards and excellence models be implemented in South African developmental local government to ensure that
they are successfully practiced with the view to the management philosophy of total quality management (TQM) being promoted?

The aim of this study is therefore to:

analyse the implementation of quality management standards and excellence models in support of total quality management (TQM) and developmental local government within two South African municipalities, within an institutional theory and institutional entrepreneurship framework.

The objectives of the study are therefore to:

- Analyse how the quality management standards and excellence models have been implemented;
- Examine if there have been any deviations from the expected direction of the programme and the reasons for and effects of these deviations;
- Examine the internal impact of the programme on the organisational culture, personnel, structures and procedures;
- Identify and analyse the effect of obstacles or barriers to implementation, or any unexpected opportunities that may have arisen;
- Examine the link between institutional theory and institutional entrepreneurship; and
- Generate insights into how these quality management standards and excellence models could be better implemented within a developmental local government context.

The intended original contribution to the body of knowledge in business, government and management that this research study would endeavour to make is to explore the role of institutional entrepreneurs working together as a collective in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management
(TQM) management philosophy, within developmental local government, in order to enhance effective, efficient and accountable service delivery.

8.3 Introduction to research paradigms

According to Ritchie and Lewis (2003: 22) qualitative research covers a broad range of approaches, which are linked to different beliefs about what there is to know about the social world and how to find out about it. Although definitions vary, the aims of qualitative research are generally directed at providing an in-depth and interpreted understanding of the social world, by learning about people’s social and material circumstances, their experiences, perspectives and historical circumstances.

The history of qualitative research must be understood in the context of wider developments in research methods generally and social research methods in particular. The development of qualitative research was strongly influenced by ideas about the importance of understanding human behaviours in their social and material contexts; and by the need to understand the meanings that people attach to their own experiences (Ritchie and Lewis, 2003: 22).

Guba and Lincoln (1994: 108) state that inquiry paradigms define for inquirers what it is they are about, and what falls within and outside the limits of legitimate inquiry. The basic beliefs that define inquiry paradigms can be summarised by the responses given by proponents of any given paradigm to three fundamental questions, which are interconnected in such a way that the answer given to any one question, taken in any order, constrains how the others may be answered:

The ontological question. What is the form and nature of reality and, therefore, what is there that can be known about it? For example, if a “real” world is assumed, then what can be known about it is “how things really are” and “how things really work”. Then only those questions that relate to matters of “real” existence and “real” action are admissible; other questions, such as
those concerning matters of aesthetic or moral significance, fall outside the realm of legitimate scientific inquiry.

The epistemological question. What is the nature of the relationship between the knower or would-be-knower and what can be known? The answer that can be given to this question is constrained by the answer already given to the ontological question; that is, not just any relationship can now be postulated. Therefore, if, for example, a “real” reality is assumed, then the posture of the knower must be one of objective detachment or value freedom in order to be able to discover “how things really are” and “how things really work”.

The methodological question. How can the inquirer (would-be-knower) go about finding out whatever he or she believes can be known? Again, the answer that can be given to this question is constrained by answers already given to the first two questions; that is, not just any methodology is appropriate. For example, a “real” reality pursued by an “objective” inquirer mandates control of possible confounding factors, whether the methods are qualitative (say, observational) or quantitative (say, analysis of covariance). (Conversely, selection of a manipulative methodology – the experiment, say – implies the ability to be objective and a real world to be objective about.) The methodological question cannot be reduced to a question of methods; methods must be fitted to a pre-determined methodology.

Janse van Rensburg (2001: 19) state that a continuum of ontological positions on the nature of reality can be distinguished. On the one end are realist views (in the philosophical sense) that what we know of the world, directly reflects the material world. On the other end is the post-structuralist view that all of human reality is socially constructed. Then there are a range of views in-between, giving greater or lesser acknowledgement to the existence of a material reality, constructed realities, and the correspondence between them.

Ultimately the paradigms of qualitative and quantitative research are also distinguished by the expertise of their practitioners. This means that the
researcher is a craftsperson who has access to many tools, much like a repair-person that can address a variety of problems and has to select from these tools when a certain job has to be done. There is no single fixed method or methodology that dares to be reified, but there is a wide range of methods and techniques that can be used in various combinations. One proven way of doing a research project will not necessarily be the best way to do the next one (Henning et al. 2004: 11).

According to Van der Mescht (2002: 44), the weakness of poor qualitative research takes many forms, all of which manifest themselves in the absence of four kinds of rigour, namely ontological, epistemological, internal and scientific rigour. The most significant of these is the absence of ontological rigour. Qualitative research occurs most often in the interpretive and critical theory paradigms. However, researchers are inclined to ignore or do insufficient justice to grappling with ontological implications of working in this paradigm. Instead, the term “qualitative” is itself assumed to be a research paradigm rather than a characterisation of the data or sets of methods.

Consequently there is limited understanding of the notion that reality is socially constructed, contested, unstable and value-bound; that both the researcher and the research participants continuously construct their own reality; and that it is the task of the researcher to describe and “interpret” how this reality has come to be constructed and to consider the implications of these constructs for practice (Van der Mescht, 2002: 46).

This lack of ontological rigour is frequently reflected in a lack of epistemological rigour. How is the researcher to gain access to and make sense of research participant’s lived worlds? What research design would be appropriate, and what is the role of the researcher? (Van der Mescht, 2002: 46).

According to Van der Mescht (2002: 46) there have been two tendencies: one, to become excessively defensive and apologetic about the unavoidable fact that the researcher is the interpreter (and therefore the “primary
instrument of data collection”); and two, a kind of panic response to exactly that fact: which is that the researcher is the medium through which the interpreted world is to be presented. The first tendency – the “please forgive me for writing in the first person syndrome” – is seriously at odds with the interpretive paradigm (Van der Mescht, 2002: 46).

Lincoln and Guba (1985: 39) make this point:

“…it would be virtually impossible to devise a prior non-human instrument with sufficient adaptability to encompass and adjust to the variety of realities that will be encountered; because of the understanding that all instruments interact with respondents and objects but that only the human instrument is capable of grasping and evaluating the meaning of the differential interaction; because the intrusion of instruments intervenes in the mutual shaping of other elements and that shaping can be appreciated and evaluated only by a human; and because all instruments are value-based and interact with local values but only the human is in a position to identify and take into account (to some extent) those resulting biases.”

Van der Mescht (2002: 47) goes on to state that far from being a weakness then, the subjective engagement of the researcher is one of the greatest strengths of qualitative research. This does not mean that subjectivity is not potentially problematic; it is at least as problematic as positivists’ claims for objectivity. Nor does it mean that it is not challenging; as Kvale (1994: 159) has observed:

“The focus on the interviewer as an instrument puts strong demands on the empathy and competency of the interviewer.”

The second tendency results in several questionable strategies and poorly understood research designs. As may be expected, interviews are almost invariably the preferred data collection tool in this paradigm; and of course, the interviews are usually characterised as “open-ended”, “unstructured” or “semi-structured”. Usually though, they are anything but that. Semi-
structured interviews frequently rely too heavily on predetermined prods. Questions are too strongly located within a pre-conceived theoretical framework, allowing little space in which respondents might elaborate and through language, metaphor, anecdote and symbol begin to give meaning to their reality (Van der Mescht, 2002: 47).

An inadequate grasp of the epistemology (in this case the need to make sense of others’ reality) can at times lead to arrays of superficial opinion-seeking questions, which in turn has implications for data analysis (opinion counting, in its worst form). As a result, findings are often nothing more than “information” or “opinions” which could more easily have been garnered through questionnaires. One is left wondering where the “interpretive” element of the research approach has gone (Van der Mescht, 2002: 47).

Van der Mescht (2002: 50) argues that it is to be expected that an inadequate grasp of the nature of the paradigm, its methodological approach, and its data-collection tools result in a product, which lacks scientific rigour. The absence of scientific rigour is particularly evident in researcher’s failure to engage critically with their work, consider the ethics of their positions as researchers, question the validity of their findings, and most importantly acknowledge the shortcomings of the methods they have used. Researchers need – in short – to adopt and maintain a critical stance throughout their study; they need to be sufficiently removed from the process to be able to stand back and engage with their work at the level of meta-research. They need to be clear on what they are not doing.

8.4 The social constructionist research paradigm

Berger and Luckmann (1966: 33) argue that all knowledge, including the most basic, taken-for-granted common sense knowledge of everyday reality, is derived from and maintained by social interactions. When people interact, they do so with the understanding that their respective perceptions of reality are related, and as they act upon this understanding their common knowledge of reality becomes reinforced. Since this common sense knowledge is
negotiated by people, human typifications, significations and institutions come
to be presented as part of an objective reality. It is in this sense that it can be
said that reality is socially constructed.

A major focus of social constructionism is to uncover the ways in which
individuals and groups participate in the creation of their perceived social
world. It involves looking at the ways social phenomena are created,
institutionalised, and made into tradition by people. Socially constructed reality
is seen as an ongoing, dynamic process; reality is reproduced by people
acting on their interpretations and their knowledge of it (Berger and
Luckmann, 1966: 34).

Berger and Luckmann (1966: 51) state that institutions further imply historicity
and control. Reciprocal typifications of actions are built up in the course of a
shared history. They cannot be created instantaneously. Institutions always
have a history, of which they are the products. Institutions also, by the very
fact of their existence, control human conduct by setting up pre-defined
patterns of conduct, which channels one conduct in a certain direction as
against the many other directions that would theoretically be possible.

An institutional world is experienced as an objective reality. It has a history
that antedates the individual’s birth and is not accessible to his biographical
history. It was there before he was born, and it will be there after his death.
The history itself, as the tradition of the existing institutions, has the character
of objectivity. It is important to keep in mind that the objectivity of the
institutional world, however massive it may appear to the individual, is a
humanly produced, constructed objectivity. The process by which the
externalised products of human activity attain the character of objectivity is
objectification. The institutional world is objectificated human activity, and so
is every single institution (Berger and Luckmann, 1966: 51).

Social constructionism assumes the terms by which we understand our world
are not demanded by “what there is”; and our language does not map an
independent world but rather what we see as “facts” depends to some degree
on how we look, which is in turn shaped by our socio-historical situatedness.
Facts are socially determined. Modes of description are derived from social relationships, including power relations. Research is a political activity, for as the researcher describes, explains or otherwise represents, the future is fashioned (Janse van Rensburg, 2001: 19).

Behaviour analysis can empirically ground social constructions by providing the observable and measurable behavioural evidence that create and maintain them. Within much of the current sociological literature, social constructions are understood as ephemeral, immaterial, disembodied phenomena, much like the objects that they claim to explain. To be sure, within a sociological perspective, it is acknowledged that they do have an impact on human behaviour and contribute to social order (Glass, 2007: 432).

Sociologists explain their ability to do this, not by their creation and maintenance through the behaviour of other people, but by the social constructions themselves. In other words, from a sociological social constructionist perspective, individuals do not act in reference to other people; they act in reference to existing social reality. The problem with this is that social constructions have neither material nor empirical existence, so how is it possible that they have an impact on material events? This is where behaviour analysis can assist in empirically grounding their construction, maintenance and impact (Glass, 2007: 432).

As a behavioural, analytic account demonstrates, social constructions do have an empirical basis; it is not the constructions themselves, however, that have this materiality. Rather, it is the verbal operants of individuals and subsequent consequential responses of those same and other individuals that serve to create and maintain them. Individuals are not acting in response to social constructions as social constructionists argue; they are acting in response to the consequences of the verbal operants that give rise to the constructions. (Glass, 2007: 432).

The social constructionist paradigm is relevant to the current research study because this approach aims to understand and interpret the meaning that
subjects give to their everyday lives as a social phenomenon. Furthermore, data gathered through interviews, the analysis of documents through thematic coding would provide a socially constructed reality of the process of implementation, and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in Makana and Drakenstein municipalities respectively.

Gergen (2003) in Gergen and Gergen (2003: 15), states that social constructionist inquiry is principally concerned with explicating processes by which people come to describe, explain, or otherwise account for the world (including themselves) in which they live. It attempts to articulate common forms of understanding, as they now exist, as they have existed in prior historical periods, and as they may exist should creative attention be so directed.

The terms in which the world is understood are social artefacts, products of historically situated interchanges among people. From the constructionist position, the process of understanding is not automatically driven by the forces of nature, but is the result of an active, co-operative enterprise of persons in relationship. In this light, inquiry is invited into the historical and cultural bases of various forms of world construction (Gergen, 2003 in Gergen and Gergen, 2003: 15).

Institutional theory emphasises isomorphism, a trend implying that organisations become more and more alike (Alvesson, 2002: 155). Meanings and patterns are imported from various instances outside individual organisations. For reasons of legitimacy as well as for reason of adopting a cognitive view of the social world as ordered and comprehensible, people in organisations are sensitive to the meanings, ideas and definitions of what is natural, rational and good as developed by various institutions such as professions, state agencies, science, management consultants and so on (DiMaggio and Powell, 1983: 147; Meyer and Rowan, 1977: 340).
Ashworth et al. (2005: 03) contend that institutional theory has become a prominent lens through which organisational processes of continuity and change are interpreted and understood. It can be seen as a development of „open systems“ views of organisation, one which emphasises the significance of social and cultural aspects of organisational environments.

8.5 The case study research strategy

In this study specifically, employing a qualitative orientation is well suited to the research conducted. Qualitative methods, such as the case study will specifically enable the researcher to gain an understanding of the perceptions, values, actions and concerns of the local government managers and officials under study with respect to the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. The researcher could then communicate the findings by way of seminars, workshops and publications and invite the readership to apply the knowledge to their situations.

According to Russ-Eft and Preskill (2001: 172) case studies involve in-depth descriptive data collection and analysis of individuals, groups, systems, processes or organisations. Case studies typically employ qualitative methods such as individual and focus group interviews, observation and archival records, though they frequently include quantitative data from surveys or tests. Qualitative methods are emphasised since they are more effective in uncovering individuals’ attitudes, beliefs, assumptions, values, practices and experiences (Russ-Eft and Preskill, 2001: 173).

Two authors are particularly strong proponents of this method. With a background in experimental psychology, Robert Yin views a case study as:

“the preferred strategy when „how” or „why” questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context” (Yin, 1994: 01).
The author believes case studies can be rigorously conducted in conformity with the goals and methods of science and with attention paid to questions of reliability and validity. Yin defined the scope of case study research as empirical inquiry that is particularly useful “when the boundaries between phenomenon and context are not clearly evident” (Yin, 1994: 13).

Coming from an educational research background, Sharan Merriam believes the case study is:

“often the best methodology for addressing…problems in which understanding is sought in order to improve practice” (Merriam, 1988: xiii).

The author defined this form of research as being within the framework of qualitative inquiry; that is, it is:

“inductive – focusing on process, understanding, and interpretation – rather than deductive and experimental” (Merriam, 1988: 21).

The two defining elements of a case study are that it is bounded and findings are not generalisable. Being bounded does not mean the study is necessarily restricted to only one site, but rather that it is about only one situation or subject (Watson-Boone, 2000: 88).

Case studies seek intensive, holistic descriptions of the singular instance, phenomenon or social unit (Merriam, 1988: 21). Researchers use this method when they are looking for insights into the phenomenon under study and believe the context of the event is relevant to full interpretation and understanding of the situation. Paris (1988: 14) noted that the detailed observations that case studies can provide are:

“especially useful in documenting decisions occurring over a period of time with no clear beginning or end points and whose implications are perhaps too complex for single factor theories”.
Bogdan and Biklen (1992: 62) used a funnel to represent the design of a case study with the start of the study being the wide end:

"Initial questions that organise qualitative studies are not too specific…The researchers scout for possible places and people that might be the subject or the source of data, find the location they think they want to study…They decide how to distribute their time, who to interview, and what to explore in depth…Their work develops a focus. The data collection and research activities narrow to sites, subjects, materials, topics and themes. From broad exploratory beginnings they move to more direct data collection and analysis."

The case study researcher uses documents, observations, questionnaires and interviews. The final report is descriptive and interpretive and gives a detailed account of the phenomenon (Bogdan and Biklen, 1992: 27). Because a case study looks for and at everything relevant to the phenomenon in its particular setting, the report may use images and quotations to present a rich context for what has been found.

Although case study research is not meant to form generalisations, some case study reports will go beyond descriptions to suggest conceptual categories and to propose theories about the phenomenon. Such a research method is holistic in its interest in the content and context of the situation, and the findings from it can offer insights that can form the basis for proposing changes or developing hypotheses to test through more structured kinds of research methods (Watson-Boone, 2000: 88).

According to Sorin-Peters (2004: 948), the qualitative case study design has several advantages. First, it offers a means of investigating complex social units. Second, it results in a rich and holistic account of a phenomenon. Third, it offers insights and illuminates meanings that expand its readers" experiences, thereby advancing the field"s knowledge base. Finally, it is useful for studying innovative interventions, for evaluating programmes, and for informing policy.
Qualitative case study methodology involves a basic design that can accommodate a variety of disciplinary perspectives, as well as philosophical perspectives on the nature of research itself. A qualitative case study can test theory or build theory, incorporate random or purposive sampling, and include quantitative or qualitative data. This type of research focuses on discovery, insight, and understanding from the perspectives of those being studied (Sorin-Peters, 2004: 948).

There have been criticisms of the case study research method. The rise of a quantitative scientific emphasis in sociology, emphasising probability statistics and prediction based on falsifiability criteria, has created two basic problems for case study researchers. These problems stem from the „N of 1” problem – that there is only one case and, therefore, objectivity is more difficult to maintain, falsifiability criteria are more difficult to meet, and generalisation is impossible (Stoecker, 1991: 91).

According to Stoecker (1991: 91), the first case study researchers have tried to cope with is the threat of „bias” and its assumed impact on internal validity. Bromley (1986) cited in Stoecker (1991: 91) notes that many critics fear the „investigator effects” of case study researchers. Becker (1968) cited in Stoecker (1991: 91) likewise attributes „bias” to the possibility that investigators may have „feelings” for the subjects they study. Case study research, since it does not provide experimental controls and therefore is assumed to not allow for „scientific distance”, has no built-in corrective against the researcher’s possible biases.

Critics have also charged that the case study does not accurately measure independent and dependent variables, and that it relies on retrospective (and therefore biased) reports and employs arbitrary interpretations (Runyan, 1982: 440). In general, the charge is that the case study suffers from a lack of rigour and an excess of bias (Yin, 1984: 17). There is no assurance of either reliability or internal validity.
The second problem is that the case study does not allow us to generalise our findings to other settings (Smith and Robbins, 1982: 45). There is no way to measure external validity. Mitchell (1983: 187) recognised that only probability samples meet the criterion of "representativeness" and, even as a case study advocate, could not directly counter this critique. This problem has seemed so obvious and intractable that even the critics have spent little trouble elaborating on it.

As a result of these problems, even the advocates have cautioned against using case study research to test causal hypotheses (Runyan, 1982: 440), and critics and advocates alike suggest that using the case study for anything more than exploratory purposes is risky (Yin, 1984: 17).

There have been two responses to the critics (Stoecker, 1991: 91). One has attempted to meet the internal and external validity problems by making the case study more sophisticated and rigorous. The second has analysed the critique. Those who have opted to inject greater scientific rigour into the case study have provided a number of strategies to increase the internal validity of case study research. Bromley (1968) cited in Stoecker (1991: 92) advocated "triangulation" (the use of multiple methods) to shore up internal validity. Kazdin (1981: 183), in clinical psychological case studies, proposed using continual rather than sporadic data collection, gathering data on the history of the client's condition, and treating the case as a single case experimental design with pre-test, treatment, and post-test conditions.

Stoecker (1991: 93) states that the second and more effective response to the scientific critique has been a critique of quantitative science, which shows the gaps which case study research fills. There are three basic critiques of the quantitative scientific perspective, which highlight the strengths of the case study. First, probability samples and significance tests do not insure accurate explanation. Second, the scientific method does not control for researcher bias. Third, the survey research preferred by scientific method advocates is not useful for applied questions.
The first critique of the quantitative scientific emphasis is that the probability sample and statistical significance tests ensure neither a valid explanation nor a valid generalisation. Mintzberg (1979: 582) showed that all research involves a creative leap from data to explanation. Mitchell (1983: 198) argued further that:

“the inference about the logical relationship between two characteristics is not based upon the representativeness of the sample and therefore upon its typicality, but rather upon the plausibility or upon the logicality of the nexus between the two characteristics”.

A variety of explanations can apply to a statistical association, but only careful sensitive research of specific instances that actually show the historical causal process allows us to see which theoretical perspectives provide the best explanations. Thus, the case study can more effectively analyse causation than quantitative cross-sectional research.

According to Scranton (1986: 284) in single case studies we can see variables operating which are lost in cross-sectional quantitative research. Becker (1966) cited in Stoecker (1991: 94) emphasised that what the case study does best is study process, and process is at the very heart of an explanatory method. Yin (1984: 18) asserts that:

“how” and “why” questions are more explanatory and likely lead to the use of case studies, histories and experiments as the preferred research strategies. This is because such questions deal with operational links needing to be traced over time, rather than mere frequencies or incidence”.

“Process” is both historical and idiosyncratic, and statistical analysis is unable to capture either of those. In fact, it is the case study’s ability to explain the idiosyncrasies, which make up the “unexplained variance”, which is the source of its strength (Stoecker, 1991: 94). Mitchell (1983: 203) asserts we should choose our case for “its explanatory power rather than for its typicality”, in direct opposition to the quantitative-scientific emphasis on representativeness.
This is “most clearly demonstrated in those instances where the concentration of events is so idiosyncratic as to throw into sharp relief the principles underlying them”. In fact, the non-typical case can assist us as an example of an exception to a generalisation, therefore transforming and making more accurate general theories.

Thus, Mitchell (1983: 207) argues that both the internal and external validity of the case study is dependent on the „cogency of the theoretical reasoning” rather than on the degree to which the case study can meet quantitative-scientific standards emphasising representative samples and falsifiability criteria. The case study provides evidence to show how both the rule, and its exceptions, operates.

8.5.1 Case Study Research Design

The embedded multiple-case design was used in this research study given the fact that the researcher was examining the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in several departments in the Makana Municipality and the Drakenstein municipalities. Yin (2003: 42) states that the rationale for an embedded single case is when the case study may involve more than one unit of analysis. This occurs when, within a single case, attention is also given to a sub-unit or sub-units. No matter how the units are selected, the resulting design would be called an embedded case study design.

According to Yin (2003:45) an embedded case study design is advantageous when the entire nature of the case study may shift, unbeknownst to the researcher, during the course of the study, such as in the holistic design. The initial study questions may have reflected one orientation, but as the case study proceeds, a different orientation may emerge, and the evidence begins to address different research questions. Because of this problem, the researcher has to avoid such unsuspected slippage; if the relevant research questions really do change, one should simply start over again, with a new
research design. One way to increase the sensitivity to such slippage is to have a set of subunits. Thus, an embedded design can serve as an important device for focusing a case study inquiry. An embedded case study design, however, also has its disadvantages. A major one occurs when the case study focuses only on the sub-unit level and fails to return to the larger unit of analysis (Yin, 2003: 45).

The following sub-units (municipal departments) were examined as part of the embedded case study: Library Services, Traffic Control & Licensing, Fire and Rescue Services, Primary Health Care Services and Corporate Services in the Makana Municipality and the Town Planning Department and Tourism Unit in the Drakenstein Municipality.

The researcher further ensured that analysis at sub-unit level was escalated to a larger unit of analysis as the research questions were the same in each sub-unit and which was representative of the Makana and Drakenstein municipalities as a whole. By using a number of sub-units, the researcher avoided slippage and the case study as a whole, that is the Makana and Drakenstein municipalities respectively remained in focus.

8.5.2 Justification of Institutional Theory as informing the case study research design

Institutions consist of cognitive, normative and regulating structures and activities that give meaning and stability to social behaviour. They are carried by cultures, structures and routines and they operate at several different levels (Scott, 2004b: 02). Hatch (1997: 85) argue that in applying institutional theory to an analysis of a particular organisation one should consider how the organisation is adapting to its institutional context. For instance, analyse the sources (for example, regulatory agencies, laws, social and cultural expectations) and types of institutional pressure exerted by the environment on the organization. Sometimes actions are repeated because explicit rules or laws exist to ensure their repetition (legal and political influences). Sometimes activity patterns are supported by norms, values and expectations
(cultural influences); sometimes by a desire to be or look like another institution (social influences).

The growing interest in human agency is reflected in research on professions building and maintaining their professional fields (Greenwood et al., 2002: 58), studies investigating the importance of human action in establishing, maintaining and changing institutional contexts (Barley and Tolbert, 1997: 93; Seo and Creed, 2002: 222), and in research on institutional entrepreneurship (DiMaggio, 1988: 03; Fligstein, 1997: 397; Colomy, 1998: 265; Maguire et al., 2004: 657).

A basic question in these studies is: how can individuals initiate change in a context that is determining their behaviour? Holm (1995: 398) and Seo and Creed (2002: 222) investigated the possibilities of the institutional context to trigger change. DiMaggio (1988: 03) and Barley and Tolbert (1997: 93) studied the question of how individual action contributes to the process of institutionalisation. The research on institutional entrepreneurship investigates how institutional actors can pursue conscious projects of institutional change (Fligstein, 1997: 397; Colomy, 1998: 265; Maguire et al., 2004: 657).

DiMaggio and Powell (1983: 150) distinguish between three different institutional pressures and give them distinctive labels. They argue that when the pressure to conform comes from governmental regulations or laws, then coercive isomorphism pressures are at work. When the pressure comes from cultural expectations, for instance via the professional training of organisational members, then normative isomorphism pressures are at work. When there is a desire to look like other organisations, it is termed mimetic isomorphism pressures and it is explained as responses to uncertainty that involve copying other organisational structures, practices or outputs.

In view of the fact that the researcher is desirous of using institutional theory as a theoretical lens to understand how and why quality management standards and excellence models in support of the total quality management
(TQM) philosophy are being implemented and institutionalised in the Makana and Drakenstein municipalities, it is submitted that the case study would be the appropriate research strategy herein. According to Yin (2003: 01), case studies are the preferred strategy when “how” or “why” questions are being posed and when the focus is on a contemporary phenomenon within some real-life context.

Schramm (1971) cited in Yin (2003: 12) observes that the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result and how do we recognise that institutionalisation happened. Thus, the isomorphic pressures as encapsulated in institutional theory on the Makana and Drakenstein municipalities would be studied.

Using institutional theory in the research design implies that the case study would be deductive in nature. Hyde (2000: 83) states that deductive reasoning is a theory testing process, which commences with an established theory or generalisation, and seeks to see if the theory applies to specific instances.

8.6 Techniques and methods of data collection

In order to understand comprehensively why and how isomorphic pressures exerted itself on the Makana and Drakenstein municipalities to implement and institutionalise quality management standards and excellence models in support of the total quality management (TQM) philosophy, the researcher considered interviews and documentary analysis as the preferred methods of data collection. These two methods would provide an in-depth understanding of the implementation and institutionalisation process.
8.6.1 Interviews

At the Makana Municipality, interviews have been conducted with six senior managers and quality/excellence representatives who are municipal officials, namely: Head of Library Services, Head of Traffic Control & Licensing, Chief Fire Officer, Head of Primary Health Care Services, Performance Management Administrator and the TQM & PMS Officer. These interviewees have been integrally involved in the implementation of TQM programmes within their respective municipal departments and furthermore it was these departments that received certification from the South African Bureau of Standards (SABS) to the ISO 9000 QMS.

At the Drakenstein Municipality, interviews were conducted with the Head of Department of the Infrastructure & Planning Services Directorate, the Principal Environmental Officer and the PMS/TQM Officer. These Officials have been the Project Leaders in the implementation of the ISO 14000: 2004 EMS and the ISO 9001: 2008 QMS within the Drakenstein Municipality.

A semi-structured interview schedule (See Appendix 6) was created for the purpose of understanding the knowledge, implementation and effects of the quality management standards and excellence model. Interviews were used to explore the impressions and experiences of the members responsible for implementing the project. In this way, an in-depth understanding was achieved. Interviews were conducted in the Makana Municipality in 2007. In the Drakenstein Municipality, interviews were conducted from 2008 until 2010.

The interview schedule was divided into three sections namely the: 1) Pre-implementation; 2) Implementation Process and 3) Implementation Outcomes / Effects. Some of the key questions included: At what point was a decision made to implement quality management standards and excellence models? Did people know anything about quality management standards and excellence models before implementation? When did implementation start? What did the implementation process consist of? How was it implemented? What do people do differently as a result of the quality management
standards and excellence models? What, if any, have been the gains, benefits and effects on organisational culture, personnel, structures and procedures?

The basic individual interview is one of the most frequently used methods of data gathering within the qualitative approach. It differs from most other types of interviews in that it is an open interview, which allows the object of study to speak for him/her rather than to provide a respondent with a battery of one”s own predetermined hypothesis-based questions (Babbie and Mouton, 2001: 289).

Yin (2003: 90) state that case study interviews are of an open-ended nature, in which the researcher can ask key respondents about the facts of a matter as well as their opinions about events. Facts, opinions and comments were solicited from the respondents. The respondents also can suggest other persons for the researcher to interview, as well as other sources of evidence (Yin, 2003: 90). Certain respondents referred the researcher to other people involved in the implementation process. In certain instances, the researcher did refer to outside people, like the independent consultant for further information.

According to Rubin and Rubin (1995: 43), qualitative interviewing design is characterised by being “flexible, iterative, and continuous, rather than prepared in advance and locked in stone”. They continue:

“Design in qualitative interviewing is iterative. That means that each time you repeat the basic process of gathering information, analysing it, winnowing it, and testing it, you come closer to a clear and convincing model of the phenomenon you are studying……The continuous nature of qualitative interviewing means that the questioning is re-designed throughout the project.” (Rubin and Rubin, 1995: 46).

Babbie and Mouton (2001: 289) state that a qualitative interview is an interaction between an interviewer and a respondent in which the interviewer
has a general plan of inquiry but not a specific set of questions that must be asked in particular words and in a particular order. A qualitative interview is essentially a conversation in which the interviewer establishes a general direction for the conversation and pursues specific topics raised by the respondent. Ideally, the respondent does most of the talking.

Kvale (1994: 147) offers two metaphors for interviewing: the interviewer as a miner or as a traveller. The first model assumes that the subject possesses specific information and that the interviewer’s job is to dig it out. By contrast, in the second model, the interviewer:

“wanders through the landscape and enters into conversations with the people encountered. The traveller explores the many domains of the country, as unknown territory or with maps, roaming freely around the territory….The interviewer wanders along with the local inhabitants, asks questions that lead the subjects to tell their own stories of their lived world”.

The researcher could be referred to as a “miner” and is seeking to understand the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy.

Asking questions and noting answers is a natural process for people, and it seems simple enough to add it to one’s strategy as a researcher. However, the researcher must be cautious as wording questions can be difficult. All too often, the way the researcher asks questions subtly biases the answers received. Sometimes a researcher places a respondent under pressure to impress the respondent. Sometimes the researcher posed the question in a particular context that omits altogether the most relevant answers (Babbie and Mouton, 2001: 289). Probes are one useful way to get answers in more depth without biasing later answers. The researcher has to learn the skills of being a good listener. (Babbie and Mouton, 2001: 289).

Kvale (1994: 147) details seven stages in a complete interviewing process: Thematising: clarifying the purpose of the interviews and the concepts to be
explored; Designing: laying out the process through which you will accomplish your purpose, including a consideration of the ethical dimension; Interviewing: doing the actual interview; Transcribing: writing a text of the interviews; Analysing: determining the meaning of gathered materials in relation to the purpose of the study; Verifying: checking the reliability and validity of the materials; and Reporting: telling others what you have learned.

Yin (2003: 92) argues that overall, interviews are an essential source of case study evidence because most case studies are about human affairs. These human affairs should be reported and interpreted through the eyes of specific interviewees, and well-informed respondents can provide important insights into a situation.

The researcher followed Kvale’s (1994: 147) seven stages to undertaking the interviewing process. During the interviewing process of respondents at Makana and Drakenstein municipalities respectively, certain respondents could not recall certain processes that were undertaken during the implementation of quality management standards and the excellence model. This had a negative impact on obtaining a “rich” description of how events unfolded. To overcome this, the researcher had to rely on minutes of quality and excellence meetings as well as project management documentation.

Neuman (2003: 290) argue that face-to-face interviews have the highest response rates. Interviewers also can observe the surroundings and can use non-verbal communication and visual aids. Well-trained interviewers can ask all types of questions, can ask complex questions, and can use extensive probes.

High cost is the biggest disadvantage of face-to-face interviews. The training, travel, supervision and personnel costs for interviews can be high. Interviewer bias is also greatest in face-to-face interviews. The appearance, tone of voice, question wording and so forth of the interviewer may affect the respondent (Neuman, 2003: 290).
The process of transcribing after interviews is crucial. Cohen et al. (2000: 281) note that there is a “danger of loss of information, distortion and the reduction of complexity”. The researcher transcribed the interviews and let the interviewees have an opportunity to check whether what they said, that is, what is contained in the transcription was accurately transcribed and quoted within the stated context. In this regard, verbatim accounts of the interviews were sent back to the interviewees for checking and confirmation.

8.6.2 Documentary Analysis

According to Yin (2003: 85), documentary information is likely to be relevant to every case study topic. This type of information can take many forms and should be the object of explicit data collection plans. For instance, a researcher should consider the following variety of documents: Letters, memoranda, and other communiqués; Agendas, announcements and minutes of meetings, and other written reports of events; Administrative documents – proposals, progress reports, and other internal records; Formal studies or evaluations of the same “site” under study; and Newspaper clippings and other articles appearing in the mass media or in community newsletters.

In contrast, and by way of comparison, Yin (2003: 88) also identifies a range of archival records which may be of value to the case study researcher: Service records, such as those showing the number of clients served over a given period of time; Organisational records, such as organisational charts and budgets over a period of time; Maps and charts, of the geographical characteristics of a place; Survey data, such as census records or data previously collected about a „site”; and Personal records, such as diaries, calendars and telephone listings.

The classification provided by Yin (2003) is instructive. It enables one to consider both the range of documentary sources available to the researcher and the purposes to which they may be put (Hitchcock and Hughes, 1995: 214). Lincoln and Guba (1985: 277), on the other hand, classify documents in terms of whether the text was written with a view to formalising a transaction.
This forms the basis for a distinction between records, such as for example, bank statements, driving licences, contracts, marriage certificates, etc., and documents prepared for personal rather than official usage, such as letters, diaries, field notes, memoranda, etc. Clearly, records and documents are very different. They are different in their function, design, location and accessibility. They will engage the researcher in different kinds of interpretation. It is likely that both records and documents will be encountered by the qualitative researcher. This was the case in the present research study.

The documents that were used were the following: Council Items and Resolutions, Quality Management Meeting Minutes, Consultants Reports, Inter-departmental memoranda, Quality and Excellence Manager’s Reports, Makana and Drakenstein municipality’s strategic documents such as independent evaluation, assessment and project management reports.

Hitchcock and Hughes (1995: 223) state that it is helpful to break documentary research into a series of phases. Each of these phases gives the researcher different problems to resolve and questions to answer. If followed systematically the full potential of a document may be revealed:

8.6.2.1 First phase: location

According to Hitchcock and Hughes (1995: 223), during the first phase the researcher needs to locate potentially useful sources and will need to find out the principal primary and secondary sources for the topic being researched; ascertain where the documents are housed and/or how they can be obtained; what permission if any is needed to gain access to them; and how best to use them; and read around the topic area, not only compiling a bibliography for a preliminary review of literature but also becoming familiar with the special terminology and approaches used in sources, both primary and secondary.

The researcher had very little difficulty in having access to documents at both the Makana and Drakenstein municipalities. The documents were stored and
filed chronologically in the archives of these municipalities, thus making them easy to access and study.

8.6.2.2 Second phase: classification and evaluation

Documents such as Council resolutions, agendas and minutes of quality and excellence meetings, work and implementation plans and procedures, quality and excellence reports as well as letters, memoranda and other communiqués have been examined. This provided the researcher with in-depth information on the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy at the Makana and Drakenstein municipalities.

This phase involved the classification of the documentary data, which the researcher had collected. Scott (1990) cited in Hitchcock and Hughes (1995: 223) distinguishes between official/public, non-official/private, visual/aural. As well as attempting some form of classification during this second phase the researcher will need to develop some criteria for the evaluation of the different kinds of documents collected. The concept of willing and unwilling testimony would be applicable here.

Scott (1990) cited in Hitchcock and Hughes (1995; 223) has developed a further set of criteria which overlap with these ideas yet are slightly different. Scott refers to authenticity, soundness and authorship, credibility, sincerity and accuracy, and representativeness, survival and availability. During this second phase the researcher will need to ask whether the document is authentic, credible and representative.

8.6.2.2.1 Authenticity

Hitchcock and Hughes (1995: 223) state that validity or truth and accuracy as criteria for assessing both evidence and research have been identified. Qualitative researchers often talk about authenticity. LeCompte and Goetz (1992) cited in Hitchcock and Hughes(1995: 224) state that the terms validity,
reliability and representativeness relate to a qualitative research in a different way than they do to quantitative research.

The times when the researcher will encounter deliberate falsehood in documentary sources are fortunately rare. However, it is more common to find that records or factual accounts have been slightly altered to suit the author’s original purpose or later by someone else. One therefore needs to be alert to unexpected changes in the text, such as those of paper, handwriting or attempts to erase words or numbers. One needs also to check for consistency and plausibility both internally and externally (Hitchcock and Hughes, 1995: 224).

Establishing authenticity is a practical, technical undertaking. Looking for consistency and plausibility is an essential part of this process. The researcher should ask the following questions: Does the document make sense or does it contain glaring errors? Are there different versions of the original document? Is there consistency of literary style, handwriting or typeface? Has the document been transcribed by many copyists? Has the document been circulated via someone with an interest in altering the text in any way? Does the document derive from a reliable source? (Hitchcock and Hughes, 1995: 224).

The researcher established authenticity by ensuring that documents (resolutions, minutes and agendas) were approved by relevant authorising structures such as the municipal council and management meetings. This would take the form of council resolutions and signed minutes of management meetings. Documents such as reports, assessments and memoranda were checked in order to verify who have compiled it.

8.6.2.2.2 Credibility

According to Hitchcock and Hughes (1995: 224), credibility in a document refers to whether it is free from errors or distortions and to the questions of sincerity and authorship. Again, a series of questions can be asked of the
text: How much time has elapsed between the event being described and the written text being produced? Is the account a first hand one, that is, by someone who was actually there or is it second or third hand? What interest had the observer-author in the events described in the document?

The issues here revolve around four further interrelated questions. Why was the document brought into existence? When was the document brought into existence? For whom was the document brought into existence? In addition, finally, perhaps the most important question, in what context was it brought into existence? (Hitchcock and Hughes, 1995: 224).

The researcher considered all documents that were used in the analysis as credible as council resolutions, minutes of management meetings, reports and assessments were duly authorised within a regulated administrative context. The researcher further presented to respondents transcripts of interviews to make any changes, if any. However, no changes were made by the respondents from that of what they initially responded to.

8.6.2.2.3  **Representativeness**

Platt (1981) cited in Hitchcock and Hughes (1995: 224) state that in qualitative research, the sheer amount of documentation may mean that it is necessary to use a sample of the available data. If not, then one still needs to ask the question how representative is the data of the „reality“ I am investigating in this document? One document may be adequate or it may be not. Is any portion of the document missing? If so how much and is this important? This, to some degree, depends on one‟s own judgement of the research situation (Hitchcock and Hughes, 1995: 225).

The researcher had no problem with the issue of the representativity of the documentation as he considered the documentation to be adequate to undertake the research investigation. The researcher used all documentation that were available and did not use any samples of documentation. The data set was complete.
8.6.2.3 Third phase: interpretation and meaning

According to Hitchcock and Hughes (1995: 225) documents are socially constructed texts and that the context of their production must always be taken into account. Documents demand two kinds of analysis in attempting to grasp their meaning and significance (Hitchcock and Hughes, 1995: 225). The first is to understand the surface or literal meaning of the document before us. Genre, here, refers to the varying conventions governing a particular type of document, for example, government report as against a private diary. The researcher will be particularly concerned with definitions and use of concepts and be aware that these can change over time and are subject as well to cultural and gender dimensions. Stylisation refers to the use of literary devices, such as metaphor, allusion, allegory and irony, in a text.

The researcher considered documents such as council resolutions, minutes of management meetings, reports and assessments had to be interpreted within the context of a regulated bureaucratic local government context with its own norms and conventions.

According to Yin (2003: 87), the most important use of documents in case studies is to corroborate and augment evidence from other sources. First, documents are helpful in verifying the correct spellings and titles or names of organisations that might have been mentioned in an interview. Second, documents can provide other specific details to corroborate information from other sources. Third, the researcher can make inferences from documents – for example, by observing the distribution list for a specific document, the researcher may find new questions about communications and networking within an organisation.

Because of their overall value, documents play an explicit role in any data collection in doing case studies. At the same time, many people have been critical of the potential over-reliance on documents in case study research (Yin: 2003: 87). This is probably because the casual investigator may
mistakenly assume that all kinds of documents contain the unmitigated truth. In this sense, the case study investigator is a vicarious observer, and the documentary evidence reflects a communication among other parties attempting to achieve some other objectives. By constantly trying to identify these objectives, the researcher is less likely to be misled by documentary evidence and more likely to be correctly critical in interpreting the contents of such evidence (Yin, 2003: 87).

The documents that the researcher used provided useful information with respect to corroborating the data that was obtained from the respondents in the interviews. Furthermore, the documents provided comprehensive information with respect to the operations of the Makana and Drakenstein municipalities as well, providing a chronological overview of the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. The researcher was in a position to identity the correct data sources and obtaining the correct information and thereby adopting a critical stance in the interpretation of documents.

Various documents were reviewed and analysed attempting to understand how the ISO 9001: 2008 QMS and SAEF Model in the Makana Municipality and the ISO 14001: 2004 EMS and ISO 9001: 2008 QMS at Drakenstein Municipality was theoretically and practically functioning. The purpose for the documentary analysis was to acquire a comprehensive and historical perspective of the information of these management excellence programmes. The documents included policies, theoretical implementation, risk assessment and management, legal and legislature procedures, reviewing the structure of the organograms of the municipalities, business processes and structures, mechanisms and planning for the implementation by the identified departments.

The documents will be analysed and interpreted in the next section according to the applicable and relevant research procedures.
8.7 Data analysis

According to Yin (2003: 109), data analysis consists of examining, categorising, tabulating, testing or otherwise recombining both quantitative and qualitative evidence to address the initial propositions of a study. Familiarity with various tools and manipulative techniques is helpful, but every case study should nevertheless strive to have a general analytical strategy – defining priorities for what to analyse, how and why.

The researcher utilised thematic analysis by developing a theory-driven code (deductive reasoning) to analyse the data obtained from the interviews with the respondents as well as from the documentation. Boyatzis (1998: 33) argue that theory-driven code development is probably the most frequently used approach in social science research. The researcher begins with his or her theory of what is expected to occur and then formulates the signals, or indicators, of evidence that would support this theory. The elements of the code are derived from the hypotheses or elements of the theory.

The interviews were thematically analysed establishing codes for categories and were then placed in themes. The documents provided for the document analysis were reviewed to determine an understanding of quality management standards and excellence models in support of the total quality management (TQM) philosophy, the documented process of the implementation process at the Makana and Drakenstein Municipalities, the SABS ISO 9001: 2008 QMS and ISO 14001: 2004 EMS policies and all correspondence between stakeholders at the Makana Municipality, namely the South African Bureau of Standards (SABS) and the Drakenstein Municipality and the consultants from the Centre for Environmental Management (CEM) from the North-West University who were commissioned to assist with the implementation process.

The anticipated “meaning” of the expected results of the analysis determines the composition of the code. The wording of the themes emerges from the theorist’s construction of the meaning and style of communication or expression of the elements of the theory. The code is therefore often in the
language of the researcher’s field, filled with the special meanings and jargon (Boyatzis, 1998: 33).

Boyatzis (1998: 35) suggests the following steps in the development of themes and a code:

8.7.1 Reducing the raw information

The text is coded or broken down, into manageable categories on a variety of levels, word, word sense, phrase, sentence or theme. Boyatzis (1998: 35) suggests paraphrasing each piece of data, which provides for close contact and familiarity with the raw information. The researcher read each transcript carefully over a number of times and an outline of the paraphrased items were created.

8.7.2 Identifying themes with samples

Before the thematic coding process began, the researcher ensured that he had a thorough knowledge of the text. The thematic coding process requires comparison of the summaries to determine similarities among the pieces of information within each transcript (Boyatzis, 1998: 36). The researcher compared the transcripts, which allowed the researcher to identify patterns and similarities within each transcript. These similarities gave rise to themes out of which higher order themes emerged.

8.7.3 Creating a code

The researcher then wrote, rewrote and constructed a set of statements in this stage that differentiated the individual transcripts. The set of preliminary themes is a code. Once this code was created, the researcher returned to the raw information and read and reread the transcripts, whilst attempting to determine the presence or absence of the initial themes. This may require the initial statements or themes to be reconstructed and the researcher may also apply rules of exclusion to the raw material. Data was thus grouped under
themes fairly close to the text. These revised themes were stated in such a manner that a) they maximise the differentiation of the transcripts; b) they facilitate the coding of the raw material and c) they minimise exclusion (Boyatzis, 1998: 36).

8.7.4 Determining the reliability or consistency of judgement of the coders

In this step, the researcher applied the code or theme to all the other transcripts, whilst visually comparing the differentiation on each transcript in relation to the themes originally identified. Those themes showing differentiation constitute the validated themes (Boyatzis, 1998: 36). This was established by ensuring that the code was in alignment with the elements of total quality management (TQM), Institutional Theory and Institutional Entrepreneurship.

The researcher firstly read and contemplated the literature and prior-research findings pertaining to the theory in order to generate the codes. Secondly, the researcher reviewed and rewrote the themes and code emerging from the reading and contemplation of this literature. Because theory and previous research are driving the creation or adoption of the themes, it is essential to check their compatibility with the raw information of the study. The researcher must establish whether the themes using words, syntax, and format will be understandable to whoever is trying to find the themes in the raw information (Boyatzis, 1998: 36). Thirdly, the researcher validated and used the code. The researcher started with and total quality management (TQM), institutional theory and institutional entrepreneurship. Observations have been made about the presence or absence (or degree of presence or absence) of the themes in the raw information. The interpretation will be a direct commentary on institutional theory and institutional entrepreneurship. The theory or parts of it will be either confirmed or refuted.
8.7.5 Identification of themes

The researcher identified the following themes from the literature review:

- Theme 01: Top Leadership and Management Commitment
- Theme 02: Employee Education and Training
- Theme 03: Employees’ Attitudes and Behaviour
- Theme 04: The Use of Consultants
- Theme 05: Organisational Culture and Maturity
- Theme 06: Process Management
- Theme 07: Teamwork
- Theme 08: The Customer Concept
- Theme 09: Isomorphism
- Theme 10: Institutional Entrepreneurship
- Theme 11: Collective Institutional Entrepreneurship
- Theme 12: Discursive Frames
- Theme 13: Institutionalisation

8.8 Quality assurance and control tests for establishing validity and reliability

Babbie and Mouton (2001: 276) state that the basic issue of trustworthiness is simple: How can an inquirer persuade his or her audiences (including him or herself) that the findings of an inquiry are worth paying attention to or worth taking account of? Just as a quantitative study cannot be considered valid unless it is reliable, a qualitative study cannot be called transferable unless it is credible, and it cannot be deemed credible unless it is dependable.

Riege (2003: 81) outlines four sets of tests for establishing quality in qualitative research design in general, namely: confirmability, credibility, transferability and dependability. The researcher used all four tests within the realism paradigm to ensure that the quality of the case study research was not compromised.
8.8.1 Confirmability according to (Riege, 2003: 81) is analogous to the notion of neutrality and objectivity in positivism, corresponding closely to construct validity. This test assesses whether the interpretation of data is drawn in a logical and unprejudiced manner. That is, to assess the extent to which the conclusions are the most reasonable ones obtainable from the data. Some useful questions to be asked of a qualitative study such as case study research about this issue are:

- Are the study’s general methods and procedures described explicitly and in detail?
- Do we feel that we have a complete picture, including “backstage information’’?
- Are study data retained and available for reanalysis by others?

8.8.1.1 Techniques, which may be used for establishing confirmability:

The confirmability audit during the data collection and data analysis phase of the research can be used, that is, the examination of raw data, findings, interpretations and recommendations. In particular, the audit involves retention of the raw data such as field notes, tapes, documents and others during the data collection stage for later inspection by the auditor if required. The next stage in the audit is for the auditor to judge whether inferences based on the data are logical during the data analysis phase as well as checking the quality of the findings and interpretations.

Confirmability was established by the researcher establishing a clear audit trail that allows for the checking of procedural issues in the study as documented in the procedures for case selection, data collection and data analysis. Wherever appropriate in this research study, the researcher cross-referenced to the source of the raw data in the data files, which have been created for the study. The researcher believes that this approach has been systematic and meticulously thorough.
8.8.2 Credibility according to (Riege, 2003: 81) is the parallel construct to internal validity. It involves the approval of research findings by either interviewees or peers as realities may be interpreted in multiple ways. The purpose of this test is to demonstrate that the inquiry was carried out in a way, which ensures credibility. Some useful questions to be asked to clarify this issue are:

- How rich and meaningful or “thick” are the descriptions?
- Are the findings internally coherent?
- Are concepts systematically related?

Van der Mescht (2002: 49) observes that in an attempt to justify what is really shoddy work, researchers make the bold claim of relying on “thick description” to do their work for them (See Appendix 7). It has gripped the imaginations of qualitative researchers, regardless of which methodology they employ. In a sense this is understandable, since the phenomenon provides an answer to positivist’s seductive and often compelling presentation of quantitative data, in the form of statistical analyses and charts.

8.8.2.1 Techniques which may be used for establishing credibility:

There are various techniques for establishing credibility, namely:

- Use of triangulation techniques such as multiple sources of evidence, investigators and methods during the data collection and data analysis phase of the research, which enhance credibility;

- Use of peer debriefing technique such as presenting the data analysis and conclusions to colleagues on a regular basis during the data analysis stage so as to foster subsequent credibility;
• Use of member checks technique by presenting the findings and conclusions to the respondents and to take their reaction into account during the report writing phase of the research;
• Credibility can also be achieved during the research design stage by taking into account the researcher’s assumptions, worldview and being theoretically orientated; and
• Researcher self-monitoring is another technique for establishing credibility, and this occurs during the data collection and data analysis phase. This technique involves the researcher carrying out the inquiry in such a way that ensures credibility.

Researchers respond to the anxiety of being the chief data collection tool is to spread their data-gathering wings and draw on more than one source of data. In the trade, this practice is known as triangulation, and it seems to have become a non-negotiable feature of quality qualitative research (Van der Mescht, 2002: 48).

Cousin (2005: 426) state that there are key strategies for keeping “narrative fraud” (for example, overstating from flimsy evidence, ignoring local effects, opportunistically cherry picking the data) at a minimum: Researchers can adopt an ethic of caution with regard to their generalisations; Researchers need to be reflective about their own position and possible bias. Where they are making a clearly contestable assertion, researchers can strengthen their evidence through triangulation (that is, providing diverse evidence sources); Researchers can ensure that their account provides a sufficiently “thick description” of the case such that the reader can share in the interpretation with the researchers.

The researcher believes that the credibility of the present study will be successfully enhanced, as he will have made use of two recommended strategies: member checks and triangulation techniques.
The member check strategy was carried out by sending back the data collected from interviews and the cautious interpretations that the researcher had made upon it, to the persons interviewed for confirmation. By carrying out this practice continuously during the research, the researcher tries to avoid any form of misunderstanding. Since the purpose is to describe the phenomena from the participant’s viewpoint, the participants are the only ones who can legitimately judge the credibility of the results. Thus, the findings were sent back to the interviewees for clarification. The answers that were received back confirmed the thoroughness of this strategy. Furthermore, the researcher triangulated the findings by referring to the transcripts of the interviews as well as the documentary sources to enhance credibility.

8.8.3 Transferability according to (Riege, 2003: 81) is analogous to the function of external validity or generalisation in conventional quantitative research. This test is achieved when the research shows similar or different findings of a phenomenon amongst similar or different respondents or organisations that are achieving analytical generalisation. Here we usefully may ask the following questions to clarify this issue of transferability:

- Do the findings include enough “thick descriptions” for readers to assess the potential transferability appropriateness for their own settings?
- Are the findings congruent with, connected to or confirmatory of prior theory?

8.8.3.1 Techniques which may be used for establishing transferability:

There are two techniques to establish transferability, namely:

- Develop a case study database during the data collection phase of the research, which includes a “thick description” for readers to assess the potential transferability; and
• Use of cross-case and, where appropriate, cross-nation analysis in the data analysis stage of the research.

The researcher, by engaging in “thick description”, will emphasise contextual features of the study, and an awareness of the context-bound nature of the study will allow a reader to decide upon the appropriateness of transferring the findings to another context. In other words, the deeper and wider the descriptions of the settings and the characteristics of the participants, the easier it is for future researchers to be able to establish the relevance of the research findings to the settings and participants that they are seeking to study.

8.8.4 Dependability (Riege, 2003: 81) is analogous to the notion of reliability in quantitative research. The purpose of this test is to show indications of stability and consistency in the process of inquiry. The underlying issue here is whether the procedures or techniques used in the process of study are consistent. The questions that can be asked to clarify this issue are:

• Are the research questions clear and are the features of the study design congruent with them?
• Have things been done with reasonable care?

8.8.4.1 Techniques which may be used for establishing dependability:

There are two techniques to establish dependability, namely:

• Use of the dependability audit during the research design phase of the research. This audit involves the examination and documentation of the process of inquiry and this occurs in the research design stage. The auditor examines whether the processes followed in the inquiry are in order, understandable,
well documented, providing mechanisms against bias, thus establishing dependability; and

- Dependability also can be achieved in the research design phase by safeguarding against researcher’s theoretical position and biases.

The researcher addressed dependability by noting methods of recording data and the use of accurate accounts of interviews or direct quotations in field notes.

8.8.5 Demonstrating rigour through the process of thematic analysis

Thematic analysis is a search for themes that emerge as being important to the description of the phenomenon (Daly et al. 1997). The process involves the identification of themes through “careful reading and re-reading of the data” (Rice and Ezzy, 1999: 258). It is a form of pattern recognition within the data, where emerging themes become the categories for analysis.

The method of analysis chosen for this study was a hybrid approach of qualitative methods of thematic analysis and it incorporated both the data-driven inductive approach of Boyatzis (1998) and the deductive a priori template of codes approach outlined by Crabtree and Miller (1999). This approach complemented the research questions by allowing the principles of phenomenology to be integral to the process of deductive thematic analysis while allowing for themes to emerge direct from the data using inductive coding.

The coding process involved recognising an important moment and encoding it (seeing it as something) prior to a process of interpretation (Boyatzis, 1998). A “good code” is one that captures the qualitative richness of the phenomenon (Boyatzis, 1998: 01). Encoding the information organises the data to identify and develop themes from them. Boyatzis (1998: 161) defined a theme as:
“a pattern in the information that at a minimum describes and organises the possible observations and at maximum interprets aspects of the phenomenon”.

In addition to the inductive approach to Boyatzis (1998), the template approach, as outlined by Crabtree and Miller (1999). This involved a template in the form of codes from a codebook to be applied as a means of organising text for subsequent interpretation. When using a template, a researcher defines the template (or codebook) before commencing an in-depth analysis of the data. The codebook is sometimes based on a preliminary scanning of the text, but for this research study, the template was developed a priori based on the research questions and the theoretical framework

8.9 Ethical considerations

8.9.1 Informed consent

Gaining informed consent from people involved in research is generally regarded as central to ethical research practice (Heath et al. 2004: 02). Informed consent is regarded by most researchers as a core element of ethical practice, alongside related concerns such as the avoidance of deception, harm and exploitation, and the principles of confidentiality and anonymity. Central to these concerns are the concepts of “agency” and “competence”; that research participants are able to express their own agency within the research process, rather than being treated merely as “subjects” upon which research is “done”; and that their ability to express their own agency arises from their competence at decision making. This includes their competence to make informed decisions about whether or not to participate in research, predicated upon ready access to adequate information about the research process and the uses that might be made of the data generated by their involvement (Heath et al. 2004: 03).

For operational purposes, the principle of informed consent may be expressed in four elements, two that relate to the processes of informing and
two that relate to the voluntariness of the consenting party (Homan, 2001: 331):

**Informed**

(a) That all pertinent aspects of what is to occur and what might occur are disclosed to the subject;

(b) That the subject should be able to comprehend this information.

**Consent**

(a) That the subject is competent to make a rational and mature judgement;

(b) That the agreement to participate should be voluntary, free from coercion and undue influence.

According to Remenyi (1998: 110), there are three major ethical considerations to consider when undertaking research. These are how the “information is collected”, how the “information is processed” and lastly, “how the findings are used”. Remenyi (1998) states that when applying the first ethical consideration, namely how the information is collected, it is necessary for the researcher to be open and honest with the informants, to keep informants anonymous or the information they offer confidential if so requested, and that information should not be obtained under duress.

This researcher declares that this study has upheld the first ethical consideration, as at all times during and prior to the interviews, the relationship was open and honest. The researcher informed the interviewees that the information obtained would be used for academic purposes. A contact person was assigned to arrange the interviews. Appropriate dates, times and venues were arranged with the participants. Before the interview started, participants were informed about the aims, objectives and purposes of the study. They were informed about their ethical rights to anonymity, confidentiality, voluntary participation and the option to
stop the interview session at any time. Participants were provided with an option to refrain from answering any question, which they did not feel comfortable in answering. Interview sessions were recorded by transcribing. The interviewees felt comfortable in answering all the questions of the interview schedule.

Remenyi (1998: 114) states that when processing information, it is important that the researcher avoid any manipulation because of his or her personal biases. Further, the findings must be honestly presented and not manipulated or adjusted merely to satisfy the researcher’s biases. Remenyi (1998: 114) also states that sometimes researchers are often not aware of his or her biases, but where he or she is aware that they are biased; the integrity of the research is maintained if they declare their bias. In order to avoid any bias, the researcher stated to the interviewees that it is important that they are honest and open about their views so that the Makana, Drakenstein and other municipalities can benefit from their critique. Interviewees were thus encouraged to be openly critical and this has been reflected in the results.

8.9.2 The Gatekeeper influence

Gatekeepers are those who give access to a research field. Their role may be in allowing investigators into a given physical space, or it may go further in granting permission for research to be conducted in a particular way (Homan, 2001: 329). In an organisation such as a factory or business, a manager might give access to the building but it would be unlikely for such a person to consent to the conduct of interviews without in some way consulting the employees, let alone fellow managers whose experience may yield a specialist insight and more informed judgement of consequences for the reputation of the company (Homan, 2001: 329). The researcher herein being a senior manager in local government had full access to interviewees and did not have to seek permission from higher authorities for the research to be conducted and hence the “gatekeeper influence” was not applicable.
8.10 Conclusion

Selecting approaches to research involves adopting a research paradigm, and an appropriate research approach and methodology. The research investigation has been undertaken within the social constructionist paradigm by using the case study methodological approach. Interviews and documents were the data collection methods and thematic analysis by developing a theory-driven code (thirteen themes were identified) was used as a tool to analyse the data. Quality assurance and control tests applicable to case study research were also used to ensure validity, reliability and confidence and that the research investigation complied with the necessary rigorous standards, which were not compromised. In Chapter nine, the research findings will be presented.
CHAPTER 09:
PRESENTATION OF FINDINGS

9.1 Introduction

The purpose of this chapter is to present the findings of the research investigation on the analysis of the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy and developmental local government within two South African municipalities, namely the Makana and Drakenstein municipalities, within the institutional theory and institutional entrepreneurship frameworks.

The following subsidiary research questions need to be answered: (1) Analyse how the quality management standards and excellence models in support the total quality management (TQM) philosophy have been implemented; (2) Examine if there have been any deviations from the expected direction of the programme and the reasons for and effects of these deviations; (3) Examine the internal impact of the programme on the organisational culture, personnel, structures and procedures; (4) Identify and analyse the effect of obstacles or barriers to implementation, or any unexpected opportunities that may have arisen; (5) Examine the link between institutional theory and institutional entrepreneurship; and (6) Generate insights into how these quality management standards and excellence models in support of the total quality management (TQM) philosophy could be better implemented within a developmental local government context.

9.2 First research site: Makana Municipality, Grahamstown, Eastern Cape Province, Republic of South Africa

The governance and management structures of the Makana Municipality are as follows (Makana Municipality Organogram, 2001):
The Executive Mayor is the executive head of the municipality with the Municipal Manager as the administrative head, reporting directly to the Executive Mayor. The Speaker is the legislative head as the chairperson of the full council. An executive mayoral committee, consisting of councillors who also act as portfolio committee chairpersons, are appointed by the Executive Mayor to advise him on political and governance issues. Thus, it can be stated that the Executive Mayor, Speaker, Members of the Executive Mayoral Committee and Councillors are elected officials and the Municipal Manager and his executive managers are appointed officials.

9.2.1 Motivations

9.2.1.1 ISO 9001: 2000 QMS

The Municipal Manager was appointed by the Council of the Makana Municipality with effect from the 01 October 2001. This was the first term of democratic local government in South Africa. In order to create an innovative, stable, world-class administration, the Municipal Manager was of the view that the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy would assist in enhancing the effectiveness and efficiency of service delivery.

The Quality and Excellence Manager stated that the Municipal Manager as the chief executive officer and responsible for implementing strategy:

“wanted to effect institutional change and to improve organisational culture. It must be remembered that this was the first term of democratic local government and the Municipal Manager had to re-structure a municipal administration in accordance with the new Local Government: Municipal Systems Act 32 of 2000. The Municipal Manager had to create an administration which was more service delivery orientated which had to service a much larger jurisdiction than the old Grahamstown City Council as well as to ensure that bureaucracy had to be minimised in addressing the
The Quality and Excellence Manager went on to state that the Municipal Manager:

“had the belief that change for the better will come through dedication to continuous improvement and sharing a consistency of purpose by everyone in the municipality. The Municipal Manager could not effect change himself and had to ensure that he had collective buy-in from his management team, the Executive Mayor, Executive Mayoral Committee as well as councillors. This was critical as the challenge of transforming a bureaucratic municipal administration to a more performance-driven one, required the mobilisation of various stakeholders”

The Municipal Manager wanted to change the organisational culture from that of a bureaucratic one to that of a service delivery oriented culture.

Furthermore, the Quality and Excellence Manager stated that the Municipal Manager and Executive Mayor motivated to Council to introduce quality management standards and excellence models in support of the total quality management (TQM) philosophy:

“to address ratepayer grievances regarding problem areas in service delivery.

One has to take into account that the Makana Municipality like all municipalities in South Africa comprises of different spatially dispersed areas in terms of the apartheid town-planning scheme where different racially group areas were designated. One would find that service delivery problems and challenges in the traditionally white suburbs were very different and stark compared to that of the black areas and townships. Therefore, the nature of grievances varied from the lack of maintenance of streets, parks, electricity and water infrastructure from the traditionally white areas to that of no access whatsoever to tarred streets, electricity and water reticulation as well as water-borne sanitation infrastructure from the black townships. It was felt that
quality management standards and excellence models would provide comprehensive frameworks in terms of which the Makana Municipality could assess and benchmark itself in terms of addressing these challenges”.

Community grievances had to be addressed in terms of the lack of service delivery.

On the 20th May 2002, the Municipal Manager tabled an Item (Item Number: HRA 6 (5/6/08) (9/1) before Council, seeking Council’s approval in implementing an internationally recognised certification system, that is, the ISO 9001 quality management system, in it’s administration in order to give practical and concrete effect to an administration which is service delivery orientated as well as implementing service excellence vis-à-vis to all stakeholders within and outside Makana Municipality.

Furthermore, the purpose of the said report was to highlight the importance of measuring performance (internal and external) especially in view of the provisions of the Local Government: Municipal Systems Act 32 of 2000, which would make it mandatory for effective systems to be put in place in the administration of a municipality. The focus of this Act is mainly on the internal systems and administration of the municipality and it establishes the basic principles and mechanisms to give effect to the vision of developmental local government as espoused by the Constitution (Local Government: Municipal Systems Act 32 of 2000).

Each municipality must establish a performance management system in order to give effect to its Integrated Development Plan (IDP) and with the purpose of administering it”s affairs in an economical, effective, efficient and accountable manner. The system must be monitored in an ongoing manner and must be reviewed when necessary (Local Government: Municipal Systems Act 32 of 2000).

The performance management system must oblige the municipality to: set appropriate performance indicators in the areas of responsibility of the
structures and functionaries identified as key role players; set performance
targets in those areas of responsibility; measure performance in those areas
against the indicators and targets; evaluate performance in those areas of
responsibility; take steps to improve performance; and establish a process of
regular internal reporting to the Council and external reporting to the public
and appropriate national and provincial organs of state (Local Government:

The Local Government: Municipal Systems Act 32 of 2000 further sets out in
some detail the basic values in respect of administration and staff matters.
The administration of a municipality must be organised in such a manner that
it among other things, is responsible to the needs of the community, facilitates
a culture of public service amongst staff, creates a collective sense of
responsibility for performance. Furthermore, it must delegate and devolve
responsibility to the most effective level within the administration, allow
managers and staff to clearly relate their roles and responsibilities to the
priorities and objectives of the IDP and enable the Municipal Manager to be
held accountable for the overall performance of the administration.

The Council of the Municipality has political oversight over the implementation
of the Local Government: Municipal Systems Act 32 of 2000 and is audited by
The introduction of management excellence programmes can be viewed as
an innovation within the municipal administration and enhances the
performance management system. Senior management will be rewarded by
way of performance bonuses with respect to the amount of creative and
innovative ideas they bring which will indicate their strategic leadership and
management capabilities (Local Government: Municipal Performance
Regulations for Municipal Managers and Managers directly accountable to
Municipal Managers: 2006).

In the said Item (Item Number: HRA 6 (5/6/08) (9/1) stated above, the
Municipal Manager outlined the importance of quality to the Makana
Municipality:
“To effectively render a service to the community in line with the principles enshrined in the Municipal Systems Act 32 of 2000, any service provider must distinguish an organisation through quality and visually demonstrate its commitment to quality. For consumers, who are users of the services, the quality of the services is not negotiable”.

The Municipal Manager states that quality can be integrated into the systems of Council. There are three areas in which quality can be measured, namely:

“quality of service, quality of Council and quality of life”.

There are also three steps that Council can take towards quality control:

“- invest in good human resources selection and training;
- standardise the service-performance process throughout the organisation;
- monitor customer satisfaction through suggestion and complaint systems, stakeholder surveys and comparative analysis.”

The Municipal Manager in the Item (Item Number: HRA 6 (5/6/08) (9/1) argues that the ISO 9001 quality management standards do not impose a standardized bureaucratic system in the organisation. It is unique to each individual organisation. It helps to define the under-mentioned elements of Council"s business and operational practices that should be addressed by the organisational system: management responsibility; quality assurance system (stakeholder liaison, purchasing, sub-contracting and training); legal contracts review; tender contracts and procedures; policy design and control; document date control; purchasing; control of customer supplied product; product identification and traceability; process control; inspection and testing; control of inspection, measuring and testing equipment; inspection and test status; control of non-conforming product; corrective and preventive action; handling, storage, packaging, preservation and delivery; control of quality records; internal quality audits; training, servicing; and statistical techniques.
The above-mentioned elements have been accepted internationally (ISO 9001) and help to contribute towards supplying a consistent service. The organisation is able to use systems that work best for its operations, following a practical, business line of approach.

The Quality and Excellence Manager stated that:

“The reason why the ISO 9001 Quality Management Standards was motivated for was partly because of the Municipal Manager’s experience and exposure to these management excellence frameworks in government as well as the documented success the ISO 9000:2000 Quality Management Standards had in governments, semi-government organisations and in private sector organisations. It was felt that these success stories could be replicated in Makana Municipality”,

The Municipal Manager outlined in an Item (Item Number: HRA 6 (5/6/08) (9/1) the advantages of implementing the ISO 9001 quality management standard: (1) improvement of service quality; (2) improvement of self-esteem of Councillors and Officials; (3) improvement in internal communication; (4) improvement in quality awareness; (5) cultivation of a quality culture; (6) improvement of record keeping; (7) improvement of management efficiency; (8) improvement of client/consumer/customer care; (9) benchmarking a quality management system against the SABS ISO 9000:2000 quality assurance standards will demonstrate to the Makana Municipality’s stakeholders that Council’s service provision is under professional control; and (10) it will serve as testimony that Council is committed to supplying a service that is consistent at all times and will provide assurance and confidence that the quality of service enjoys top priority with the management of the organization. This is all because of the independence, impartiality and integrity of the certification body. The Municipal Manager stated that in terms of time periods, it is envisaged that it would take approximately eighteen to twenty four months before certification is achieved.
The Municipal Manager proposed in the stated Item (Item Number: HRA 6 (5/6/08) (9/1) that the implementation of the ISO 9001 quality management standards at the Makana Municipality be approved by Council in view of the fact that it enhances the systems approach to administrative management of a municipality as envisioned in the Local Government: Municipal Systems Act 32 of 2000.

The Municipal Manager made two recommendations:

“a. That Council approve the implementation of the quality management system (ISO 9001) within the Makana Municipality in order to supplement and enhance the provisions of the Municipal Systems Act, insofar as it relates to performance management;

b. That a policy on quality be formulated for the Makana Municipality.”

On the 01st July 2002, Council resolved [Resolution E6.9.4 (9/1)] as follows:

“a. That Council approves the implementation of the quality management certification systems (ISO 9001) within the Makana Municipality in order to supplement and enhance the provisions of the Municipal Systems Act, in so far as it relates to performance management;

b. That a policy on quality management be formulated for the Makana Municipality;

c. That it be noted that the cost involved is R30 000-00 which is being budgeted for in the 2002/2003 budget.”

After obtaining the said Council resolution, the Municipal Manager forwarded an inter-departmental memorandum dated 09th July 2002 to all heads of departments, section heads, labour unions and councillors, which reads as follows:
“re.: The implementation of a Total Quality Management (TQM) System (See ISO 9001)

Kindly be advised that I have initiated and Council approved the implementation of a Total Quality Management (TQM) system, the South African Bureau of Standards (ISO 9001) for our Municipality.

In our quest to be a world-class leader in development, our administration has to be under-pinned by innovative policies, creative and flexible procedures and comprehensive work instructions. All policies, procedures and work instructions would be documented in accordance with an international standard (ISO – International Standards Organisation). I have appointed a project leader for the implementation of this TQM system in our municipality.

Attached hereto, please find an explanatory note on the ISO 9001 Total Quality Management System. Please bring this to the attention of all your staff at your departmental meetings and affix it on your respective departmental notice boards. Please refer to Council Item Number HRA 6 (5 June 2002) – File reference Number: 9/1 (Human Resources and Administration Portfolio Committee Meeting Agenda – Page 39, Date: 05th June 2002)”.

The Quality and Excellence Manager observed that:

“The fact that Council approved the implementation of the ISO 9001 Quality Management Standards clearly shows that they appreciated the magnitude and huge challenge facing them as political leaders in terms of addressing the historical legacy of under-development in Makana Municipality and the huge expectations that the residents, especially the previously disadvantaged communities had of their political representatives”.

Furthermore, the Quality and Excellence Manager stated that:
“The reality of effective, efficient and accountable service delivery became more apparent to the Executive Mayor, councillors as well as the Municipal Manager and his newly appointed management team. The huge expectations of equitable service delivery, especially from the previously disadvantaged communities came to the fore, when councillors started playing their leadership role and started interacting with their constituencies. The councillors also sensed the huge administrative challenges they faced when they interacted with the municipal administration. They came to realise very quickly that community issues, concerns and grievances could not be processed as quickly and efficiently as they would have liked due to different mind-sets from officials, as well as human, financial and physical resource constraints”.

The huge expectations that the community had of their municipal councillors in ensuring that accelerated service delivery happened and the institutional constraints that they faced came to the fore.

The Quality and Excellence Manager further stated:

“There was a lot of resistance from officials to community grievances channelled through councillors. Officials were not used to taking instructions from councillors nor were they used to working in an integrated manner with councillors, which is now required by new legislation. The Executive Mayoral Committee System of Governance was new to the Makana Municipality. This often resulted in conflict, which had unpleasant consequences for a professional organisational culture and ethos within the municipality. The councillors realised that this state of affairs cannot go on as their performance as councillors as well as their credibility and reputations depended to a large extent on a sound administration.”

The implementation of new legislation within the municipal administration was not as smooth as expected as officials were not used to the new values and concepts therein, thus resulting in resistance on their part.
The Municipal Manager requested the Quality and Excellence Manager in September 2003 to undertake research on South African municipalities with respect to their performance measurement frameworks. In November 2003, the Quality and Excellence Manager stated in a report to the Municipal Manager:

“The Local Government: Municipal Systems Act 32 of 2000 provides a legislative framework for municipalities who should improve their performance on a continuous basis. Broadly speaking, „performance excellence” should be embedded within the organisational and individual employee performance deliverables. Local governments are required by law to provide amongst other things the following:

- a democratic government for local communities;
- to ensure the provision of basic services to local communities in a more sustainable manner;
- to promote and advance social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

In order for the Makana Municipality to meet and fulfil these constitutional requirements, it has become important that we develop a strategy for performance excellence. Such strategy towards performance excellence requires commitment in all levels of our organisation. The nature and character of our organisation is such that we are a local sphere of government expected to provide a range of services to our communities. Any organisation should be able to benchmark its performance and if we look at international best practices and the South African indigenous model for improving performance excellence, the South African Excellence Foundation (SAEF) Model is widely recognised.
It is proposed that the Makana Municipality adopt this model and self-assess its institutional capacity, weaknesses, constraints and benchmark its performance using the SAEF Model. The development of a strategy towards performance excellence must be located within the institutional vision, mission and strategic goals”.

The new legislative requirement of performance measurement necessitated performance to benchmarked against frameworks and models of which self-assessment was integral.

This proposal was discussed and adopted at the Senior Management Meeting in November 2003 and it was felt that the SAEF Model would complement the ISO 9000: 2000 Quality Management Standards. It was argued that whilst the ISO 9001 Quality Management Standards would focus on departmental performance measurement, the SAEF Model would be used to measure organisational performance as a whole. The self-assessment exercise was considered to be an appropriate tool to ascertain the status quo with specific reference to establishing base-line statistics and information in order to measure performance.

9.2.2 Top leadership and management commitment

9.2.2.1 ISO 9001: 2000 QMS

From the 01st July 2002 until the 27th January 2003, senior management meetings were convened by the Municipal Manager together with the senior management team and the Quality and Excellence Manager. The purpose of these senior management meetings was to handle at a strategic level the rollout and implementation of the ISO 9001 quality management standards within the Makana Municipality.

At a quality management meeting held on the 27th September 2002, the Quality and Excellence Manager was appointed as quality management representative. The role of the quality management representative was to: (1)
ensure that processes needed for quality management are established and implemented; (2) report to management on the performance of the quality management system; (3) ensure the promotion of awareness of customer requirements throughout the municipality; (4) liaison with external parties on matters relating to the quality management system; and (5) co-ordinate internal quality audits.

Twenty departmental quality representatives were appointed and collectively they constituted the Quality Committee. The role of the Quality Committee was to: (1) act as an adviser to the Management Review Committee; (2) ensure communication on the quality management activities; (3) meet at regular intervals to report progress of the implementation of the quality management system; and (4) assess day-to-day operations of the quality management system.

A Management Review Committee was also established, chaired by the Municipal Manager and comprising the Quality and Excellence Manager and the Directors: Corporate Services, Finance, Social and Community Services and Technical and Infrastructural Services respectively.

The role of the Management Review Committee was to: (1) ensure that processes needed for quality management are established and implemented; (2) establish a quality policy; (3) establish quality management system planning; (4) establish quality objectives at all levels of the municipality; (5) define responsibilities and authorities; (6) ensure appropriate communication; (7) ensure resources and infrastructure are available; (8) review performance of the quality management system; and (9) ensure the promotion of awareness of customer requirements throughout the municipality.

Besides the senior management meetings, a quality representative committee consultative meeting was held on the 29th January 2003, the identification and drafting of procedures pertaining to the operational management in each municipal department was dealt with. The Quality and Excellence Manager
handed out a document with a flow diagram depicting the steps to be taken to achieve success with the quality management system.

He requested all quality representatives to complete their deadlines timeously. He also emphasised that as procedures are written, that they are submitted as soon as possible in order to prevent bottlenecks in terms of the compilation of procedure manuals. At this meeting, it also became clear that although all quality representatives were keen to make a success of the implementation of the quality management system, they highlighted capacity problems, such as staff shortages and work pressure, which negatively impacted on them not meeting their deadlines.

According to an Implementation Report (29th January 2003) of the Quality and Excellence Manager, with regards to the delay in drafting processes and procedures, and the compilation of procedure manuals:

“It must be noted that I have failed, despite numerous attempts to secure meetings with the relevant Directors, with a view to obtaining their support and requesting their urgent intervention, to ensure that their respective quality representatives in their departments timeously meet their deadlines. I also have tried to escalate this matter to the Municipal Manager as well. However, the Municipal Manager is under pressure on other fronts and is constantly required to be out of the office with the Executive Mayor and Councillors attending district, provincial and national government meetings.

Furthermore, the identified quality representatives are also under work pressure in respect of their own job descriptions and view the implementation of the ISO 9001 QMS as an added burden. I have also tried to convince the Heads of Departments (HODs) that this is a wrong perception and that they need to provide administrative leadership herein so as to ensure that all our deadlines are met. A comment from them is that this is all well and fine, however they are severely hampered by staff shortages.
The Municipal Manager need to seriously address another management issue, which I believe only he can do, by virtue of his position, namely: there is no trust and „working-relationship” between some of the Directors and HODs. Some of them are not on speaking terms and communicate only through their junior officials. I must respectfully add that this is a totally unsatisfactory state of affairs and I cannot see how the ISO 9001 QMS is going to be successfully implemented, without the buy-in of all Directors and HODs.

Another observation that I have made is that certain Councillors have an inordinate amount of influence over certain officials and there seems to be an attempt in certain political quarters to frustrate this programme. I would request the Municipal Manager to discuss this matter with the Executive Mayor, the Speaker of Council as well as the Executive Mayoral Committee”.

There was a lack of senior leadership and management commitment and teamwork.

As a Fire and Rescue Services Officer stated:

“Staff in the Fire and Rescue Services Department had negative attitudes because they viewed the implementation of the ISO 9001 QMS as extra work that is required of them. We already were faced with responding to crises and had to work in an environment where there is a constant shortage of resources in order to execute our mandate. I do not see how these performance frameworks will assist us in our day-to-day operations. I think it is a waste of time.”

Staff were negative with regards to the implementation process because of added work and their concern for resource allocation.

In February 2003, the Municipal Manager tabled an Item to the Corporate Services Portfolio Committee (Item: 3/1-02/2003) detailing the progress made
in the implementation of the ISO 9001 QMS and the concerns and challenges being faced. The Municipal Manager stated in this regard:

“The Honourable Councillors must please appreciate the fact of the importance of this programme and the benefits that it hold for a stable municipal administration and effective and efficient service delivery. Much more resources, namely financial and human resources are needed to be approved by Council to ensure that the integrity of the implementation process is not compromised whatsoever. It is therefore respectfully requested that the appropriate resources requested be approved by Council”.

The importance of the senior leadership and management commitment to providing resources was highlighted.

According to the minutes of a Management Meeting dated 15th February 2003, the Municipal Manager:

“Requested that Directors and HODs work together as a professional team, despite their personal differences so as to ensure that the implementation of the ISO 9001 QMS is a success”.

The Municipal Manager emphasised teamwork.

However, during the period March 2003 until July 2004 the programme was suspended due to political and administrative instability as a result of a legal dispute by the Director: Corporate Services.

A Nursing Sister who was initially enthusiastic about the implementation of the QMS stated:

“Due to political infighting and disagreements amongst councillors, various municipal programmes and projects, such as the QMS, could not be implemented as envisaged because the politicians failed to provide the necessary support and oversight over the administration. There was constant
political interference in the administration, which resulted in officials being afraid of „not toeing the line” and were concerned with their job security. Some officials, who had political agendas, deliberately tried to frustrate the implementation of the QMS, and reported directly to councillors instead of their respective administrative managers”.

In this regard, a Finance Officer stated:

“How do you expect us to implement these „nice-to-have” frameworks and models which talks about world-class service delivery, when the councillors who are supposed to be our leaders are at each other’s throats all the time. Furthermore, they do not understand the distinction between playing their oversight role as politicians over the administration and leaving officials to be administrators. Councillors are constantly interfering in our work, which is making the work environment intolerable”.

Leadership and management commitment further was highlighted.

Furthermore, another Director was often on sick leave and sadly passed away leaving a leadership and management vacuum in the key service delivery Directorate of Technical and Infrastructural Services. There were also many staff resignations during this period, which resulted in low morale amongst staff. Staff became negative towards the implementation of the ISO 9001 QMS because of additional burdens due to staff shortages. As a result of this, the implementation of the ISO 9001 QMS could not proceed as originally envisaged.

9.2.2.2 SAEF Model

When the SAEF Model was approved for implementation in September 2003, it was thought by Officials that the challenges experienced in the implementation of the ISO 9001 QMS with specific reference to senior leadership and management commitment, would serve as lessons learned so that it may not be repeated. However, this did not occur.
In the Quality and Excellence Managers" Report (20th March 2004):

“The same frustrations that was experienced during the implementation of the ISO 9001 QMS is now being experienced with the implementation of the SAEF Model with regards to the lack of senior leadership and management support and commitment”.

As an Administration Manager stated:

“Our requests to management for more resources to implement the SAEF Model just falls on deaf ears. How are we expected to meet the SAEF Model implementation deadlines without the support of the Municipal Manager and his Directors? In view of the fact that senior executive management have been appointed by the ruling party in the Council, we can understand that they do not „want to upset the apple-cart”. However, we are expected to implement these performance management frameworks without Management and Councillors appreciating the tremendous resource constraints we are faced with. It is totally unfair”.

Senior leadership and management commitment was absent as well as resource constraints.

9.2.3 Training and education

9.2.3.1 ISO 9001: 2000 QMS

Staff from various municipal departments was sent on training courses and workshops on the implementation of quality management systems. All quality representatives were to be trained by the South African Bureau of Standards (SABS) Training Centre in the Course: Implementation and Evaluation of Quality Management Systems, which would cover the following areas: (1) Introduction to quality management ISO 9001; (2) Implementation and documentation of quality management system; and (3) Quality Audit Practice.
A Librarian stated that:

“We were given the opportunity to attend training courses pertaining to the implementation of ISO 9001 QMS. I found the course very interesting and empowering, as it was the first time I encountered such concepts such as: customers, process management, quality, continuous improvement and excellence. We are used to implementing directives, regulations, policies and procedures from the various municipal laws and ordinances.

The course opened my mind in the sense that it was for the first time that emphasis was placed on an individual Official in local government being given the space to share his ideas as to how established routines and practices in our line of duty can be improved for the betterment of service delivery”.

However, a Traffic Officer took a different view:

“This course is a waste of time. However, I enjoyed meeting new people at the training venue and it was good to be out of the office for a change. These concepts of quality management are too complex and difficult for me to understand. All I want to do is implement the municipal policies and ensure that the work gets done. Period. This „quality nonsense“ must be addressed by management. They must get the procedures written down clearly so that we can implement them. After all, those fat cats are getting paid handsomely for sitting in endless meetings all day and enjoying sumptuous lunches and dinners. It’s about time that they do some real work”.

Furthermore, an Environmental Health Officer stated:

“The training course was certainly interesting. However, I am realising that it will take some time for us to digest these new concepts and apply them in the workplace. What is critical for me is that we need dedicated staff to implement ISO 9001 QMS as it involves a lot of work, especially given the uphill battle of changing bureaucratic mindsets within the municipality. In my
Staff had different views of the training programmes.

9.2.3.2 SAEF Model

When the SAEF Model was implemented, no training was given to the Directors, HODs or the departmental representatives. They were invited to participate in a two-day self-assessment workshop and briefed on the requirements of a successful self-assessment exercise by the Consultant. According to the Quality and Excellence Manager:

“The lack of initial training of the SAEF Model was a serious setback. The first time Directors, HODs and departmental representatives had exposure to the SAEF Model was in the two-day self-assessment workshop. The resultant effect of this was that for nearly half of the duration of the workshop, concepts and issues pertaining to the SAEF Model had to be clarified and explained in detail by the Consultant.

The said participants could not see the bigger picture of where the SAEF Model fits in to the overall administration of the Makana Municipality and the importance of implementing the SAEF Model so as to foster a culture of performance excellence.”

There was a lack of sufficient and adequate training.

9.2.4 The use of consultants

9.2.4.1 ISO 9001: 2000 QMS

Due to the above-mentioned challenges which the Municipality was confronted with, it was decided by management that an independent consultant be appointed to advise on the implementation of the quality
management system. This was decided upon because it was felt that a dedicated champion was needed to get the implementation process back on track whilst Council and Management attended to the administrative challenges facing the Municipality such as recruitment and selection of staff.

On the 25th September 2004, a QMS Consultant was appointed with the following terms of reference: (1) assess the current phase of the Makana QMS and typical problems that are encountered at this stage; (2) possible methods of overcoming the problems; (3) next steps to follow up accreditation; and (4) how to address other plans (ISO 14001: 2004 EMS and excellence models).

The QMS Consultant’s main recommendations (Report, 29th October 2004) were that there was a general lack of ownership amongst staff of their daily activities:

“It is very important to remember that ISO 9001 is aimed at ensuring that the identified process owner (not just the Head of Department, but also the staff that interact with the process) take ownership of the process.

This means that they need to take responsibility for the following:

- that the process and supporting documents are current and accurate;
- that any changes or improvements are identified and addressed (changes need to be tabled with the quality representative for inclusion into the QMS);
- performance and efficiency of the process.

The Quality and Excellence Manager in his Implementation Progress Report (15th December 2004) expressed misgivings about the role of the Consultant:

“I can understand the need and rationale for soliciting the services of the Consultant, and I believe that he has added some value to our ISO 9001
project. However, I have serious misgivings as to how he operates and his lack of understanding of the municipal environment and municipal policies and procedures.

The Consultant is a very knowledgeable person on quality management standards as he has extensive experience in this regard in the private sector. However, he is found wanting in local government. Due to the non-co-operation of certain staff, he has taken it upon himself to compile their procedure manuals himself just to get the work done”. Although this is not his fault, as he wants to complete his mandate and sign off his assignment as soon as possible so that he can get paid on time, this has the effect of the procedure manuals becoming a Consultant’s document with no skills transfer to the Officials concerned. This has the effect of the concerned Officials not taking ownership of the very same policies and procedures, which they are required to implement.

Furthermore, the Consultant is based outside the Eastern Cape Province full-time and is only present in Grahamstown for two days in a month. This makes it very difficult for me to work with him closely so that we can share our ideas and address our challenges jointly. I am afraid that once his assignment with the Municipality is completed, that is the last we are going to hear of him”.

The consultant had no experience of the local government sector and there was a challenge with skills transfer.

After the Consultant’s Report was received, the Quality and Excellence Manager attended to the implementation of the Consultant’s recommendations. However, in January 2005, the Quality and Excellence Manager resigned from the Municipality. This resulted in a further interruption of approximately four months until a new Quality and Excellence Manager was appointed.
A comprehensive „rescue plan“ was immediately initiated by the Municipal Manager and it was decided by senior management in January 2005 to concentrate on obtaining certification in eight municipal departments, namely Corporate Services (Administration and Human Resources), Finance, Traffic and Licensing Services, Fire and Rescue Services, Library Services, Environmental Health and Cleansing and Primary Health Care Services instead of the entire municipality. The reason for this was because these departments were far advanced in the implementation of the QMS. The rest of the municipal departments would be addressed in a second phase of the implementation process after the eight municipal departments had first obtained certification to the ISO 9001 Standards by the South African Bureau of Standards.

9.2.4.2 SAEF Model

This self-assessment workshop was facilitated by an independent consultant. The purpose of the workshop was threefold. In the first instance, the sessions aimed to create a level of understanding amongst management of the general concepts and criteria of excellence as determined by the South African Excellence Foundation. In the second instance, the sessions aimed to demonstrate the competitive advantage that organisations can derive, from alternative approaches to working and thereby generating a list of strengths and areas for improvement for the organisation in the form of a score that can be used to measure future improvement actions. Finally delegates were asked to identify two or three initiatives that could be implemented in the next three to four months that would kick start the improvement process.

The self-assessment workshop was conducted over two days on site at the Makana Municipality in the Council Chambers in Grahamstown. After an initial introduction, and some opening remarks pertaining to excellence in the government context from the Municipal Manager, a presentation over the criteria and criterion parts of the SAEF Model was delivered by the consultant.
After fielding and answering some questions for clarification, the delegates commenced with the actual self-assessment. As an initial exercise, all delegates were asked to complete criteria 4 – People Management – to ensure uniformity and calibration of the scoring technique. After reviewing the effectiveness of this component of the assessment (Criteria 4), the facilitator proceeded to instruct the delegates to complete the remainder of the Assessment Questionnaire. All the delegates were required to hand in a completed assessment document at the close of day one.

Day two commenced with the delegates reviewing the individual manager’s scores. A number of in-congruencies were discovered amongst the scores, which were put forward and after a short plenary discussion, the delegates were broken into three groups to discuss each of the various individual scores and attempt to reach consensus on these. The three groups then presented their consensus findings back to the plenary and further debates were held pertaining to the variations evident in the scores, along with the explanations that had been put forward for these – by the group spokespeople. Spirited discussion followed and consensus was eventually achieved, after which the group moved into action planning mode.

According to the Report of the independent consultant dated November 2006:

“this was the first self-assessment performed by the management of the Makana Municipality. As with all organisations, there was a tendency to see some erratic scoring, with variances as high as 50%. This is normal, and results because the majority of respondents are still using a perception basis for their information sources. As the delegates become more schooled in the art of self-assessment, and demand more evidence based information, we are likely to see the scoring become a little tighter and more hostile (that is, the scores should drop). The high variances must be seen in this context – most organisations will tend to score themselves up in year one and down in year two.”
As the continuous improvement initiatives are implemented and resistance to self-assessment falls away, the scoring will become more realistic, and the use of benchmarks can be applied. (it would be wrong to benchmark after this first assessment). On a whole however, the value in this process has been to get the managers looking at system improvement and linking their thinking to the performance cycle. The three initiatives chosen for quarter one are nice and realistic and will, if followed through would give the organisation a good platform to build on for the next quarter. It is imperative that leadership continues with the message, continuous improvement and excellence are now a new way of working at Makana, with self-assessment being a key strategic review tool that will provide the roadmap to excellence”.

A Finance Manager stated:

“I now understand why benchmarking and self-assessment is important. It will assist councillors and officials in obtaining a holistic overview of the challenges facing the municipality. However, what really bothers me is that only a minority of councillors have a clue as to these quality and excellence concepts, despite the fact that Council resolved to adopt and implement them in the municipality. Councillors are attacking us as officials in meetings, but they do not realise the immense pressures that we are faced with to deliver decent services to the community. If only they could support us as officials, then it would be a real pleasure to “row the boat together” and enthusiastically embrace and champion the quality and excellence frameworks”.

Despite staff”s initial challenges with the self-assessment exercise, they eventually embraced the ideas of continuous improvement and benchmarking.
However, the Quality and Excellence Manager stated:

"The issue of skills transfer is of paramount importance. The Consultant is very good and it would have been nice to have extended his services so that we could have had the benefit of more of his insight into performance frameworks and models. However, due to budgetary constraints this could not happen. If we engaged his services for a longer period, I am sure that more Officials could have appreciated the importance of organisational performance management and this new type of thinking could have been "main-streamed" in the ordinary working lives of our staff".

Due to resource constraints, the consultant could not transfer skills to staff.

9.2.5 Lack of auditor's knowledge

9.2.5.1 ISO 9001: 2000 QMS

In February 2005, the Municipal Manager requested the SABS to conduct an evaluation of the QMS documentation so as to ascertain the gaps and areas of challenges. The SABS conducted their evaluation in terms of the following ISO 9001 (International Standards Organisation, 2005: 09) criteria: (1) Who is the customer? (Who receives the output from the process?). This might be an internal customer, within another area of the same local government, or an external customer such as a citizen who is receiving a service; (2) What are the main inputs to the process? (for example, information, legal requirements, national and/or regional government policies, materials, and energy, human and financial resources); (3) What are the desired outputs? (for example, what are the characteristics of the service to be provided?); (4) What controls are needed to verify the process performance and/or results? (5) What is the interaction with other local government processes? (outputs from one process typically form inputs into other processes).

Typical examples of some local government processes according to the International Standards Organisation (2005: 10) include: (1) strategic
management processes to determine the local government’s role in the socio-economic environment; (2) provision of resources and the capacity to provide the local government services; (3) processes needed to maintain the work environment; (4) preparation, revision and updating of development plans and work programmes; (5) monitoring and assessment of the service provision process; (6) transparent internal and external communication processes; (7) these should include citizen involvement mechanisms that promote dialogue with internal and external interested parties to encourage a shared understanding on local government issues, aspects and performance; (8) processes to address emergency preparedness and response to crises.

The Quality and Excellence Manager stated:

“The Auditors were very professional and we learnt a lot in our interactions with them. However, it became clear to us that they were used to auditing quality management systems in the private sector and they were not used to auditing in the public sector and local government or municipalities. In fact, they confessed to us that this was the first municipality that they were auditing and certain concepts pertaining to the service delivery and the notion of the customer in local government were new to them”.

The auditors did not have previous experience in the public sector and were used to working in the private sector.

The SABS then submitted its Report on the 28th February 2005 raising concerns, which related mainly to the compilation of quality management system documentation, interaction between processes, records control, internal quality audits procedure governing measurement methods and the evaluation of process performance, corrective action procedures, preventative action procedures and the use of risk analysis tools.
9.2.6 Organisational culture and maturity

9.2.6.1 ISO 9001: 2000 QMS

The Consultant in his Report (29\textsuperscript{th} October 2004) stated:

*It is noted with regret that the organisational culture at the present moment is rigid and bureaucratic with Officials „set in their ways and thinking” and are simply not open to new methods and ideas of working. What is also disturbing is the culture of fear in the administration as Officials are afraid of the politicians. In my numerous interactions with Officials, they have privately expressed to me how certain councillors are using some Officials to deliberately undermine their superiors. This type of organisational climate breeds fear, mistrust, animosity and is certainly not conducive and healthy for sound professional working relationships.*

*I might also add, that after conducting an „environmental scan” of the Makana Municipality, it is my respectful submission that the fundamentals of sound management and leadership need to be in place first, before the ISO 9001 QMS is fully implemented. If this is not done, I believe that failure would be inevitable with huge losses in terms of human and financial resources. With the prevailing negative political climate impacting on the Makana Municipality and the administrative instability, I do not foresee the ISO 9001 QMS will be a success.*

*However, all is not lost. The Municipal Manager and his management team together with the councillors can rescue the situation by start working as a team to ensure that sound management and governance systems are in place to give effect to effective, efficient and accountable service delivery*.

The organisational culture was not conducive to the reception of quality management standards.
In March 2005, a new Quality and Excellence Manager led the process of ensuring that the gaps and challenges that were identified both by the independent QMS Consultant and the SABS were addressed, improved upon, corrected and that the Makana QMS should be in full compliance with the ISO 9001 QMS by the end of 2005. This was done collectively by quality representatives together with respective staff members in the eight municipal departments.

From this time onwards (that is, 2005) there was an improvement in staff perceptions of the quality management system, which are reflected hereunder.

The Librarian stated:

“Employees understand the bigger picture and their important role and their value in the municipality. We now see where our department fits in the overall mandate of local government. Previously, we did not even take an interest in what is happening in other municipal departments. Now we understand how our department’s activities contribute to another municipal department’s goals”.

A Finance Official stated:

“There are measurable goals laid down for each individual. It is easy to measure performance now. QMS makes the employees to understand the vision, values, goals and the objectives of the municipality. Staff have been developed and they have a feeling of belonging in the municipality and have a sense of ownership of the processes. Employees are more customer focused than ever before, they now know how much their stakeholders are important to them”.

Another Official from the Corporate Services Directorate stated:
“It is gratifying to note that we are working for a municipality which has been nationally and internationally recognised and which has been accredited by an independent certification body such as the South African Bureau of Standards (SABS). This will definitely raise our profile in local government and also be a boost to our careers and personal development”.

Over a period of time, staff came to realise the benefits and value of quality management standards.

The majority of respondents have concurred that with the implementation of the SABS ISO 9001 QMS, it has become an established way of working in their respective departments. When asked whether the QMS is in operation on a daily basis,

An Official from the Fire Department stated:

“... all that we do now is contained in operational manuals”, and

An Official from the Traffic and Licensing Department further stated:

“Now all our procedures and processes are defined and documented”.

The ISO 9001 QMS are established to a certain extent and institutionalised within the operations of the eight certified departments of the Makana Municipality, namely Administration, Human Resources, Finance, Primary Health Care Services, Traffic and Licensing Services, Fire and Rescue Services, Environmental Health Services and Library Services. There has not been full institutionalisation as not all staff in the respective departments have supported the QMS and due to the high staff turnover and resultant skills shortage, new staff still have to understand the QMS.

To a major extent, partial institutionalisation of the QMS can be ascertained from the following: Firstly, the annual accreditation and audit fees of the SABS are budgeted for in the annual municipal budget. Regular surveillance quality
audits are carried out throughout the year by the SABS where findings are highlighted and brought to the attention of management. Management, together with the Quality and Excellence Manager, then attend to these audit queries.

Monthly quality management system reports are tabled before Council’s Corporate Services Portfolio Committee with recommendations and resolutions are obtained at the monthly Executive Mayoral Committee Meetings. By tabling QMS reports to the Corporate Services Portfolio Committee and the Executive Mayoral Committee, this ensures that there is political oversight over the strategic administrative management system.

From the 12th until the 14th December 2005, the SABS conducted a full QMS assessment in the eight municipal departments. This entailed evaluating the existing quality management practices against the criteria as encapsulated in the ISO 9000: 2000 Quality Management Standard. On the 23rd December 2005, the SABS issued its Assessment Report, which yielded fifty three (53) findings and re-evaluations that senior management had to address and rectify. This was a normal number of findings given the scope of the departments that had to be audited. A period of three months to rectify the recorded findings was granted to the Makana Municipality before the SABS could grant the Municipality full certification.

The fifty three findings were duly attended to and addressed and the SABS auditors re-assessed Makana between the 21st and 22nd February 2006. The Regional Manager of SABS Commercial (Pty) Ltd – Eastern Cape, Mr Gerrie Pieterse based in Port Elizabeth, in a letter dated 28th February 2006 stated:

“I have pleasure in confirming that the deficiencies listed in the Report No. 05A55/2822/2626584 dated 23/12/2005 have been successfully cleared.”

The SABS certified the Makana Municipality as ISO 9001 compliant on the 28th February 2006, thus becoming the first municipality in the Republic of South Africa to be certified in eight municipal departments.
9.2.6.2 SAEF Model

At this meeting the Quality and Excellence Manager outlined the implementation process in two phases, namely: A presentation would be made to the management team (Municipal Manager, Directors and Heads of Departments) through a two hour workshop where an overview of performance excellence will be outlined. The overview would comprise an introduction to the SAEF Model and how it links with the Makana Municipality’s Corporate Governance system. The workshop will also identify the relationship of all criteria of the SAEF Model to that of the strategic and operational management of the Makana Municipality.

Following the overview workshop, a performance excellence team consisting of departmental representatives, who had top management support was formed and was trained on using the SAEF Model for self-assessment purposes. This team was led by the Quality and Excellence Manager. The performance excellence team was responsible for the communication to all employees and coordinated performance excellence projects in their respective Directorates and Departments.

A detailed implementation plan was drawn up by the Quality and Excellence Manager in November 2003 as follows:

- “Identify and select a cross functional SAEF Model Team (November 2003-March 2004);
- Facilitate the use of the South African Excellence Model (SAEM) Forum at Municipality level;
- Facilitate the selection of new SAEM champions per department/assessors;
- Co-ordinate the distribution and collect SAEM nomination forms;
- Compile a database of champions;
- Conduct the first SAEM Team meetings to explain the operation, roles and responsibilities;
- Facilitate the venue and workshop arrangements;
- Compile a SAEM transversal (comprising cross-departmental representatives) team;
- Select SAEM transversal team members;
- Facilitate and review departmental SAEM project plans;
- Facilitate training for all departmental SAEM champions (February 2004-April 2004);
- Conduct training for all senior managers;
- Conduct training for all SAEM champions elected at departmental level;
- Identify and select service providers to assist in the departmental SAEM self assessment (January 2004-April 2004);
- Develop terms of reference for service providers;
- Develop a department specific project plan for self-assessment implementation and progress;
- Set up a monitoring and evaluation system to monitor corrective action implementation;
- Analyse and evaluate the impact of SAEM on the Makana Municipality;
- Roll-out SAEM programme to all departments (April 2004-October 2004);
- Develop an overall project plan to monitor the self-assessment progress of the Municipality; and
- Conduct workshops and road show to empower all stakeholders in the Municipality’s jurisdiction.”

A detailed „road-map” in respect of the implementation of the SAEF Model was thus formulated.

However, as was the case with the ISO 9001 Quality Management programme, due to institutional instability, staff shortages and resource constraints, the First Self-Assessment Workshop could only take place in November 2006.
A Finance Manager stated:

“These performance excellence frameworks will work well in the private sector where there is stability and professionalism. Staff in companies are goal orientated and are profit driven. Resources are also given to these staff so that the implementation of these frameworks are successful, as the very survival of the company depends on it having a competitive edge of their rivals in their particular industry. I really cannot see for the dear life of me how this is going to work in local government given the political instability, personal agendas of councillors and the corrupt tendencies of certain councillors and officials. It is all well and good to have these noble concepts in local government as the resident or ratepayer must obtain value for money in terms of the services rendered, however if the leaders of this institution act contrary to the values espoused in the South African Excellence Model, then the entire exercise is a farce and will simply lead to nothing”.

A Human Resources Official further stated:

“These concepts of benchmarking, performance management and excellence are new to us. We do not need these ‘New Age’ concepts. What we need is staff, equipment and finance to do our jobs in an excellent way. All this jargon will not address the core problem that we are faced with on a daily basis. It is simply a time-waster. However, we will have to comply because it is an instruction from management but I cannot see how this is going to turn around things in the municipality. The Councillors and management must address the real and core issues first before instructing us to sit in endless workshops”.

Cynicism about the success of the SAEF Model was expressed.

Due to corporate governance problems at the South African Excellence Foundation headquarters in Pretoria during the whole of 2006, the adjudication and excellence awards process was suspended. This had a negative impact on the Makana Municipality not continuing with this
benchmarking exercise until further clarity was forthcoming from the Department of Trade and Industry with regard to the future of the South African Excellence Model and Excellence Awards. Furthermore, due to critical staff shortages and political instability within the Makana Municipality, which impacted on the administration, the implementation of the SAEF Model could not proceed as originally planned and was suspended.

9.2.7 Good data collection for self-assessment

9.2.7.1 SAEF Model

During the two-day self-assessment workshop, it emerged that in order for self-assessment against the SAEF Model to be successful, good, sound baseline information is required, in order for continuous improvement of municipal processes to take place as well as for measurement purposes. In this regard, the Consultant stated:

“The lack of reliable information and data to act as baseline indicators so as to improve and measure municipal processes proved to be a major challenge. There simply was not reliable existing information. The Municipality’s Registry and Archives are in a total mess with many important records and information mislaid and lost due to incompetence and negligence of staff working in that section. Furthermore, during the amalgamation process of different municipalities into one Makana Municipality in 2000, many valuable records and municipal statistical documents were irretrievably lost.

It was only then realised the magnitude of the problem facing the Municipality in terms of establishing credible and reliable benchmarks so as not to compromise the integrity of the implementation process of the SAEF Model”.

Credible statistics, records and indicators are imperative if self-assessment is to be a meaningful exercise.
9.2.8 Integration with Performance Management System

9.2.8.1 ISO 9001: 2000 QMS & SAEF Model

During the implementation of both the ISO 9001 QMS and SAEF Model, a comprehensive performance management system (PMS) funded by the Development Bank of Southern Africa (DBSA) and implemented by a consultant namely: Howard Cook and Associates was also being implemented. It soon became clear that all three systems, namely: the Howard Cook PMS, the ISO 9001 QMS and the SAEF Model were actually similar in substantive content. The Quality and Excellence Manager, in this regard stated:

“We soon realised that we are basically speaking the same language here but with emphasis on different aspects of organisational processes. Quality management standards, excellence models and the measurement of key performance areas (KPAs) and key performance indicators (KPIs) are actually complementary to each other and not mutually exclusive to each other. They can be effectively integrated into one comprehensive municipal performance management system. However, I do not think we are at that stage as yet as we are still in the very early stages of journey to a performance-oriented culture.

Notwithstanding this, we must adopt this integrated approach as the municipality stabilises and matures”.

The integration of quality management standards, excellence models and performance management standards was emphasised.

9.3 Second research site: Drakenstein Municipality, Paarl, Western Cape Province, Republic of South Africa

The governance and management structures of the Drakenstein Municipality are as follows (Drakenstein Municipality Organogram, 2006):
The Executive Mayor is the executive head of the municipality with the Municipal Manager as the administrative head, reporting directly to the Executive Mayor. The Speaker is the legislative head as the chairperson of the full council. An executive mayoral committee, consisting of councillors who also act as portfolio committee chairpersons, are appointed by the Executive Mayor to advise her on political and governance issues. Thus, it can be stated that the Executive Mayor, Speaker, Members of the Executive Mayoral Committee and Councillors are elected officials and the Municipal Manager and his executive managers are appointed officials.

9.3.1 Motivations

9.3.1.1 ISO 14001: 2004 (EMS)

The main motivations for implementing the ISO 14001 EMS was to enhance environmental accountability within the operations of the Drakenstein Municipality.

According to a Civil Engineering Official,

“The implementation of the EMS was voluntary and we were not compelled by legislation to do so. The implementation of the EMS was needs driven and it was not meant to achieve an award or certification. As part of the Drakenstein Municipality’s IDP, the EMS was identified by the Environmental Section of the Directorate: Infrastructure and Planning as a sector plan to co-ordinate environmental planning, control and monitoring of infrastructure projects. The need further arose due to continued awareness training by the North-West University and the German Donor Development Consultancy, namely Konrad-Adenauer-Stiftung over the last three to four years to Provincial and Local Government Officials in the Western Cape Province”.

According to an Environmental Official:
Lots of research went into the planning of the implementation. Having an environmental background the benefits was always known as I kept abreast with the latest news and business processes. I was aware of municipalities implementing new management and business processes as part of becoming more green.

A Civil Engineering Official stated:

“We did do some preliminary investigation but were aware that EMS has had great results in other local authorities. The Drakenstein Municipality is an environmentally sensitive area. Negative impact on the environment can have far-reaching implications for tourism, local economic development and the general quality of life for its residents. The Drakenstein Municipality, being the second largest municipality, after the City of Cape Town, in the Western Cape Province, was expected by residents and business to ensure that appropriate and sustainable systems are in place to ensure that all aspects of the environment are protected.”

The adoption of the EMS was voluntary and officials were aware of its benefits from other municipalities.

The Consultant, explained at length that there were various pressures driving the Drakenstein Municipality to establish an EMS, namely:

“Authorities at all levels are strengthening control over activities that have or may have a detrimental effect on the environment. New and more serious civil and criminal penalties are imposed for the violation of environmental permits and laws, particularly if the violation leads to a risk to health or to long-term damage of natural resources such as groundwater or soil quality.

Organisations are no longer licensed to operate without paying attention to environmental issues. Consumers increasingly favour products and services that are produced and rendered under conditions that are viewed as less detrimental to the environment. Stakeholders such as financial institutions
and insurance companies increasingly evaluate the environmental performance of organisations when estimating their risk profiles. Shareholders and employees may also exert pressure on an organisation to improve its environmental performance. Environmental interest groups, consumers and the local community are all important stakeholders in assessing the environmental performance of organisations and to pressurise organisations to improve their environmental performance.

Many local authorities are dependent on private investment or cooperation with the private sector to be able to carry out development projects. It has been demonstrated elsewhere that the private sector is generally more willing to adopt sound environmental management practices if all spheres of government lead by example. Both of these issues are important in a context where many local authorities are being required to provide both incentives for and the context within which economic development and job creation can take place.

In South Africa the inverse is also true as poverty is often associated with environmental injustice. The poor suffer from a lack of services, exposure to pollution and poor environmental quality. A systematic approach to environmental enhancement is also an important element in addressing quality of life issues of the poor and to eradicate environmental injustice.

Competitiveness issues apply to both private enterprises and local authorities. Tourists increasingly want assurances that adequate environmental protection measures are in place before they visit a city or town. In Japan and elsewhere in Asia, local authorities have adopted EMS to attract investments based on clean technologies and to clean up existing industries. This is as a result of a decline of residents and businesses in big local authorities due to the reduction in quality of life. This has meant that the tax base of local governments has been eroded and action needs to be taken to counteract this trend. Modern investors increasingly look for local authorities that offer a sustainable future that is pollution and crime free. Many municipalities have
included improvement in environmental quality as an essential ingredient to their local economic development (LED) initiatives.

Organisations that find ways of reducing or eliminating pollution, waste and inefficient energy consumption are able to achieve significant savings and thus be more competitive. Most development banks and insurance companies often demand environmental soundness before they take on new clients or extend services to existing clients. Some development banks are investigating the potential contribution of an EMS to reduce risks associated with financing infrastructural projects for local authorities as they argue that environmental impact assessments (EIAs) alone do not reduce risks of defaults on payments. EMSs, on the other hand, enable organisations to foresee the impacts of regulatory developments on their activities and they are, therefore, in a position to reduce the cost of compliance. Increasingly local authorities adopt EMSs to enable them to capitalise on savings due to improved efficiencies.”

The main pressure to adopt an EMS was to be proactive in mitigating risks pertaining to environmental degradation.

**9.3.1.2 ISO 9001: 2008 (QMS)**

The Drakenstein Municipality initiated the implementation of the ISO 9001: 2008 QMS in June 2009. Due to the complex environment with which local government is associated with, it was agreed that the envisaged implementation of the ISO 9001: 2008 QMS be undertaken in a phased approach using two departments /units as pilot projects. In this regard, the Town Planning Department and the Tourism Unit was selected (TQM – ISO 9001 Implementation Report: 16th July 2010).

According to the PMS and TQM Officer:

“A decision was made to implement a TQM System based on its potential positives for the Drakenstein Municipality to continuously strive for better
service delivery. This decision was also taken in the spirit of the White Paper on Local Government which clearly promotes developmental local government, whereby, amongst others, requires local government to lead and learn.

I believe that executive management was motivated for two reasons, namely: (1) The intended outcomes of the decision to implement the ISO 9001: 2008 QMS was to ensure that services, as provided to the community of Drakenstein, are optimised in an efficient and effective manner. Also, it is to ensure the continuous enhancement of service delivery outputs and outcomes to the community; (2) Another intended outcome of the decision to implement a TQM system was to re-examine municipal processes and to be able to ascertain if these municipal processes and models promote the spirit and purport of the White Paper on Local Government. Thus, being a developmental local government in the South African context requires active pursuing of service delivery models and practices which will bring local government in closer harmony with its stakeholders”.

Senior management was motivated to continuous improvement in service delivery by the principles and values of the White Paper on Local Government.

9.3.2 Top leadership and management commitment

9.3.2.1 ISO 14001: 2004 EMS

Senior executive management consisting of the Municipal Manager and Executive Directors committed themselves to the implementation of the ISO 14001 EMS from the very beginning. The EMS was launched on 13th June 2007. Following the launch of the EMS in, the Centre for Environmental Management (CEM) from the University of the North-West was contracted to play a major role in the facilitation of the implementation of Phase 1 of the EMS programme, which largely involved the transfer of knowledge to key role-players.
At this launch it was agreed that two teams were needed to drive the process. The teams consisted of the Project Implementation Team (PIT) and the Project Management Team (PMT). The PIT was started with core representatives from Civil Engineering Services Department and Planning and Economic Development, including section Heads, Line Managers and Specialists. The role of the PIT was to take responsibility of the operational implementation of the EMS. The PMT was designed to provide strategic guidance for the implementation of the EMS. This team comprised the Municipal Manager and appropriate executive directors of the Council, together with political representation in the form of a portfolio councillor. The establishment of the PIT and PMT was in line with the development of EMS systems in other counties and according to the international standards organisation (ISO).

Drakenstein Municipality assigned their Principal Technician to be the Project Manager during the implementation process. The first two months were mainly concerned with planning and developing the necessary documentation for the purposes of the transference of knowledge with regard to such issues as EMS policy, EMS implementation, risk assessment and management, legal and legislative procedures, reviewing the structure of the organogram of the municipality, business processes, and the structures, mechanisms and planning modalities for implementation by the identified departments.

The PIT comprised of representatives from the different municipal departments. The PIT members were to be trained in the EMS principles and were involved in the development of the EMS and eventually extended to all other relevant stakeholders. The PMT comprised of members of the Executive Mayoral Committee and Executive Directors. The PMT will approve the EMS and will be updated regularly on the progress in this regard.

In terms of the Project Implementation Plan, two senior Officials within the Directorate: Infrastructure and Planning, namely: Project Co-ordinator (Respondent 01) was appointed and Management Representative (Respondent 02) were appointed by the Municipal Manager. These senior
Officials were tasked to ensure that the principles and responsibilities as developed and identified in terms of the EMS are implemented and that Executive Management are briefed and informed thereon.

The first planning meeting with respect to the implementation of the EMS at the Drakenstein Municipality was held for two days on the 13th and 14th June 2007 which was facilitated by the Consultant. The objectives of the meeting was to launch the General EMS Awareness Training Programme and plan the EMS roll out, including the establishment of Project Implementation Teams (PITs) and Project Management Teams (PMTs), pre-implementation planning, briefing sessions on the EMS Policy Manual and training for staff representatives with respect to the development, documentation and implementation of the EMS.

Between the 30th July and the 03rd August 2007, over four days, the second implementation planning meeting was held led by the Consultant whereat the following were attended to: training workshop of the EMS Policy Manual, business processes and flows were defined, policy statements per business process were distilled and documented, the organogram was defined, the main elements of the EMS was defined, site maps were drafted and procedures were generated to identify significant aspects and legal and other requirements.

On the 10th and 11th September 2007, the third implementation planning meeting was held whereat the Policy Manual Workshop was further held where processes and business processes for the scoped sections were drawn up. The Management Representative and co-ordinator was formally appointed. The EMS scope was reviewed. The Management Committee resolution for the appointment of the PIT team was also generated as well as that of the endorsement of the scope. The fourth planning meeting was held between the 14th and 16th November 2007, the EMS Policy Manual outstanding issues was attended to as well as the business processes, mapping and flows were also finalised. Training on impacts and aspects in respect of identification and assessment of processes were also held.
The fifth planning meeting was held between the 28th January 2008 and the 01st February 2008 where risk assessments per business process was finalised with special reference to risk assessment procedures, risk assessment registers and risk assessment matrices. The following Registers were compiled, namely Contractors Register, Complaints Register, Products Register, Emergencies Register, Waste Register, Sensitive Areas, System Elements Register and Polluted or Degraded Areas Register.

During the sixth planning meeting held between the 10th and 14th March 2008, progress meetings were held to ascertain successes and failures in the implementation process thus far. Furthermore, comprehensive legal training was undertaken with regards to procedures and registers. During the seventh planning meeting held between the 21st and 24th April 2008, progress updates were give with regards to the status of business process flow diagrams, status of risk assessments with a profile of significant risk exposure per business process, progress made with the dedicated legal register per business process. Training was also provided to complete risk assessments up to the residual risk and the management plans. Cross cutting risk assessments were also undertaken. The profile of permits, authorisations and licences were finalised.

During the eighth planning meeting held over three days from the 19th to the 21st May 2008, the EMS system documentation (Control of Documents Procedure, Control Records Procedure, Competence, Training and Awareness Procedure) was completed. A Training Needs Assessment in respect of awareness and competence was also completed. Training was also provided to the PIT in respect of operational control training, emergency planning, communication and reporting, monitoring and measurement, evaluation of compliance, audit and management review.

The Civil Engineering Official stated:

“Executive management supported us with all the resources needed to ensure that all our planning meetings took place as per schedule June 2007 until May
2008. We were grateful for that. This showed us drivers of the ISO 14001 EMS Project that executive management was seriously committed to the successful implementation of this project”.

However, the Environmental Official stated:

“In as much as executive management created an enabling environment for the ISO 14001 EMS project to be implemented, I believe that much more could have been done to ensure that it was a 100 percent success. There were critical staff shortages in our directorate; which I believe that management should have urgently addressed. The failure on management’s part in this regard led to the project being temporarily suspended”.

Despite senior management’s initial commitment to the EMS, they did not commit themselves to providing sufficient resources to ensure that the implementation was a success.

9.3.2.2 ISO 9001: 2008 QMS

Executive and senior management provided the necessary initial support for the implementation of the ISO 9001: 2008 QMS within the Town Planning Department and Tourism Unit. They provided the necessary human and financial resources to ensure that this project was a success (Implementation Progress Report: 16th July 2010).

According to the PMS and TQM Officer:

“Executive and senior management showed their commitment to implementing the ISO 9001: 2008 QMS by resolving to provide the necessary personnel and also to allocate funds for the appointment of a consultant to assist me in the implementation process”.

Management supported the implementation process in the following ways (Implementation Report: 16th July 2010):
“- Arranged departmental meetings with pilot units;
- Arranged information sessions with these two pilot units to explain the extent and impact of this project;
- Arranged process mapping sessions;
- Responded to the PMS and TQM with regular feedback.

Furthermore, the executive management team was supportive of this project in the sense that the project was approved by them without any reservation. After the approval of the project, management participated in the information sessions to demonstrate their commitment to the project.”

Senior management committed themselves to the project by providing the necessary resources.

The Strategic Planning Manager, representing senior management, in her Implementation Report (16th July 2010) stated:

“Internally it would mean that the Town Planning Department and the Tourism Unit will benefit by the implementation of the ISO 9001: 2008 QMS. However, this internal benefit will not be limited to these sections per se. The intention is to facilitate TQM throughout the Drakenstein Municipality’s departments and sections. These two units were merely chosen as a pilot study to initiate and implement a TQM System for the Drakenstein Municipality.

Being at the forefront of service delivery, these two pilot units will benefit by applying corrective action to service delivery deficiencies and challenges. This will mean that these two pilot units will be able to assess their service delivery models and customise it to the needs of their clients. This will require an explicit examination of business processes and procedures. Therefore, evaluating business processes and procedures will present these two pilot units with the opportunity of doing process and procedure „cleansing“ and be able to streamline outputs and outcomes in a more enhanced and deliberate way.
Externally, the community, businesses, non-governmental organisations (NGOs), community-based organisations (CBOs), government departments and other stakeholders will benefit by implementing a TQM System for the municipality. These stakeholders will benefit by implementing a TQM System due to the fact that they, on a continuous basis, interact with the Municipality on a range of services at various intervals.

By contributing to a positive „service experience”, as provided by the Municipality and promoted by the White Paper on Local Government and the Municipal Systems Act 32 of 2000, the image of the Municipality will enhance and will negate the sentiment of poor service delivery at the local level. Citizens will develop a more intimate and complete sense of service delivery which will ultimately translate into continuous improvement of service delivery and completing the ideals of the White Paper on Local Government”.

The benefits of continuous improvement in service delivery was advocated by management.

However, the Consultant in her Consultancy Report (14th July 2010) stated:

“From the onset of the project, there has been a distinct and visible lack of management commitment. Directors and the Tourism Manager have not attended any ISO meetings, including the arranged SABS presentation and Stage 1 assessment; The Management Representative has not been formally appointed and has no formal authority on ISO 9001: 2008 related aspects. The Management Representative has not been supported by the Drakenstein Municipality. Meetings, including those with Directors have not been attended and have constantly been postponed, due to the unavailability of management. The non-conformances that were raised around „Management Commitment” have not been addressed or corrective / preventive action effectively initiated.”

Furthermore, the Consultant stated:
“As an ex-SABS senior auditor and a current FSSI / SGS Lead Auditor, it is my experience that the main reasons why companies fail to implement an effective quality management system, is lack of management commitment and a Management Representative that has the task of gaining certification without authority and support”.

The consultant had a different view with regards to the commitment of senior management.

9.3.3 Organisational culture and maturity

9.3.3.1 ISO 14001: 2004 EMS

The participants interviewed for this evaluation indicated that the implementation process was completed on the 27 January 2009 as all the objectives and deliverables had been achieved and delivered, and that they had been notified of their outstanding tasks. Correspondence between the CEM consultants and key stakeholders at the municipality (27 January 2009) indicated, however, that there were some outstanding tasks, which still needed to be completed. These included the finalisation of the electronic and hard copy documents, related in particular to the four SOPs, the emergency detection and response plan, and general awareness training material. In addition, further assistance would need to be provided to the municipality to prepare for a management review meeting scheduled for May 2009.

Due to the high vacancy rates in key municipal departments, and political leadership challenges, Phase 1 of the EMS implementation process has been temporarily suspended for one year until such time as these key vacancies have been filled. Participants interviewed for this study indicated that Phase 1 has now been split into two sub-phases, Phase 1a and 1b. Phase1b, which essentially will repeat the training carried out in Phase 1a for other municipal officials, in particular the new recruits to the key vacancies.
The Civil Engineering Official stated that:

“I can understand the need for an EMS within the municipality. However, how do you expect us to implement this new system when we are seriously challenged by persistent staff resignations. This leads to existing officials having to shoulder the additional workload of staff members who have resigned as well as trying to cope with our own work.”

Resource constraints was highlighted.

The Environmental Official stated:

The politicians in this municipality do not realise that their political shenanigans and games have a huge negative impact on staff morale and dissatisfaction amongst the residents. The ongoing political instability has created a lot of uncertainty amongst officials. A lot of money was approved by Council to implement the EMS. However, very few officials have taken ownership of being implementers of the EMS because of the political antics that is being demonstrated in Drakenstein Municipality”.

The lack of leadership was highlighted.

The Environmental Official further stated:

“Due to political uncertainty for well over a year in Drakenstein, management has not given its full attention to the EMS. The process was largely driven by the Consultant. The affected staff only attend to the implementation of the EMS, when the Consultant periodically reports back to the municipality in the form of feed-back sessions. This is not an ideal situation. I believe that the implementation of the EMS has been outsourced to the Consultant and there is little enthusiasm amongst the Officials. This is really sad given the fact that approximately R500 000-00 has been budgeted for the implementation of the EMS at Drakenstein”.

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The lack of ownership of the project by officials was apparent with the consultant basically driving the project.

An official from the Infrastructure and Planning Directorate further went on to state that:

“I do not think it was a wise idea for management to have appointed the Principal Technician (Environmental Management) in the Civil Engineering Department as Project Manager of the EMS. This gentlemen, in some quarters in the community and within the municipality, is perceived to be a „Green Peace Activist” and has been perceived to be obstructionist in approving major development projects within the Drakenstein area. Whether there is any substance to this or not, is immaterial. However, this perception is held by many people, whether it is valid or not. Nevertheless, the perception is still there. As a result, certain people have had negative attitudes towards the implementation of the EMS as they believed that this was a „pet project” of the individual concerned. I think that management should have acted strategically and appointed a more senior ranking official as project manager to drive the implementation of the EMS.”

The lack of buy-in, ownership and teamwork has come to the fore.

In terms of staff attitudes during the implementation process, the Civil Engineering Official stated that:

“The employees were motivated by the Consultant and were very positive towards the implementation of the process. However, the process was planned to be implemented over an eighteen month period and setbacks in terms of personnel resignations had a negative effect on the attitude and progress”.

Employees were initially enthusiastic however they became negative as a result of staff resignations.
The Civil Engineering Official further stated that there were successes during the implementation of the EMS:

“The fact that an experienced Consultant was appointed played a major role in the implementation of the EMS. There were proper planning towards the implementation of the Management System (such as Plan, Do, Check and Act). There were project overviews and training sessions as well as regular feedback to the PIT and PMT.”

Documentary evidence reveals that municipal staff can now identify for each process: (1) Who is the customer? (i.e. Who receives the output from the process?). This might be an internal customer, within another area of the same local government, or an external customer such as a citizen who is receiving a service; (2) What are the main inputs to the process? (e.g. information, legal requirements, national and/or regional government policies, materials, and energy, human and financial resources); (3) What are the desired outputs? (e.g. what are the characteristics of the service to be provided?); (4) What controls are needed to verify the process performance and/or results?; and (5) What is the interaction with other local government processes? (i.e. outputs from one process typically form inputs into other processes).

Typical examples of some processes include: strategic management processes to determine the local government”s role in the socio-economic environment; provision of resources and the capacity to provide the local government services; processes needed to maintain the work environment; preparation, revision and updating of development plans and work programmes; monitoring and assessment of the service provision process; transparent internal and external communication processes; these should include citizen involvement mechanisms that promote dialogue with internal and external interested parties to encourage a shared understanding on local government issues, aspects and performance; processes to address emergency preparedness and response to crises.
The Civil Engineering Official also outlined the failures during the implementation of the EMS:

“During the process of the implementation of the EMS, there was a lack of support from Council due to political instability and political changes within the Drakenstein Municipality. Furthermore, due to staff resignations, there was a lack of staff commitment, which caused the development, and implementation of the EMS to be delayed. The implementation of the EMS is actually the implementation of a management system although the focus is on environmental issues. The management principles thus needs to be extended to the total organisation to get the full benefit in this regard. The successful implementation of a management system can only be achieved if it is endorsed and supported by top management. The system can only be successfully implemented if the personnel involved are committed, motivated and trained with regard to the implementation thereof”.

There was a lack of leadership and senior management commitment and resource constraints.

It was agreed at the planning meeting on the 21st January 2009, that the EMS Project is to be closed out as all the objectives and deliverables set have been achieved and delivered. The Consultant stated that the Drakenstein Municipality is challenged with severe skills and staff shortages. In the circumstances, the implementation of the EMS has been postponed until the first half of 2010.

The Consultant stated on the 21st January 2009 that:

“In the light of the staff and skills shortage, the immediate focus of the Drakenstein Municipality as far as the EMS is concerned, include addressing and implementing the objectives, targets and management plans as formulated and keep records to demonstrate implementation.

The initial focus should be to achieve compliance to legal
requirements; to provide awareness training to as many staff members as possible; to maintain the EMS communication strategy; to ensure that the control of documentation procedure is implemented and used; to ensure that the standard operating procedures developed for the Drakenstein Municipality are indeed implemented and used; to proceed with developing, implementing and reporting environmentally related monitoring as planned; to internally verify conformity to all permit requirements; to implement and use the non-conformity, corrective and preventive action procedure; and the keeping and control of records as required”.

Resource constraints was highlighted by the consultant.

On the 21st January 2009, it was agreed that once all vacancies have been filled, the Drakenstein Municipality may require that the Consultant renders additional support, particularly in the following fields: review and update of the legal register; training of new staff in general EMS principles and Municipality arrangements in particular; and to conduct an internal audit. The Consultant thanked the municipal staff and leadership for the opportunity to collaborate in this challenging project that is closed out: within specification, on time and within budget.

9.3.3.2 ISO 9001: 2008 QMS

In the Report of the PMS and TQM Officer to the Strategic Planning Manager dated 16th July 2010, the PMS and TQM Officer outlined the various implementation issues pertaining to the ISO 9001: 2008 QMS:

“The Tourism Unit demonstrated serious commitment to the completion of this project and was actively involved from the commencement of the said pilot project. Initially, it was a challenge to organise the Town Planning Department to map their processes; hence the reason why a second session were scheduled to map processes.
A number of processes were compiled and forwarded to the two units for revision. In order to facilitate and to review processes, a number of review sessions were scheduled with the two pilot units involved. This was to ensure that processes as captured in the procedure manual reflect a true and accurate account of identified processes. This also meant that the responsible HOD and/or manager should be actively involved in finalising these processes. Five (05) sessions with the Tourism Unit were facilitated and four (04) with the Town Planning Department. It must be emphasised that a number of review sessions were scheduled which did not take place due to various reasons such as municipal strikes, unavailability of staff and management commitment to other municipal business”.

Process management was highlighted and given effect to. However, senior management commitment was a challenge.

The Consultant, in her Consultancy Report (14th July 2010) to the PMS and TQM Officer stated that there were many project successes and project failures to date:

“In terms of project successes to date: (1) the QMS manual was completed on time; (2) the SABS Stage 1 assessment concluded that an auditable documented systems was in place; (3) the interim Management Representative has been exposed to many departmental aspects and has gained knowledge of departmental systems and the ISO 9001: 2008 QMS systems; (4) Both the Tourism Unit and Town Planning Department have gained insight into the benefits of a formal QMS and have re-familiarised themselves with their own operations and areas of deficiency; and (5) The Tourism Unit demonstrated commitment and a high level of morale”.

In terms of project failures to date: Departmental staff have, from the onset, had been unaware as to the reasons for their department’s being selected for the ISO 9001: 2008 QMS project. There, has from the onset, been no ‚buy-in” into the implementation of the QMS, especially from the Town Planning Department; The failure of the ISO 14001: 2004 EMS implementation has
been repeated in the Town Planning Department; Staff have stated that they are reluctant to self-generate non-conformances for departmental issues for fear of incrimination”.

The successes and failures of the project was outlined by the consultant.

The Consultant, in her Consultancy Report dated 14th July 2010 further stated:

“Every effort has been made by the Management Representative and Consultant to initiate interest in ISO 9001: 2008, but meetings have been poorly attended or not attended at all. The project remains incomplete even though the Stage 1 was successfully carried out and Stage 2 is pending with the risk of not being done within the required time frame and, therefore, a Stage 1 having to be repeated at Drakenstein Municipality extra expense”.

Senior management commitment proved to be challenge.

9.3.4 Education and Training

9.3.4.1 ISO 14001: 2004 EMS

Training sessions on all of these issues was then conducted by members of the CEM with PIT and PMT members. The training sessions took place on a monthly basis during the fifteen month period between October 2007 and January 2009.

The Civil Engineering Official stated:

“Training sessions were well attended by the PIT and PMT members. There was vibrant debate and discussions and the staff participants enjoyed the highly professional presentations of the training facilitators of the Centre for Environmental Management of the North-West University. It was very interactive and the training atmosphere was conducive to important EMS concepts being „digested”and integrated within the operations of our Municipality”.

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Staff responded well to the education and training initiatives.

9.3.4.2  ISO 9001: 2008 QMS

Both the Town Planning Department and the Tourism Unit were invited to an ISO information Session, which were followed by process mapping workshops (two for the Town Planning Department and one for the Tourism Unit) (Implementation Report dated 16th July 2010). However, there is no evidence to suggest that staff went on formal training courses in respect of the implementation of the ISO 9001: 2008 QMS.

In this regard, the PMS and TQM Officer stated:

“The first exposure that staff in the Town Planning Department and Tourism Unit had of the ISO 9001: 2008 QMS was in the process mapping workshops. Perhaps, if management allocated sufficient funds for initial orientation training, staff would have had a basic level of insight into quality management concepts”.

Senior management did not prioritise staff education and training on the QMS.

9.3.5  The use of consultants

9.3.5.1  ISO 14001: 2004 EMS

According to the ISO 14001 Implementation Report (21st February 2009):

“The appointment of a Consultant to the ISO 14001 EMS project was a well-made decision. The Consultant is a highly qualified environmental academic and expert in the implementation of EMSs and this came out very clearly during the implementation process. The Consultant, although based in Potchefstroom in the North-West Province was always readily accessible to the PMT for advice and direction, when it was sought.”
The consultant also provided to the PMT and PIT case studies and best-practices of EMSs worldwide via our electronic server on the IT System.

However, I believe that he could have come at a cheaper rate as it is really costly in terms of our budgetary constraints”.

The consultant was an expert in EMSs and was well received.

9.3.5.2 ISO 9001: 2008 QMS

In terms of the ISO 9001: 2008 QMS Implementation Report dated 16th July 2010, one of the reasons for the project being delayed was that the Consultant was not readily available.

In this regard, the PMS and TQM Officer stated:

“Often when we want to contact the Consultant, she is not available. At this stage of implementation, we need her constant advice and support. Quality management concepts are new to Officials in local government and it will take some time before they fully understand them and apply them in their daily work activities. The Consultant is an experienced person, and I wish that she was more readily available and accessible”.

The non-availability of the consultant posed a challenge.

9.3.6 Inter-departmental implementation teams

9.3.6.1 ISO 14001: 2004 EMS

Other implementation problems and deviations mentioned by the respondents included the lack of availability, understanding, commitment and willingness to be a part of the EMS implementation programme on the part of other staff. These deviations did not necessarily impact on the roll out of the programme but definitely impacted on its effectiveness.
In this regard the Civil Engineering Official stated:

“Due to the critical staff shortages Officials were working over-time on their other duties and projects, and were often unavailable during the implementation of the ISO 14001 EMS project. Also, certain staff from other municipal directorates and departments could not see „the bigger picture” as to how the EMS impact on their activities within their respective departments, with the resultant effect that some did not regularly attend planning meetings”.

Resource constraints and staff apathy posed a challenge.

9.4 Conclusion

The findings arising from research into documentary sources as well as interviews with respondents from the two research sites, namely Makana Municipality in Grahamstown and Drakenstein Municipality in Paarl have been outlined and presented. The implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein municipalities was not a smooth process and there were many challenges such as political instability, lack of senior leadership and management commitment, staff and skills shortages, resistance by staff to implementation, the use of consultants and resource constraints. However, limited success was achieved in implementing and establishing quality management standards and excellence models in support of the total quality management (TQM) philosophy within the Makana and Drakenstein municipalities.

However, arising from the evidence, it is suggested that only partial institutionalisation has taken place in eight municipal departments and the old established bureaucratic culture is still prevalent in the rest of the Makana Municipality. In the Drakenstein Municipality, arising from the evidence, it cannot be stated that institutionalisation has taken place as the ISO 14001: 2004 EMS and the ISO 9001: 2008 QMS are still in the early stages of implementation. However, there has been some successes in implementation
notwithstanding the numerous challenges encountered during the implementation process.

Thus, it can be seen that the absence of stable political leadership, senior leadership and management commitment, a conducive organisational culture, teamwork, education and training, the use of appropriate consultants, provision of adequate resources contributed significantly to the non-institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein municipalities. The research findings will be analysed and discussed in Chapter 10.
CHAPTER 10:
DISCUSSION

10.1 Introduction

The aim of this study is to analyse the implementation of quality management standards and excellence programmes in support of the total quality management (TQM) philosophy and developmental local government within two South African municipalities, within the institutional theory and institutional entrepreneurship frameworks. The objectives of the study are therefore to: (1) analyse how the programmes have been implemented; (2) examine if there have been any deviations from the expected direction of the programme and the reasons for and effects of these deviations; (3) examine the internal impact of the programme on the organisational culture, personnel, structures and procedures; (4) identify and analyse the effect of obstacles or barriers to implementation, or any unexpected opportunities that may have arisen; (5) examine the link between institutional theory and institutional entrepreneurship; and (6) generate insights into how these programmes could be better implemented within a developmental local government context.

The research findings from each municipality would now be discussed in terms of the thirteen (13) themes identified by the researcher in the thematic analysis, which was informed by the literature review, namely: top leadership and management commitment, employee education and training, employees’ attitude and behaviour, the use of consultants, organisational culture and maturity, good data collection for self-assessments, teamwork, the customer concept, process management, isomorphism, institutional entrepreneurship, collective institutional entrepreneurship, discursive frames and institutionalization. In doing so, the six (06) objectives of this research study would be met. The first, second and fourth objectives were largely met in the presentation of the findings. The third and fourth objectives would be addressed in this chapter. The thirteen (13) themes are intricately linked to the five objectives as it would provide insight into how and why quality and
environmental management standards and excellence models in support of the total quality management (TQM) philosophy were implemented in the Makana and Drakenstein municipalities respectively.

The original contribution to the body of knowledge in business, government and management that this research study would make is to highlight the critical importance of institutional entrepreneurs working together as a collective in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy within developmental local government in order to enhance effective, efficient and accountable service delivery.

The research findings from both the Makana and Drakenstein municipalities respectively, were very similar with a few differences. This is not surprising given the fact that both municipalities are subject to the same legislative and operating environments. To this effect, the research findings of each municipality would be discussed separately and the differences would also be highlighted.

10.2. Theme 01 : Top leadership and management commitment

10.2.1 Makana Municipality

Top management commitment is one of the major determinants of successful TQM implementation (Martinez-Lorente, 2000: 3227). Kasul and Motwani (1995: 57) stated that the critical role of management is to provide leadership; and management can support TQM implementation by allocating budget and resources, control through visibility, monitoring progress and planning for change. From the evidence, one could ascertain that the councillors initially supported the implementation of the ISO 9001: 2000 QMS by resolving to adopt the QMS [Resolution E6.9.4 (9/1)]. However, due to political instability this commitment could not be sustained. Councillors allocate and appropriate budgets for projects and programmes which management is expected to implement. Due to the constant in-fighting amongst councillors, leadership
was absent in terms of the sustained support for the implementation of the ISO 9001: 2001 QMS and the SAEF Excellence Model.

Due to the lack of senior leadership and management commitment, the required physical, human and financial resources could not be provided. This resulted in frustrations as well as resistance by staff members.

10.2.2 Drakenstein Municipality

Muzak (1993) cited in Miller and Cangemi (1993: 44) state that managers often fail to “walk the talk”. For example, top management may appear personally to support TQM programmes, but frequently delegates the responsibility for implementing the programme to others lower down the organisational change of command. These key top people then become limited in their own involvement with the programme. Consequently, top management offers little of its time to personal endorsement towards TQM’s success.

Despite senior management’s initial commitment to the ISO 14001: 2004 EMS, they did not commit themselves to providing sufficient resources to ensure that the implementation was a success. As the Civil Engineering Manager stated:

“…There were critical staff shortages in our directorate; which I believe that management should have urgently addressed. The failure on management’s part in this regard led to the project being temporarily suspended”.

Top management’s commitment must include visible concern over environmental issues and must invoke high standards to which people are held accountable. Real commitment comes from a clear understanding of what the management system really is, the benefits of having such a system and the steps to achieving it (Jackson, 1996). Employees must see that their organisation regards the protection of the environment as one of its top
priorities. It is also important that adequate financial, technological and human resources are allocated to implement the project (Haklik, 1997b: 02).

As with all management based systems, ISO 14001 relies on the commitment of all employees, especially senior management (Hughes, 1996). Without management commitment, the organisation will fail (Kuhre, 1995). Gayler (1997) argues that, regardless of how carefully an EMS has been prepared or to what standard it has been designed, unless the implementation has the full support and commitment of all members of the organisation, especially senior management, it is unlikely to achieve its objectives and targets. Unfortunately, management commitment is not always present in an organisation. In the past, if a company had an environmental department it was considered and treated as a stepchild or necessary evil, which was poorly understood, meagrely funded, undermanned with little or no recognition, support or direction from top management (Kuhre, 1995).

In respect of the implementation of the ISO 9001: 2008 QMS, senior management provided the necessary human and financial resources to ensure that the project was a success (Implementation Progress Report: 16\textsuperscript{th} July 2010). However, the consultant had a different view and believed that there was a lack of senior management commitment due to senior managers consistently not attending meetings and the fact that the Management Representative / Project Leader was not supported by senior management (Consultancy Report: 14\textsuperscript{th} July 2010).

Researchers have highlighted the importance of total management commitment in implementing quality practices (Ahire, 1996: 44; Sureshchandar \textit{et al.} 2001: 378). The authors emphasise that without the total involvement of top management, all quality efforts might fail. Top management should propagate the philosophy that quality should be given a higher priority than cost and allocate sufficient resources for implementing quality practices (Zeithaml \textit{et al.} 1996: 31).
Furthermore, Soltani and Wilkinson (2010: 370) argue that senior management exerts a major influence in establishing the tone and atmosphere of the TQM organisation by their support and commitment towards the underlying principles of it. In a TQM-focused organisation, it is argued that senior management must demonstrate a clear commitment to improvement throughout the organisation by adhering to TQM principles and creating a supportive atmosphere and a co-operative rather than a competitive relationship with middle and first line managers as well as non-managerial employees.

10.3 Theme 02 : Employee education and training

10.3.1 Makana Municipality

Staff had different views of the training programmes pertaining to the ISO 9001: 2000 QMS. Whilst a Librarian stated:

“...I found the course very interesting and empowering, as it was for the first time I encountered such concepts as: customers, process management, quality, continuous improvement and excellence”.

However, a Traffic Officer took a different view:

“...This course is a waste of time....These concepts of quality management are too complex for me to understand. All I want to do is implement the municipal policies and ensure that the work gets done”.

In respect of the implementation of the SAEF Model, there was a lack of sufficient and adequate training. As the Quality and Excellence Manager stated:

“...The lack of initial training of the SAEF Model was a serious setback...”
as the new concepts of performance excellence and compiling baseline statistics could not be fully grasped and understood by staff initially. According to Deming (1986), both management and the workforce must be educated in how to transform their organisations. In order for top management to make the necessary corrections and adjustments to processes, training in statistical quality control techniques may be provided, especially at the supervisory and middle management levels.

10.3.2 Drakenstein Municipality

Whilst comprehensive education and training was given to staff on the ISO 14001: 2004 EMS project, the same could not be said for the ISO 9001: 2008 QMS project. In this regard, the PMS and TQM Officer stated:

“...Perhaps, if management allocated sufficient funds for initial orientation training, staff would have had a basic level of insight into quality management concepts”.

According to Dewhurst et al. (1999: 269), in accordance with TQM principles, workforce management has to be guided by training, empowerment of workers and teamwork. This requires that adequate plans of personnel recruitment and training are implemented and workers need the necessary skills to participate in the improvement process. Training, empowerment and teamwork are of interest to public organisations. In particular, it helps to change the way in which they are to be perceived.

The main difference lies in the fact that these concepts have to be implemented within an environment, which is looking for cost reductions and achievement of legal requirements. Employees are not used to thinking in terms of treating the next process as the customer, continually improving as they do, identifying and copying best practice, holding discussions with customers to identify their needs and requirements (Dewhurst et al. 1999: 269).
10.4 Theme 03 : The use of consultants

10.4.1 Makana Municipality

Due to the challenges in the operating environment of the Makana Municipality, consultants were appointed to take the implementation process. Whilst the consultants were knowledgeable about quality management standards and excellence models implementation in the private sector, they were found wanting in the local government sector. In this regard, the Quality and Excellence Manager stated:

“…The consultant has added some value to our ISO 9001 project. However, I have serious misgivings as to how he operates and his lack of understanding of the municipal environment and municipal policies and procedures”


With regards to the consultant in the SAEF Model project, staff were generally happy except for the issue of skills transfer. However, this was no fault on his part, as a result of resource constraints. In this regard, the Quality and Excellence Manager stated:

“The issue of skills transfer is of paramount importance. The Consultant is very good and it would have been nice to have extended his services so that we could have had the benefit of more of his insight into performance frameworks and models. However, due to budgetary constraints, this could not happen”.

According to Miller and Cangemi (1988: 26), the consultant as an outsider must bring both knowledge of TQM and understanding of the organisation together to build an atmosphere of trust. The capacity to shape a general knowledge of TQM to fit a specific organisation requires establishing open communication with all levels of the organisation.
10.4.2 Drakenstein Municipality

The consultant to the ISO 14001: 2004 EMS project was well received and was respected by employees. According to the ISO 14001: 2004 Implementation Report (dated 21st February 2009):

“The appointment of a consultant….was as a well-made decision. The consultant is a highly qualified environmental academic and expert in the implementation of EMSs and this came out very clearly during the implementation process”.

However, according to the ISO 9001: 2008 QMS Implementation Report (dated 16th July 2010), one of the reasons for the project being delayed was that the consultant was not readily available. In this regard, the PMS and TQM Officer stated:

“…The consultant is an experienced person, and I wish that she was more readily available and accessible”.

Thus, the availability of the consultant posed a challenge.

10.5 Theme 04 : Organisational culture and maturity

10.5.1 Makana Municipality and Drakenstein Municipality

The Municipal Manager at the Makana Municipality:

“…wanted to effect institutional change and to improve organisational culture….from that of a bureaucratic municipal administration to a more performance-driven one…” (Respondents 04 and 02).

The organisational culture was not conducive to the reception of quality management standards and excellence models in both the Makana and
Drakenstein municipalities. In this regard, the Makana Consultant in his Report (dated 29th October 2004) stated:

“It is noted with regret that the organisational culture at the present moment is rigid and bureaucratic with Officials „set in their ways and thinking‟ and are simply not open to new methods of working. What is also disturbing is the culture of fear in the administration as Officials are afraid of the politicians…..”.

In the Drakenstein Municipality, the Environmental Official stated:

“Due to political uncertainty for well over a year in Drakenstein, management has not given its full attention to the EMS…..”.

The EFQM (2003) recognise that organisations, on their journey to excellence, may show different levels of maturity. Svensson and Klefsjo (2006: 299) warn that, if the organisation has not reached the necessary maturity level, it is probably a waste of resources to start a comprehensive self-assessment project. The element of organisational culture plays a key role in shaping all quality management activities (Shih and Gumani, 1997: 15; Samuellson and Nilsson, 2002: 10; Sousa-Poza et al. 2001: 744).

The concept of culture is particularly important when attempting to manage organisation-wide change (Senge, 1990; Clarke, 1994). Practitioners are coming to realise that, despite the best-laid plans, organisational change must include not only changing structures and processes, but also changing the organisational culture as well (Robbins and Smith, 2000; Castka et al. 2003: 149).
10.6 Theme 05 : Process Management

10.6.1 Makana Municipality and Drakenstein Municipality

In the Makana Municipality there was a lack of understanding on the part of employees on the concept of „process“:

“It is very important to remember that ISO 9001: 2000 is aimed at ensuring that the identified process owner (not just the Head of Department, but also the staff that interact with the process) take ownership of the process” (Implementation Report dated 29th October 2004).

However, in the Drakenstein Municipality, the concept of „process management“ was well understood by staff during the implementation of the ISO 9001: 2008 QMS due to a number of training sessions taking place. In this regard:

“A number of processes were compiled….In order to facilitate and to review processes, a number of review sessions were scheduled …..This was to ensure that processes as captured in the procedure manual reflect a true and accurate account of identified processes…” (PMS and TQM Officer Report dated 16th July 2010).

According to Porter and Tanner (2004: 06), one of the core themes of excellence is fact-based process management. Processes are the „engines“ that deliver every organisation‟s value proposition. The focus of all excellence approaches is on designing processes to meet customer requirements, systematically managing processes based on facts and improving processes based on customer feedback and feedback from the process itself. Process capability is based on the ability of the organisation‟s processes to meet customer requirements.

The SAEF Model (2007) as well as the ISO 9001: 2008 (IWA 04: 2009 QMS Guidelines for application in local government) also places emphasis on
process management and measures how processes are identified, designed, managed, evaluated and improved. Critical processes relate to the delivery of key services and the support processes essential to the running of the organisation. A key to the identification, evaluation and improvement of processes should be their contribution and effectiveness in relation to the mission of the institution.

10.7 Theme 06 : Employee attitudes and behaviour

10.7.1 Makana Municipality and Drakenstein Municipality

In both the Makana and Drakenstein municipalities employees to some degree displayed negative attitudes towards the implementation of quality management standards and excellence models. In the Makana Municipality, employees initially resisted the implementation of the ISO 9001: 2000 QMS and the SAEF Model as they believed that due to severe resource constraints, It would be an exercise in futility. In the Drakenstein Municipality, employees also displayed resistance. Employees also viewed the QMS, EMS and the SAEF Model as an added burden over and above their existing workloads.

In this regard, the Chief Fire Officer in Makana Municipality stated:

“Staff in the Fire and Rescue Services Department had negative attitudes because they viewed the implementation of the ISO 9001 QMS as extra work that is required of them. We already were faced with responding to crises and had to work in an environment where there is a constant shortage of resources in order to execute our mandate. I do not see how these performance frameworks will assist us in our day-to-day operations. I think it is waste of time”.

As a Finance Officer in the Makana Municipality stated:
“How do you expect us to implement these “nice-to-have” frameworks and models which talks about world-class service delivery, when the councillors who are supposed to be our leaders are at each other’s throats all the time. Furthermore, they do not understand the distinction between playing their oversight role as politicians over the administration and leaving officials to be administrators. Councillors are constantly interfering in our work, which is making the work environment intolerable”.

In the Drakenstein Municipality, the Civil Engineering Official stated that:

“The employees were motivated by the Consultant and were very positive towards the implementation process. However, the process was planned to be implemented over an eighteen month period and setbacks in terms of personnel resignations had a negative effect on their attitudes and progress”.

Organisations have to stimulate positive work attitudes, including loyalty to the organisation, pride in work, a focus on common organisational goals and the ability to work cross-functionally (Martinez-Lorente, 2000: 3227). The success of improvement programmes lie, amongst others in employee empowerment and motivation (Choo et al. 2007: 918).

10.8 Theme 07: The customer concept

10.8.1 Makana Municipality and Drakenstein Municipality

The customer concept, which was not previously given attention to in the Makana Municipality, seems to be given recognition after the ISO 9001: 2000 QMS was implemented.

Documentary evidence (ISO 9001: 2008 – IWA 04: 2009 QMS – Guidelines for Local Government) in the Drakenstein Municipality reveal that municipal staff can now identify for each process: (1) Who is the customer? (that is, who receives the output from the process?). This might be an internal customer, within another area of the same local government, or an external customer
such as a citizen who is receiving a service. To achieve quality, it is essential to know what customers want and to provide services that meet their requirements (Ishikawa, 1985: 43). It is necessary, therefore, for organisation members to assess directly customer requirements such as durability, reliability and speed of service (Juran, 1974: 02; Deming, 1986: 177).

Some customers are external to the organisation, others are internal, as when the output of some organisation members is passed on to others. TQM defines the next process down the line as the “customer” for each process. Within the organisation, then, the assessment of customer requirements serves as a tool to foster cross-functional co-operation (Ishikawa, 1985: 107).

According to Swiss (1992: 358), Porter and Tanner (2004: 06), SAEF Model (2007), TQM’s most important principle is to delight the customer. Accordingly, the single most important question is: Who is the customer? Most discussions of TQM in government pay little or no attention to that question. In business, the company can usually choose its own market niche, and define its target customers: luxury car buyers, for example, or price-conscious food purchasers. For many public agencies, on the other hand, defining the customer is a difficult and politically controversial issue. As Starling (1982) puts it, government is continually interacting with different individuals that play different roles according to their different contextual interests. Silva and Batista (2007: 589) state that when contextual interests are referred to, the same person is pointed out that can act as a citizen who has particular needs and ideals, or can act either as an elected politician or a community leader.

In the case of both the Makana and Drakenstein municipalities employees who attended the training programmes on the QMS, SAEF Model and EMS were exposed to the broad definition of customer.
10.9 Theme 08 : Teamwork

10.9.1 Makana Municipality and Drakenstein Municipality

In the Makana Municipality teamwork was a challenge during the implementation of the QMS and the SAEF Model. The Quality and Excellence Manager in his Implementation Report (dated 29th January 2003) stated:

“…there is no trust and working-relationship between some of the Directors and HODs. Some of them are not on speaking terms and communicate only through their junior officials. I must respectfully add that this is a totally unsatisfactory state of affairs and I cannot see how the ISO 9001: 2000 QMS is going to be successfully implemented, without the buy-in of all Directors and HODs”.

According to Miller and Cangemi (1993: 48), the fully functioning TQM programme relies heavily on teamwork. Some of these teams, such as kaizen programmes, have a very short life-span as they accomplish their purpose and disband. Others such as cross-functional project teams may exist longer. However, the true TQM employee empowerment is embodied in self-directed work teams.

In the Drakenstein Municipality as well, teamwork posed a challenge in the implementation of the ISO 14001: 2004 EMS. As the Civil Engineering Official stated:

“…certain staff from other municipal directorates and departments could not see the „bigger picture” as to how the EMS impact on their activities within their respective departments, with the resultant effect that some did not regularly attend planning meetings”.

Gale and Sturm (1996) cited in Quazi (1999: 303) state that implementing an EMS requires that an inter-disciplinary team possess a good mix of technical,
socio-economic, environmental and auditing expertise. The team should include the senior management and the representatives from various line and staff departments (Hormozi, 1997: 32). All functional areas may have a significant impact on the environment in one way or another, therefore all people with detailed knowledge of the organisation should be included (Quazi, 1999: 303).

10.10 Theme 09 : Isomorphism

10.10.1 Makana Municipality

Coercive isomorphic pressures (DiMaggio and Powell, 1983: 147) were manifested in the Makana Municipality in the form of top-down compliance with the sections on performance management and the creation of an effective, efficient and accountable administration in terms of the Local Government: Municipal Systems Act 32 of 2000. These coercive pressures resulted in a change in the way of working in the municipality. Top-down coercive isomorphism results from formal and informal demands made on organisations by upper-level jurisdictions. The top-down pressure often manifests itself as a condition for funding or approval for lower-level jurisdictions providing regulated services, such as municipalities that dispense local government services according to provincial and national norms. In developmental local government, cooperative governance is legislated in the form of the Inter-Governmental Relations Framework Act 13 of 2005, which provides that while local government has been allocated certain matters to deal with, municipalities are supervised by provincial and national governments. Supervision means that one sphere of government can, if need be, make final binding decisions affecting another sphere. The improvement of these services is therefore centrally decided on, and locally applied (DiMaggio and Powell, 1983: 150).

Zald and DiMaggio (1978) cited in Zucker (1987:457) state that the degree of control by the state, via law, regulation or resource flow, is the measure of the degree of institutionalisation. This makes it difficult to distinguish institutional
from resource dependency (Pfeffer and Salanick 1978) explanations, since compliance with governmental edict depends on organisational dependence on the state in one form or another; non-compliance thus risks disruption in funding.

Coercive isomorphic pressures (DiMaggio and Powell, 1983: 147) were also present in the changing external and internal operating environment of the Makana Municipality, due to the new municipal legislative reform. New systems had to be institutionalised within the municipal administration in order to give effect to the aims and objectives of new municipal legislation. The Municipal Manager, in terms of the Local Government: Municipal Systems Act 32 of 2000, introduced TQM programmes to give effect to effective, efficient, innovative and world-class service delivery. Thus, political and legal influences and forces were present to effect change.

Having discussed the various isomorphic pressures, attention now turns to the responses of agents to these pressures. The Municipal Manager, Executive Mayor and Councillors at Makana Municipality adopted the acquiescence strategic response to isomorphic pressures (Oliver, 1991: 152). The acquiescence strategy represents the highest level of conformity or, in other words, total acceptance of institutional pressures and is related to three tactics: habituate, imitate and comply. Habituate means following invisible, taken-for-granted norms. Imitate means mimicking institutional models and to comply means obeying rules and accepting norms. DiMaggio and Powell (1983), Scott (1987), Cochia and Machado-da-Silva (2004) understand that the tactics are the cornerstones that support the institutionalisation process (Frezatti et al. 2007: 56).

In the case of the Makana Municipality, the compliance tactic (Oliver, 1991: 152) was adopted where the Executive Mayor, Municipal Manager and Councillors complied with the provisions of the Local Government: Municipal Systems Act 32 of 2000 and accepted the norms contained therein, that is that a municipal administration must be performance driven in order to enhance effective, efficient and accountable service delivery.
The agents’ response to isomorphic pressures in the Makana Municipality was to implement quality management standards and excellence models in support of the total quality management (TQM) philosophy in order to promote effective, efficient and accountable service delivery. Weber (1958; 1968) describes this as representation (objective and subjective), which concerns the way reality is framed or symbolically described. Weber (1958; 1968) focuses on the role that ideas, interpretations and meanings play in legitimating social action. Objective representations are presumed to be logical, analytical ones. Subjective representations are socially constructed ones, which relates to a situation where the legitimating process for action is social following from the interaction among individuals or collectives. This was evident in top-down, bottom-up coercive and normative isomorphic pressures manifesting itself in both municipalities.

Furthermore, according to Weber (1958; 1968), the principal contextual factor is rationality (formal and substantive), where the social context provides the basis by which ideas and practices are deemed legitimate. Rationality provides the legitimating conditions for evaluating criteria and practices (Dillard et al. 2004: 517). Formal rationality (which is calculation) orientated institutionalisation, such as the ISO 9000: 2000 QMS AND SAEF Model in Makana Municipality, which entails auditing and self assessments which requires statistics and scores is conceptualised as “value neutral, empirically based knowledge with universal application” (Colignon and Covaleski, 1991: 145) and privileges economic efficiency through formal, rational analysis whereby the production process yields the highest ratio of outputs to inputs.

### 10.10.2 Drakenstein Municipality

In the case of the Drakenstein Municipality, normative and bottom-up coercive isomorphic pressure (DiMaggio and Powell, 1983: 150; 152) manifested itself where environmental officials within the civil engineering department wanted to introduce the EMS in the operations of the municipality after researching other municipalities where it had been a success. Normative isomorphism stems primarily from professionalisation. DiMaggio and Powell (1983: 152)
define professionalisation as the collective struggle of members of an occupation to define the conditions and methods of their work. Professions are subject to the same coercive and mimetic pressures as are organisations. Moreover, while various kinds of professionals within an organisation may differ from one another, they exhibit much similarity to their professional counterparts in other organisations.

Documentary analysis and interviews also revealed that the implementation of the ISO 14001: 2004 EMS was also precipitated by environmental management being identified by the community as a priority in the Municipality’s Integrated Development Plan (IDP), which is the strategic plan of the municipality driven and informed by community needs and is based on a methodology of community-based planning.

This type of bottom-up coercive isomorphism stems from cultural expectations in the society within which organisations function (DiMaggio and Powell, 1983: 150). According to Cigler (1996: 65), quality-related concerns from local community organisations have received heightened attention from municipal governments. Local administrators must not only do it right, they must convince others that everything was done right.

The increase of public interest in environmental concerns is reflected in a related increase in stakeholder environmental activism that has initiated the development of a number of different environmental programmes. It is highly likely that stakeholders like customers, communities, and shareholders will gradually perceive the implementation of ISO 14001 as a “must-be” business practice (Poksinska et al. 2003: 587). The effective development and implementation of ISO 14001-based EMS is inevitably influenced to a great extent by external and social aspects, which include environmental legislation, market pressure and employee relations (Chin et al. 1999: 345). The ISO 14001 compliance can be considered as a safety net against liability that could arise due to increasing environmental legislation.
Having discussed the various isomorphic pressures, attention now turns to the responses of agents to these pressures. The Environmental Officials and Councillors at Drakenstein Municipality adopted the acquiescence strategic response to isomorphic pressures (Oliver, 1991: 152). The acquiescence strategy represents the highest level of conformity or, in other words, total acceptance of institutional pressures and is related to three tactics: habituate, imitate and comply. Habituate means following invisible, taken-for-granted norms. Imitate means mimicking institutional models and to comply means obeying rules and accepting norms. DiMaggio and Powell (1983), Scott (1987), Cochia and Machado-da-Silva (2004) understand that the tactics are the cornerstones that support the institutionalisation process (Frezatti et al. 2007: 56).

In the case of the Drakenstein Municipality, the imitate tactic (Oliver, 1991: 152) was adopted where the Environmental Officials wanted to implement the EMS which was already adopted and in operation in other municipalities. The agents’ response to isomorphic pressures in the Drakenstein Municipality was to implement quality management standards in support of the total quality management (TQM) philosophy in order to promote effective, efficient and accountable service delivery. Weber (1958; 1968) describes this as representation (objective and subjective), which concerns the way reality is framed or symbolically described. Weber (1958; 1968) focuses on the role that ideas, interpretations and meanings play in legitimating social action. Objective representations are presumed to be logical, analytical ones. Subjective representations are socially constructed ones, which relates to a situation where the legitimating process for action is social following from the interaction among individuals or collectives.

Furthermore, according to Weber (1958; 1968), the principal contextual factor is rationality (formal and substantive), where the social context provides the basis by which ideas and practices are deemed legitimate. Rationality provides the legitimating conditions for evaluating criteria and practices (Dillard et al. 2004: 517). Formal rationality (which is calculation) orientated institutionalisation, such as the ISO 9001: 2008 QMS in Drakenstein
Municipality, which entails auditing and which requires statistics and scores is conceptualized as “value neutral, empirically based knowledge with universal application” (Colignon and Covaleski, 1991: 145) and privileges economic efficiency through formal, rational analysis whereby the production process yields the highest ratio of outputs to inputs.

Substantive rationality, by contrast, concerns “the substance of the values, ends, needs of social groups and the institutions that promote them” (Colignon and Covaleski, 1991: 146). It is ends orientated, associated with the ethics, values and actions that promote the ends implied therein, such as the EMS at Drakenstein Municipality. For example, if protecting the environment is considered a central value, then practices of an organisation supportive of this objective would be privileged (Dillard et al. 2004: 518).

10.11 Theme 10 : Institutional Entrepreneurship

10.11.1 Makana Municipality

The Municipal Manager, Executive Mayor and Councillors of Makana Municipality were appointed with effect from the 01 October 2001. This was the first term of democratic local government in South Africa. In order to create an innovative, stable, world-class administration, the Municipal Manager was of the view that the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy would assist in enhancing the effectiveness and efficiency of service delivery. The Municipal Manager believed that the administrative structure of the Makana Municipality and its internal processes had to undergo a major transformation from that of a rigid, bureaucratic organisation to that of a flexible, people-centred performance-driven organisation where creativity and innovation is encouraged.

Entrepreneurs are known for their skill as innovators, for their keen understanding of the dynamics of organisational change, and for their
creativity in advocating solutions to policy problems (Brower and Abolafia, 1996: 287; Kingdon 1984; Schneider et al. 1995).

Public administration theorists cite Barnard, Mintzberg, Argyris, Schumpeter, Selznick (Lewis, 1980: 260) and Kingdon (Doig and Hargrove, 1987: 22) as the sources for their conceptualisations of leaders as public entrepreneurs. Teske and Schneider (1994: 331) and Schneider et al. (1995) distinguish between political entrepreneurs and bureaucratic entrepreneurs and emphasise their organisational settings. Brower and Abolafia (1996: 287) add that procedural entrepreneurs may influence administrative work from various organisational levels.

In the Makana Municipality, the Executive Mayor and Councillors were the political entrepreneurs (Teske and Schneider (1994: 331) and the Municipal Manager and Officials were the bureaucratic entrepreneurs (Schneider et al. 1995). The procedural entrepreneurs (Brower and Abolafia, 1996: 287) were the Project Leaders and Consultants.

The reality facing the Municipal Manager, Officials, Executive Mayor and Councillors in the Makana Municipality, was a major transformation of systems, policies and procedures to give effect to the values of developmental local government. In Makana Municipality, the political entrepreneurs (Executive Mayor and Councillors) resolved formally to implement TQM programmes. The bureaucratic entrepreneur (Municipal Manager) argued and motivated for the introduction and implementation of TQM programmes and the procedural entrepreneurs (Project Leader, quality representatives and Consultant) attended to the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy.

In attempting to understand why they resolved to implement quality management standards and excellence models in support of the total quality management (TQM) philosophy, one has to take into account the institutional context in which the Makana Municipality found itself in during 2000, that is
the first phase of developmental local government. The Makana Municipality was a newly established larger municipality incorporating three smaller municipalities and vast rural areas, in terms of the Local Government: Municipal Structures Act 117 of 1998. Each disestablished smaller municipality had its own culture, structure and administrative procedures and processes. The new organisational structure was therefore an amalgamation of diverse practices and thinking.

Scott (2004: 02) state that institutions consist of cognitive, normative and regulating structures and activities that give meaning and stability to social behaviour. They are carried by cultures, structures and routines. It was within this context that the institutional entrepreneurs in Makana Municipality resolved to institute change by implementing quality management standards and excellence models in support of the total quality management (TQM) philosophy to provide stability and uniformity of practices within the municipality.

The Municipal Manager, Executive Mayor, Councillors, Quality and Excellence Manager and the Consultant at Makana Municipality can be referred to as Rational-Action Neo-Institutionalists (DiMaggio, 1998: 696) who emphasised the way in which individual rational action is channelled by the „rules of the game”, including laws, inherited organisational forms, and norms.

In this regard, the Quality and Excellence Manager observed that:

“The fact that Council approved the implementation of the ISO 9000: 2000 Quality Management Standards clearly shows that they appreciated the magnitude and huge challenge facing them as political leaders in terms of addressing the historical legacy of under-development in Makana Municipality and the huge expectations that the residents, especially the previously disadvantaged communities had of their political representatives.”

Furthermore, the Quality and Excellence Manager stated that:
“The reality of effective, efficient and accountable service delivery became more apparent to the Executive Mayor, councillors as well as the Municipal Manager and his newly appointed management team. The huge expectations of equitable service delivery, especially from the previously disadvantaged communities came to the fore, when councillors started playing their leadership role and started interacting with their constituencies. The councillors also sensed the huge administrative challenges they faced when they interacted with the municipal administration. They came to realise very quickly that community issues, concerns and grievances could not be processed as quickly and efficiently as they would have liked due to different mind-sets from officials, as well as human, financial and physical resource constraints.”

Seo and Creed (2002: 225) argue that the actions and consciousness of embedded agents are seen as not only shaped by existing institutional arrangements but also as continuously reshaped by the inevitable by-products of institutions: institutional contradictions. Such contradictions represent ruptures and inconsistencies among, and within, established social arrangements that can incite tension or conflict and create the conditions for institutional change to occur. In this regard, the Quality and Excellence Manager further stated:

“There was a lot of resistance from officials to community grievances channelled through councillors. Officials were not used to taking instructions from councillors nor were they used to working in an integrated manner with councillors, which is now required by new legislation. The Executive Mayoral Committee System of Governance was new to the Makana Municipality. This often resulted in conflict, which had unpleasant consequences for a professional organisational culture and ethos within the municipality. The councillors realised that this state of affairs cannot go on as their performance as councillors as well as their credibility and reputations depended to a large extent on a sound administration.”
Institutional contradictions do not inevitably lead to institutional change. Human praxis is a necessary mediating mechanism. Praxis defines human agency of a political nature, which, though embedded in existing institutional configurations, attempts to influence and secure change in those very configurations (Seo and Creed, 2002: 225).

Decisions and outcomes are a result of the interplay between individual agency and institutional structure (Jackall 1988; Friedland and Alford, 1991: 232; Thornton and Ocasio, 1999: 801). While individual and organisational actors may seek power, status and economic advantage, the means and ends of their interests and agency are both enabled and constrained by prevailing institutional logics (Giddens 1984; Sewell, 1992: 01).

The Municipal Manager’s, Executive Mayor’s, Councillor’s, Quality and Excellence Manager’s, and the Consultant’s (institutional entrepreneurs) interests at Makana Municipality was to advance the principles and values as enshrined in the Local Government: Municipal Systems Act 32 of 2000. Dillard et al. (2004: 513) recognises that institutions are created and modified through actions of individuals and / or groups of individuals. In the case of the Makana Municipality, the Municipal Manager, the Executive Mayor and Councillors identified that the old ways of working within a bureaucratic administration, which was inherited from old apartheid local government, would not give effect to the principles, vision and values as enshrined in new developmental local government legislation, namely: effective, efficient and accountable service delivery. This was the situation in which the Municipal Manager, the Executive Mayor and Councillors found themselves in, which reflected the „institutional contradictions“ (Seo and Creed, 2002: 225) facing them at the time of their appointment in 2001.

The role of institutional entrepreneurs is thus to set the vision within the broader rules of the game that have been set, and then to translate that vision into actions, structures, systems, policies, procedures and processes that will institutionalise it. In the Makana Municipality, the bureaucratic entrepreneurs
(Officials) recommended to the political entrepreneurs (Councillors) how the principles of performance and quality management as embodied in the Local Government: Municipal Systems Act 32 of 2000 as well as their respective IDPs, can be translated into reality through quality management standards and excellence models in support of the total quality management (TQM) philosophy.

On the one hand the institutional entrepreneurs are responding to isomorphic pressures. On the other, there may be specific pressures that they can exert within their spheres of influence. Berger and Luckmann (1966) suggest that while individual and organisational action is embedded within institutions, institutions are socially constructed and therefore constituted by the actions of individuals and organisations. In the Makana Municipality, bureaucratic entrepreneurs actively promoted quality management standards and excellence models in support of the total quality management (TQM) philosophy to give effect to effective, efficient and accountable service delivery. They researched other organisations where implementation was successful and sought to institutionalise same in their respective municipalities.

Dillard et al. (2004: 513) recognises that institutions are created and modified through actions of individuals and / or groups of individuals. However, implicit in its formulation, there is a hierarchy of institutional influence where the economic and political level provides the foundations for organisational field level institutions, and the organisational field provides the context for the institutions confronted by and embedded in organisations. It is also recognised that different actor sets might be in a more influential position at different levels such as political entrepreneurs (councillors), bureaucratic entrepreneurs (officials) and procedural entrepreneurs (consultants and project managers). The general idea of agency is maintained; however, the ability of any agent to contribute to the institutionalisation process is dependent upon other agents.
Institutional entrepreneurs at Makana Municipality, argued within their institutional structures that the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy would attempt to meet the new strategic objectives of their institution. In Makana Municipality, the Municipal Manager argued to Council that by the implementation of TQM programmes, service delivery will be enhanced as these programmes, when implemented in the private sector were successful.

The environments that institutional entrepreneurs enact to garner control of resources are not just material, but they are also symbolic (Levi-Strauss 1966). Institutional entrepreneurs creatively manipulate social relationships by importing and exporting cultural symbols and practices from one institutional order to another. The different social locations of the institutional orders bring to light different cultural tools for institutional entrepreneurs (Thornton 2004).

DiMaggio (1988: 14) argue that the creation of institutions requires an institutionalisation project in which the claims of institutional entrepreneurs are supported by existing or newly mobilised actors who stand to gain from the institutionalisation project (DiMaggio, 1991: 272). In the Makana Municipality, the institutional entrepreneurs that would stand to gain from the institutionalisation projects would be councillors and officials who would be perceived in a positive light by the community for attempting to promote effective, efficient and accountable service delivery by implementing quality management standards and excellence models in support of the total quality management (TQM) philosophy.

However, in the Makana Municipality, the institutional entrepreneurs did not obtain the support of all councillors, due to political infighting, and neither did they obtain the support of officials, due to resistance displayed as well as staff shortages and resource constraints. Therefore, in terms of the institutional theory perspective, the attempt by the institutional entrepreneurs to effect organisational change and to obtain greater legitimacy, was compromised.
The institutional entrepreneurs could have used formal authority as a useful resource to achieve their goals.

Fligstein (1997: 397; 2001: 261) and Phillips et al. (2000: 23; 2004: 635) state that formal authority refers to an actor’s legitimately recognised right to make decisions, the authority of the state (DiMaggio and Powell, 1983: 147) and authority conferred by official positions and formal authorities. Such authority can help in framing stories (Fligstein, 2001: 261) and be used by institutional entrepreneurs to promote acknowledgement and “consumption” of their discourse by other actors (Phillips et al. 2004: 635). Maguire et al. (2004: 657) relate formal authority to subject position, considering such authority to be a feature of an entrepreneur’s position in the field.

Fligstein (1997: 398) suggests that successful institutional entrepreneurs are likely to be actors with high levels of social capital. Citing Coleman (1988), he defines social capital as one’s position in a web of social relations that provide information and political support, and considers the concurrent ability to draw on that standing to influence others’ actions. The Executive Mayor and Councillors can be considered as institutional entrepreneurs with high levels of social capital.

Phillips et al. (2004: 635) suggest that being central to a field helps to ensure that the texts created by the institutional entrepreneur will be acknowledged and consumed. Institutional entrepreneurs must thus strive to attain positions that enable them to bring together diverse stakeholders among whom they can champion and orchestrate collective action (Maguire et al., 2004: 657), or to be sufficiently powerful to impose institutional change by controlling access to resources (Dorado, 2005: 383).

Because they can seldom change institutions alone, institutional entrepreneurs must typically mobilise allies (Boxenbaum and Battilana, 2005: 01; Fligstein, 1997: 397; Greenwood et al. 2002: 58), develop alliances and cooperation (Fligstein, 2001: 261; Lawrence et al. 2002: 281; Rao, 1998: 912). In particular they must mobilise key constituents such as highly
embedded agents (Lawrence et al. 2002), professionals and experts (Hwang and Powell, 2005: 179). In the Makana Municipality, the highly embedded agents would be councillors and officials and the professionals and experts would be the consultants.

Hence, institutional entrepreneurship is a complex political and cultural process (DiMaggio, 1988: 03; Fligstein, 1997: 397; Rao, 1998: 912) where institutional entrepreneurs must mobilise diverse social skills, such as lobbying, persuasion, negotiation skills depending on the kind of institutional project they tend to impose (Perkmann and Spicer, 2007: 23). With respect to councillors in the Makana Municipality, very little could be done to further mobilise them to sustain the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. This was the case because officials did not want to interfere in the political battles being waged. There was limited success in terms of mobilising officials. However, due to resource constraints and staff resistance, this too was unsuccessful.

In addition to the mobilisation efforts of councillors and officials, the institutional entrepreneurs mobilised professionals and experts in the form of consultants to sustain the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. This was the case when Makana Municipality used the services of consultants in both the ISO 9000: 2000 QMS Project as well as during the implementation process of the South African Excellence Model Project. This can be attributed to the fact these quality management standards and excellence models in support of the total quality management (TQM) philosophy were new concepts in developmental local government, which was largely implemented in the private sector, and required specialist skills and insight for the successful implementation in municipalities.

Thawesaengskulthai (2010: 161) state that some of the motivations for the adoption of quality and improvement initiatives is productivity, cost and customer satisfaction and the creation of a quality culture. In the case of the
Makana Municipality, the institutional entrepreneurs chose to adopt the ISO 9001: 2000 QMS and SAEF Model in terms of the “Pay-off selection view”. According to Thawesaengskulthai and Tannock (2008: 366), the claimed pay-offs summarised from TQM and continuous improvement (CI) literature could be grouped into seven categories, namely: (1) shareholders; (2) company performance; (3) marketing performance; (4) customer satisfaction; (5) human resources; (6) process improvement; and (7) organisation impact. The institutional entrepreneurs at the Makana Municipality could be termed as quality enthusiasts who considered that the QMS and the SAEF Model could meet strong internal as well as external requirements; therefore, they appear to be the most convinced of the relevance of this system (Boiral and Roy, 2007: 229).

10.11.2 Drakenstein Municipality

The Municipal Manager, Executive Mayor and Councillors of Drakenstein were appointed with effect from the 01 March 2006. This was the second term of democratic local government in South Africa. In order to create a responsive and accountable service delivery institution, the executive and senior management team at the Drakenstein Municipality was of the view that the implementation of quality and environmental standards in support of the total quality management (TQM) philosophy would assist in enhancing the effectiveness and efficiency of service delivery.

Entrepreneurs are known for their skill as innovators, for their keen understanding of the dynamics of organisational change, and for their creativity in advocating solutions to policy problems (Brower and Abolafia, 1996: 287; Kingdon 1984; Schneider et al. 1995). Public administration theorists cite Barnard, Mintzberg, Argyris, Schumpeter, Selznick (Lewis, 1980: 260) and Kingdon (Doig and Hargrove, 1987: 22) as the sources for their conceptualisations of leaders as public entrepreneurs. Teske and Schneider (1994: 331) and Schneider et al. (1995) distinguish between political entrepreneurs and bureaucratic entrepreneurs and emphasize their organisational settings. Brower and Abolafia (1996: 287) add that procedural
entrepreneurs may influence administrative work from various organisational levels.

In the Drakenstein Municipality, the Executive Mayor and Councillors were the political entrepreneurs (Teske and Schneider (1994: 331) and the executive and senior management team, the Town Planning, Tourism and Environmental Officials were the bureaucratic entrepreneurs (Schneider et al. 1995). The procedural entrepreneurs (Brower and Abolafia, 1996: 287) were the Project Leaders and Consultants.

The environmental officials could be viewed as agents of change trying to bring about environmental improvements within the Drakenstein Municipality by introducing an EMS despite various organisational constraints, namely senior leadership and management commitment and the allocation of resources. In this regard, social structure is not independent of agency, nor is agency independent of structure. Rather, human agents, draw on social structures in their actions, and at the same time these actions serve to produce and reproduce social structure (Jones and Karsten, 2008: 129).

The reality facing the executive and senior management team, Town Planning, Tourism and Environmental Officials, Executive Mayor and Councillors in the Drakenstein municipality, was a major transformation of systems, policies and procedures to give effect to the values of developmental local government. In the Drakenstein Municipality, the political entrepreneurs (Executive Mayor and Councillors) also resolved formally to implement the EMS. The bureaucratic entrepreneurs (executive and senior management, Town Planning, Tourism and Environmental Officials) supported, in one way or the other and to varying extents, for the introduction and implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy. The procedural entrepreneurs were the Consultant and departmental representatives.

The motivations for the adoption of the ISO 14001: 2004 EMS and ISO 9001: 2008 QMS could be seen in light of the "strategic fit selection view". The
strategic fit selection view describes the adoption considering the alignment of the improvement initiatives to a company’s vision or objectives and / or a company’s needs and weaknesses. In this selection view, organisations assess the improvement programmes in which they are interested against their objectives. The programmes, which could maximise the organisation’s prime goals show a higher degree of fit and tend to be adopted (Thawesaengskulthai, 2010: 166). The institutional entrepreneurs at the Drakenstein Municipality could be termed as quality enthusiasts who considered that the EMS and QMS could meet strong internal as well as external requirements; therefore, they appear to be the most convinced of the relevance of this system (Boiral and Roy, 2007: 229).

The executive and senior management, Town Planning, Tourism and Environmental Officials and the Consultant and Councillors at Drakenstein Municipality can be referred to as Social-Constructivist Neo-Institutionalists (DiMaggio, 1998: 696) whose interests and preferences were socially constructed. They collectively have effected institutional change as a result of normative and mimetic isomorphic pressures to appear legitimate through mechanisms such as normative schemes embedded in training and practice, such as the ISO 14001: 2004 EMS and the ISO 9001: 2008 QMS. Institutional change is conceived as an effect of strategic action of individuals (DiMaggio, 1998: 697). Collective institutional entrepreneurship involves „collaborative leadership“ (Chrislip and Larson, 1994. Collective political and bureaucratic leadership was displayed before the decision to implement both the EMS and QMS in Drakenstein Municipality as a result of the finalisation of its Integrated Development Plan (IDP) in which environmental management was identified as a priority.

As the Civil Engineering Official stated:

“We did do some preliminary investigation but were aware that EMS has had great results in other local authorities. The Drakenstein Municipality is an environmentally sensitive area. Negative impact on the environment can have far reaching implications for tourism, local economic development and
the general quality of life for its residents. The Drakenstein Municipality, being the second largest municipality, after the City of Cape Town, in the Western Cape Province, was expected by residents and business to ensure that appropriate and sustainable systems are in place to ensure that all aspects of the environment are protected."

Seo and Creed (2002: 225) argue that the actions and consciousness of embedded agents are seen as not only shaped by existing institutional arrangements but also as continuously reshaped by the inevitable by-products of institutions: institutional contradictions. Such contradictions represent ruptures and inconsistencies among, and within, established social arrangements that can incite tension or conflict and create the conditions for institutional change to occur.

Institutional contradictions do not inevitably lead to institutional change. Human praxis is a necessary mediating mechanism. Praxis defines human agency of a political nature, which, though embedded in existing institutional configurations, attempts to influence and secure change in those very configurations (Seo and Creed, 2002: 225).

Decisions and outcomes are a result of the interplay between individual agency and institutional structure (Jackall 1988; Friedland and Alford, 1991: 232; Thornton and Ocasio, 1999: 801). While individual and organisational actors may seek power, status and economic advantage, the means and ends of their interests and agency are both enabled and constrained by prevailing institutional logics (Giddens 1984; Sewell, 1992: 01).

The executive and senior management, Town Planning, Tourism and Environmental Officials, Executive Mayor"s, Councillor"s, PMS and TQM Officer"s, and the Consultant"s (institutional entrepreneurs) interests at Drakenstein Municipality was to advance the principles and values as enshrined in the Local Government: Municipal Systems Act 32 of 2000. Dillard et al. (2004: 513) recognises that institutions are created and modified through actions of individuals and / or groups of individuals.
The role of institutional entrepreneurs is thus to set the vision within the broader rules of the game that have been set, and then to translate that vision into actions, structures, systems, policies, procedures and processes that will institutionalise it. In the Drakenstein Municipality, the bureaucratic entrepreneurs (Officials) recommended to the political entrepreneurs (Councillors) how the principles of environmental and quality management as embodied in the Local Government: Municipal Systems Act 32 of 2000 as well as in their IDP, can be translated into reality through quality and environmental standards, in support of the total quality management (TQM) philosophy.

On the one hand the institutional entrepreneurs are responding to isomorphic pressures. On the other, there may be specific pressures that they can exert within their spheres of influence. Berger and Luckmann (1966) suggest that while individual and organisational action is embedded within institutions, institutions are socially constructed and therefore constituted by the actions of individuals and organisations. In the Drakenstein Municipality, bureaucratic entrepreneurs actively promoted quality and environmental management standards in support of the total quality management (TQM) philosophy to give effect to effective, efficient and accountable service delivery. They researched other organisations where implementation was successful and sought to institutionalise same in their own institution.

Dillard et al. (2004: 513) recognises that institutions are created and modified through actions of individuals and/or groups of individuals. However, implicit in its formulation, there is a hierarchy of institutional influence where the economic and political level provides the foundations for organisational field level institutions, and the organisational field provides the context for the institutions confronted by and embedded in organisations. It is also recognised that different actor sets might be in a more influential position at different levels such as political entrepreneurs (councillors), bureaucratic entrepreneurs (officials) and procedural entrepreneurs (consultants and project managers). The general idea of agency is maintained; however, the
ability of any agent to contribute to the institutionalisation process is dependent upon other agents.

Institutional entrepreneurs at the Drakenstein Municipality, argued within their institutional structures that the implementation of environmental and quality management standards in support of the total quality management (TQM) philosophy would attempt to meet the new strategic objectives of their institutions. The executive and senior management, and environmental Officials at the Drakenstein Municipality motivated for the implementation of the EMS and QMS and listed its benefits in other municipalities. The environments that institutional entrepreneurs enact to garner control of resources are not just material, but they are also symbolic (Levi-Strauss 1966). Institutional entrepreneurs creatively manipulate social relationships by importing and exporting cultural symbols and practices from one institutional order to another. The different social locations of the institutional orders bring to light different cultural tools for institutional entrepreneurs (Thornton 2004).

DiMaggio (1988: 14) argues that the creation of institutions requires an institutionalisation project in which the claims of institutional entrepreneurs are supported by existing or newly mobilised actors who stand to gain from the institutionalisation project (DiMaggio, 1991: 272). In the Drakenstein Municipality, the institutional entrepreneurs that would stand to gain from the institutionalisation projects would be councillors and officials who would be perceived in a positive light by the community for attempting to promote effective, efficient and accountable service delivery by implementing quality and environmental management standards in support of the total quality management (TQM) philosophy.

However, in the Drakenstein Municipality, the institutional entrepreneurs did not obtain the support of all councillors, due to political infighting, and neither did they obtain the support of officials, due to resistance displayed as well as staff shortages and resource constraints. Therefore, in terms of the institutional theory perspective, the attempt by the institutional entrepreneurs
to effect organisational change and to obtain greater legitimacy, was compromised. The institutional entrepreneurs could have used formal authority as a useful resource to achieve their goals.

Fligstein (1997: 397; 2001: 261) and Phillips et al. (2000: 23; 2004: 635) state that formal authority refers to an actor’s legitimately recognised right to make decisions, the authority of the state (DiMaggio and Powell, 1983: 147) and authority conferred by official positions and formal authorities. Such authority can help in framing stories (Fligstein, 2001: 261) and be used by institutional entrepreneurs to promote acknowledgement and “consumption” of their discourse by other actors (Phillips et al. 2004: 635). Maguire et al. (2004: 657) relate formal authority to subject position, considering such authority to be a feature of an entrepreneur’s position in the field.

Fligstein (1997: 398) suggests that successful institutional entrepreneurs are likely to be actors with high levels of social capital. Citing Coleman (1988), he defines social capital as one’s position in a web of social relations that provide information and political support, and considers the concurrent ability to draw on that standing to influence others’ actions. The Executive Mayor and Councillors can be considered as institutional entrepreneurs with high levels of social capital.

Phillips et al. (2004: 635) suggest that being central to a field helps to ensure that the texts created by the institutional entrepreneur will be acknowledged and consumed. Institutional entrepreneurs must thus strive to attain positions that enable them to bring together diverse stakeholders among whom they can champion and orchestrate collective action (Maguire et al., 2004: 657), or to be sufficiently powerful to impose institutional change by controlling access to resources (Dorado, 2005: 383).

Because they can seldom change institutions alone, institutional entrepreneurs must typically mobilise allies (Boxenbaum and Battilana, 2005: 01; Fligstein, 1997: 397; Greenwood et al. 2002: 58), develop alliances and cooperation (Fligstein, 2001: 261; Lawrence et al. 2002: 281; Rao, 1998:
In particular they must mobilise key constituents such as highly embedded agents (Lawrence et al. 2002), professionals and experts (Hwang and Powell, 2005: 179). In the Drakenstein Municipality, the highly embedded agents would be councillors and officials and the professionals and experts would be the consultants.

Hence, institutional entrepreneurship is a complex political and cultural process (DiMaggio, 1988: 03; Fligstein, 1997: 397; Rao, 1998: 912) where institutional entrepreneurs must mobilise diverse social skills, such as lobbying, persuasion, negotiation skills depending on the kind of institutional project they tend to impose (Perkmann and Spicer, 2007: 23). With respect to councillors in the Drakenstein Municipality, very little could be done to further mobilise them to sustain the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy. This was the case because officials did not want to interfere in the political battles being waged. There was limited success in terms of mobilising officials. However, due to resource constraints and staff resistance, this too was unsuccessful.

In addition to the mobilisation efforts of councillors and officials, the institutional entrepreneurs mobilised professionals and experts in the form of consultants to sustain the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy. This was the case when Drakenstein Municipality used the services of consultants in both the ISO 9001: 2008 QMS Project as well as during the implementation process of the ISO 14001: 2004 EMS Project. This can be attributed to the fact these quality and environmental management standards in support of the total quality management (TQM) philosophy were new concepts in developmental local government, which was largely implemented in the private sector, and required specialist skills and insight for the successful implementation in municipalities.
10.12 Theme 11 : Collective Institutional Entrepreneurship

10.12.1 Makana Municipality

Councillors and officials as institutional entrepreneurs in Makana Municipality, must work together as a collective in developmental local government in order to promote effective, efficient and accountable service delivery. Participatory democratic theory argues for total citizen involvement in the decision-making process (Christenson et al. 1971: 194). This implies that residents have certain expectations of their municipal political and administrative office-bearers in terms of their mandate to deliver effective, efficient and accountable services. The measurement of the local government’s service delivery is further implied in order to meet the accountability expectations of residents and therefore the performance of elected and appointed political and administrative office-bearers is imperative (Centre for Policy Studies, 1992 cited in Ismail et al. 1997: 31).

Institutional change, initiated through “convening” (Dorado, 2005: 383), requires collective action – joint activities by a wide group of actors on the basis of mutual interests (Emery and Trist, 1965: 21; Marwell and Oliver 1993) – and is beyond the capacity of individual actors or even a few key entrepreneurs. Institutional change in such domains requires “collective institutional entrepreneurship” (Mollering 2007), a term that Wijen and Ansari (2007: 02) defines as the process of overcoming collective inaction and achieving sustained collaboration among numerous dispersed actors to create new institutions or transform existing ones.

In the Makana Municipality, the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy required collective action from the political, bureaucratic and procedural entrepreneurs in order to enhance effective, efficient and accountable service delivery. Initially, “convening” (Dorado, 2005: 383) did take place where all institutional entrepreneurs worked together to achieve their aims and objectives. This was evident where Council resolutions were
obtained to implement quality management standards and excellence models in support of the total quality management (TQM) philosophy and the necessary human, physical and financial resources were provided.

However, in the Makana Municipality, institutional entrepreneurs, namely councillors and officials were not working together as a collective to implement quality management standards and excellence models in support of the total quality management (TQM) philosophy. Due to political instability and political infighting amongst councillors, the implementation process was suspended for a long period of time, which adversely affected the morale of staff. There were lost opportunities in both municipalities where the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy could have yielded tangible positive results, if institutional entrepreneurs (namely councillors and officials) worked together as a collective with a common purpose of promoting effective, efficient and accountable service delivery.

Councillors, as the more powerful institutional entrepreneurs compared to officials, could have played a pivotal role in inducing cooperation from other institutional entrepreneurs by effectively providing political oversight in the form of guidance, direction and support to officials during the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. Substantial power differences among participants in „volatile domains” can inhibit the formation of collaborative relationships (Hardy and Phillips, 1998: 217), although the dominance of some over others can also provide the stage for collaboration (Huxham and Vangen 2005). Power differences between actors can be used by the more powerful to dictate the rules of the game and induce cooperation (Krasner 1983).

The Executive Mayor in the Makana Municipality, being the political head of the municipality, could have created common ground amongst councillors and officials to focus on making the implementation of quality management standards and excellence models in support of the total quality management
(TQM) philosophy a success. Creating common ground represents a repertoire of bridging tactics that socially skilled actors use to induce cooperation from both allies and adversaries (Fligstein, 1997: 397). These include: framing (Benford and Snow, 2000: 611), which includes cooperation by appealing to mutual identity and interests (Ansell, 1998: 359); setting an agenda which others believe to be in their own interests (Lukes, 1974) and by spreading public knowledge about an issue to make it more familiar and amenable to acceptance (Aldrich and Fiol, 1994: 645).

Furthermore, actors should operate in harmony with the consensual norms and values of society into which they are socialised. Instead of leveraging incentives or power, actors create common ground and coincident interpretations by promoting overriding values that all accept, heightening actor awareness of their mutual interdependence and paving the way for a collaborative strategy of engagement (Levy and Egan, 2003: 803).

The Executive Mayor of the Makana Municipality could also have mobilised councillors and officials through management to provide support to the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. Mobilising bandwagons refers to actors enrolling large numbers of other participants to generate diffusion processes in favour of the collective issue at stake (Abrahamson and Rosenkopf, 1993: 487; Hardy and Phillips, 1998: 217). The momentum creates isomorphic pressures for a critical mass of adoption (cooperation) and allows for the emergence of new institutions. Indeed, collective action can only be successful when institutional entrepreneurs are able to enrol a large majority of actors through the process of alliance building by including like-minded actors (Callon 1991).

Since collective interests do not always produce collective action (Heckathorn, 1996: 250), it becomes necessary, however, to not only bring collective resources to bear on the problem (Westley and Vredenburg, 1997: 381) but also to provide motivations to individual participants whose interests may lie in not cooperating. In other words, these situations present a collective action
dilemma (Oliver, 1993: 271). Change in collective action domains constitutes a double paradox. Apart from having to reconcile the agency-structure paradox or the ability of actors to spearhead change despite constraints (Seo and Creed, 2002: 222), actors need to resolve a collective action problem in which individual interests may work against cooperation and promote collective inaction.

As a result of the political-infighting amongst the political entrepreneurs (councillors) in the Makana Municipality, the political entrepreneurs could not obtain a strategic holistic view in that, if they co-operated with the bureaucratic entrepreneurs (Officials) to implement and institutionalise quality management standards and excellence models in support of the total quality management (TQM) philosophy, the political entrepreneurs’ standing in the community would have been significantly enhanced as they would have been perceived positively to be contributing to the enhancement of effective, efficient and accountable service delivery.

Therefore, from an institutional theory perspective, the primary objective of organisational change is not better performance but greater legitimacy. In other words, Organisations adapt their internal characteristics in order to conform to the expectations of the key stakeholders in their environment. Over time, norms and rules emerge that limit the management arrangements that are deemed acceptable (Ashworth et al. 2009: 01). As a result of collective inaction from the political, bureaucratic and procedural entrepreneurs, it cannot be stated that greater legitimacy has been obtained by the Makana Municipality.

The implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana Municipality was not a smooth process and there were many challenges such as political instability, staff and skills shortages, resistance by staff to implementation, as well as resource constraints. However, limited success was achieved in implementing and establishing quality management standards and excellence models in support of the total quality management
(TQM) philosophy within the Makana Municipality. The absence of stable political leadership contributed significantly to the non-institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana Municipality.

10.12.2 Drakenstein Municipality

Councillors and officials as institutional entrepreneurs in Drakenstein Municipality, must work together as a collective in developmental local government in order to promote effective, efficient and accountable service delivery. Participatory democratic theory argues for total citizen involvement in the decision-making process (Christenson et al. 1971: 194). This implies that residents have certain expectations of their municipal political and administrative office-bearers in terms of their mandate to deliver effective, efficient and accountable services. The measurement of the local government’s service delivery is further implied in order to meet the accountability expectations of residents and therefore the performance of elected and appointed political and administrative office-bearers is imperative (Centre for Policy Studies, 1992 cited in Ismail et al. 1997: 31).

Institutional change, initiated through „convening“ (Dorado, 2005: 383), requires collective action – joint activities by a wide group of actors on the basis of mutual interests (Emery and Trist, 1965: 21; Marwell and Oliver 1993) – and is beyond the capacity of individual actors or even a few key entrepreneurs. Institutional change in such domains requires „collective institutional entrepreneurship“ (Mollering 2007), a term that Wijen and Ansari (2007: 02) defines as the process of overcoming collective inaction and achieving sustained collaboration among numerous dispersed actors to create new institutions or transform existing ones.

In the Drakenstein Municipality the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy required collective action from the political, bureaucratic and procedural entrepreneurs in order to enhance effective,
efficient and accountable service delivery. Initially, “convening” (Dorado, 2005: 383) did take place where all institutional entrepreneurs worked together to achieve their aims and objectives. This was evident where Executive Management resolutions were obtained to implement quality and environmental management standards in support of the total quality management (TQM) philosophy and the necessary human, physical and financial resources were provided.

However, in the Drakenstein Municipality, institutional entrepreneurs, namely councillors and officials were not working together as a collective to implement quality and environmental management standards in support of the total quality management (TQM) philosophy. Due to political instability and political infighting amongst councillors, the implementation process was suspended for a long period of time, which adversely affected the morale of staff. There were lost opportunities in both municipalities where the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy could have yielded tangible positive results, if institutional entrepreneurs (namely councillors and officials) worked together as a collective with a common purpose of promoting effective, efficient and accountable service delivery.

Councillors, as the more powerful institutional entrepreneurs compared to officials, could have played a pivotal role in inducing cooperation from other institutional entrepreneurs by effectively providing political oversight in the form of guidance, direction and support to officials during the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy. Substantial power differences among participants in „volatile domains“ can inhibit the formation of collaborative relationships (Hardy and Phillips, 1998: 217), although the dominance of some over others can also provide the stage for collaboration (Huxham and Vangen 2005). Power differences between actors can be used by the more powerful to dictate the rules of the game and induce cooperation (Krasner 1983).
The Executive Mayor in the Drakenstein Municipality, being the political head of their Municipality, could have created common ground amongst councillors and officials to focus on making the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy a success. Creating common ground represents a repertoire of bridging tactics that socially skilled actors use to induce cooperation from both allies and adversaries (Fligstein, 1997: 397). These include: framing (Benford and Snow, 2000: 611), which includes cooperation by appealing to mutual identity and interests (Ansell, 1998: 359); setting an agenda which others believe to be in their own interests (Lukes, 1974) and by spreading public knowledge about an issue to make it more familiar and amenable to acceptance (Aldrich and Fiol, 1994: 645).

Furthermore, actors should operate in harmony with the consensual norms and values of society into which they are socialized. Instead of leveraging incentives or power, actors create common ground and coincident interpretations by promoting overriding values that all accept, heightening actor awareness of their mutual interdependence and paving the way for a collaborative strategy of engagement (Levy and Egan, 2003: 803).

The Executive Mayor of the Drakenstein Municipality could also have mobilised councillors and officials through management to provide support to the implementation of quality and environmental management standards, in support of the total quality management (TQM) philosophy. Mobilising bandwagons refers to actors enrolling large numbers of other participants to generate diffusion processes in favour of the collective issue at stake (Abrahamson and Rosenkopf, 1993: 487; Hardy and Phillips, 1998: 217). The momentum creates isomorphic pressures for a critical mass of adoption (cooperation) and allows for the emergence of new institutions. Indeed, collective action can only be successful when institutional entrepreneurs are able to enrol a large majority of actors through the process of alliance building by including like-minded actors (Callon 1991).
Since collective interests do not always produce collective action (Heckathorn, 1996: 250), it becomes necessary, however, to not only bring collective resources to bear on the problem (Westley and Vredenburg, 1997: 381) but also to provide motivations to individual participants whose interests may lie in not cooperating. In other words, these situations present a collective action dilemma (Oliver, 1993: 271). Change in collective action domains constitutes a double paradox. Apart from having to reconcile the agency-structure paradox or the ability of actors to spearhead change despite constraints (Seo and Creed, 2002: 222), actors need to resolve a collective action problem in which individual interests may work against cooperation and promote collective inaction.

As a result of the political-infighting amongst the political entrepreneurs (councillors) in the Drakenstein Municipality, the political entrepreneurs could not obtain a strategic holistic view in that, if they cooperated with the bureaucratic entrepreneurs (Officials) to implement and institutionalise quality and environmental management standards, in support of the total quality management (TQM) philosophy, the political entrepreneurs’ standing in the community would have been significantly enhanced as they would have been perceived positively to be contributing to the enhancement of effective, efficient and accountable service delivery.

Therefore, from an institutional theory perspective, the primary objective of organisational change is not better performance but greater legitimacy. In other words, organisations adapt their internal characteristics in order to conform to the expectations of the key stakeholders in their environment. Over time, norms and rules emerge that limit the management arrangements that are deemed acceptable (Ashworth et al. 2009: 01). As a result of collective inaction from the political, bureaucratic and procedural entrepreneurs, it cannot be stated that greater legitimacy has been obtained by the Drakenstein Municipality.

The implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy in the Drakenstein
municipalities was not a smooth process and there were many challenges such as political instability, staff and skills shortages, resistance by staff to implementation, as well as resource constraints. However, limited success was achieved in implementing and establishing of quality and environmental management standards in support of the total quality management (TQM) philosophy within the Drakenstein Municipality. The absence of stable political leadership contributed significantly to the non-institutionalisation of quality and environmental management standards in support of the total quality management (TQM) philosophy in the Drakenstein Municipality.

10.13 Theme 12 : Discursive Frames

10.13.1 Makana Municipality

Institutional entrepreneurs use mechanisms to manipulate cultural symbols and practices, such as rhetorical strategies (Suddaby and Greenwood, 2005: 35; Jones and Livne-Tarandach, 2007: 1075) and toolkit approaches (Swideler, 1986: 273; Boltanski and Thevenot 1991). The institutional entrepreneurs at the Makana Municipality used rhetorical strategies and toolkit approaches to reinterpret and manipulate prevailing symbols and practices such as a bureaucratic administrative culture. They did this by using „institutional vocabularies“ to discredit the dominant institutional logic which defined the legitimacy of organisational forms. They exposed the contradictions by associating them with broader cultural analogies, such as the new values of developmental local government as enshrined in the Local Government: Municipal Systems Act 32 of 2000.

In this instance, the discourse and texts generated by the Municipal Manager, Executive Mayor and Councillors can be seen in phrases such as “in our quest to be a world class leader in development”, “innovative policies, creative and flexible procedures and comprehensive work instructions”. The Quality and Excellence Manager has further generated a discourse and texts such as “performance excellence”, “benchmark”, “international best practice”.
According to Leca et al. (2008: 12) the discursive dimension is crucial in the literature on the institutional entrepreneurship process (Creed et al. 2002; de Holan and Philips 2002; Dorado 2005; Fligstein 1997, 2001; Maguire et al. 2004; Rao 1998; Rao et al. 2002). Institutional entrepreneurship is mainly a discursive strategy whereby institutional entrepreneurs generate discourse and texts aimed at affecting the processes of social constructions that underlie institutions (Suddaby and Greenwood 2005; Munir and Philips 2005; Philips et al. 2004).

Such discursive frames include two major dimensions (Dacin et al. 2002; Greenwood et al. 2002; Maguire et al. 2004; Tolbert and Zucker 1996). The first specification through framing of the existing organisational failure, includes diagnosis of the failure and assignment of blame for it. This includes the creation of institutional vocabularies – i.e. the use of identifying words and referential texts to expose contradictory institutional logics embedded in existing institutional arrangements (Suddaby and Greenwood 2005). Rao et al. (2000: 244) state that:

“institutional entrepreneurs can mobilise legitimacy, finances and personnel only when they are able to frame the grievances and interests of aggrieved constituents, diagnose causes, assign blames, provide solutions and enable collective attribution processes”.

This implies to theorise the institutional project in such a way that it will resonate with the interests and values and problems of potential allies (Boxenbaum and Battilana 2005; Fligstein 2001; Suddaby and Greenwood 2005). In the Makana Municipality, the aggrieved constituencies were ratepayers and residents both from the advantaged and previously disadvantaged areas.

In the Makana Municipality, the Municipal Manager, Executive Mayor and Councillors respectively, as the institutional entrepreneurs mobilised legitimacy for the implementation of quality management standards and excellence models in support of the total quality management (TQM)
philosophy when they framed their projects in a way that would benefit councillors, officials and the community in terms of effective, efficient and accountable service delivery.

10.13.2 Drakenstein Municipality

Institutional entrepreneurs use mechanisms to manipulate cultural symbols and practices, such as rhetorical strategies (Suddaby and Greenwood, 2005: 35; Jones and Livne-Tarandach, 2007: 1075) and toolkit approaches (Swideler, 1986: 273; Boltanski and Thevenot 1991). The institutional entrepreneurs Drakenstein Municipality used rhetorical strategies and toolkit approaches to reinterpret and manipulate prevailing symbols and practices such as an unstructured and bureaucratic approach to environmental management. They did this by using „institutional vocabularies” to discredit the dominant institutional logic which defined the legitimacy of organizational forms. They exposed the contradictions by associating them with broader cultural analogies, such as the new values of developmental local government as enshrined in the Local Government: Municipal Systems Act 32 of 2000. In this instance, the discourse and texts generated by executive and senior management were “improve environmental performance,” “risk profiles” and “eradicate environmental injustice,” “process cleansing”.

According to Leca et al. (2008: 12) the discursive dimension is crucial in the literature on the institutional entrepreneurship process (Creed et al. 2002; de Holan and Philips 2002; Dorado 2005; Fligstein 1997, 2001; Maguire et al. 2004; Rao 1998; Rao et al. 2002). Institutional entrepreneurship is mainly a discursive strategy whereby institutional entrepreneurs generate discourse and texts aimed at affecting the processes of social constructions that underlie institutions (Suddaby and Greenwood 2005; Munir and Philips 2005; Philips et al. 2004).

Such discursive frames include two major dimensions (Dacin et al. 2002; Greenwood et al. 2002; Maguire et al. 2004; Tolbert and Zucker 1996). The first specification through framing of the existing organisational failure,
includes diagnosis of the failure and assignment of blame for it. This includes the creation of institutional vocabularies – i.e. the use of identifying words and referential texts to expose contradictory institutional logics embedded in existing institutional arrangements (Suddaby and Greenwood 2005). These discourses implies that there is a desire to move from a bureaucratic and rigid organisational culture to that of one which is more flexible which will promote creativity, innovation and accountability.

Rao et al. (2000: 244) state that:

“institutional entrepreneurs can mobilise legitimacy, finances and personnel only when they are able to frame the grievances and interests of aggrieved constituencies, diagnose causes, assign blames, provide solutions and enable collective attribution processes”.

This implies to theorise the institutional project in such a way that it will resonate with the interests and values and problems of potential allies (Boxenbaum and Battilana 2005; Fligstein 2001; Suddaby and Greenwood 2005). The aggrieved constituency in the Drakenstein Municipality were mainly the environmental officials and the environmental interest groups as well as ratepayer and civic organisations.

In the Drakenstein Municipality, the executive and senior management as well as the environmental officials and Councillors respectively, as the institutional entrepreneurs mobilised legitimacy for the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy when they framed their projects in a way that would benefit councillors, officials and the community in terms of effective, efficient and accountable service delivery.

In the case of the Drakenstein Municipality, the Environmental Officials, as a result of their professional backgrounds in environmental management, could successfully argue for the approval and implementation of the EMS, due to the fact that environmental management was already identified as a key
In terms of Tolbert and Zucker’s (1999) institutionalisation model, the institutionalisation process results from a set of factors that act at different points in the process. They segment the institutionalisation process in three stages: habitualisation, objectification and sedimentation. Habitualisation, or the pre-institutionalisation stage, results from the need to innovate. As soon as new structural arrangements turn into organisational policies, procedures or rules, the habitualisation or pre-institutionalisation stage is reached. In the Makana Municipality case, the habitualisation or pre-institutionalisation stage was reached when the Municipality’s Council resolved to implement quality management standards and excellence models in support of the total quality management (TQM) philosophy, namely the ISO 9000: 2000 QMS and the SAEF Model.

New structural arrangements are constituted in response to forces in the institutional environment. Three forces are dominant in this stage: (1) technological changes – technical or technological reorientations; (2) new legal resolutions – new legal arrangements that can provoke more or less receptiveness in organisations; and (3) market forces – resulting from economic factors (Tolbert and Zucker, 1999: 200). In the Makana Municipality, the dominant force in the municipal environment was complying with new developmental local government legislation as well as implementing a national government key performance area (KPA) relating to municipalities, namely: „Good Governance“.

„Good Governance“ is one of five national key performance areas for municipalities, the other four being basic service delivery, local economic development, municipal financial viability and management and municipal
transformation and organisational development (Section 26 of the Local Government: Municipal Performance Regulations of 2006). Furthermore, in terms of both the Makana and Drakenstein municipalities Integrated Development Plan (IDP), the national government’s KPA of „Good Governance“ is linked to the municipalities’ strategic objective of „Institutional Excellence“.

The move from habitualisation to objectification depends on two factors: organisational monitoring and theorisation (Tolbert and Zucker, 1999: 201). The former represents the identification of evidences in other organisations that have adopted the same policies, procedures or rules. This was the case both in Makana Municipality, which could be referred to as normative and mimetic isomorphic pressures; where the respective institutional entrepreneurs successfully argued before their Council the value of implementing quality management standards and excellence models in support of the total quality management (TQM) philosophy, which proved to be a success in other organisations.

Theorisation plays the role of justifying, by means of technical specialists, whether the new structural arrangements can solve the organisational problems that motivated the innovation. This was evident in Makana Municipality when consultants were appointed to assist in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy. Organisational members will only reach a certain level of consensus when the sum of these two factors provides a positive result. The objectification stage can also be called semi-institutionalisation (Tolbert and Zucker, 1999: 201).

The move from objectification to sedimentation represents full institutionalisation of the new structural arrangements (Tolbert and Zucker, 1999: 201). It means that, from this stage onwards, the new structural arrangements acquire historical continuity and are used by future generations of organisational members, that is, the new arrangements are exteriorised. In the Makana Municipality, there has been no move from the objectification
stage to the sedimentation stage due to the challenges in implementation, namely: political instability, staff resistance, staff shortages, skills development and resource constraints. It therefore cannot be stated that the new structural arrangements pertaining to quality management standards and excellence models in support of the total quality management (TQM) philosophy have acquired historical continuity.

The institutionalisation process is concretised when the sedimentation of certain organisational routines and rules occurs, which guarantees stability and legitimacy to an organisation (Tolbert and Zucker, 1999: 196). This process involves a gradual or sudden organisational change to stabilise and legitimise these routines and rules (Miller and Friesen, 1980: 591).

Three factors exert influence in this move, namely: positive impacts, group resistance and defence by an interest group. The first refers to evidence inside the organisation that confirms the utility of the new structural arrangement. Group resistance is related to organisational members who are unsatisfied about the adoption of new structural arrangements and attempt to maintain the previous situation. Finally, the defence by an interest group represents the opposite of the previous situation, that is, organisational members who are in favour of maintaining the new institutional arrangements (Tolbert and Zucker, 1999: 201).

In view of the institutionalisation process proposed by Tolbert and Zucker (1999), sedimentation only occurs when the factors, namely positive impacts, group resistance and defence by an interest group, motivating the change overcome the factors inhibiting this change in each process stage. Another aspect refers to the relative weight each mentioned factor can assume in specific situations. In the Makana Municipality, sedimentation in terms of the institutionalisation process has not taken place to date, due to challenges with regards to lack of sustained political support, staff resistance, staff shortages, skills shortages and resource constraints. It can therefore be stated that in the Makana Municipalities that quality management standards and excellence models in support of the total quality management (TQM) philosophy are still
in the objectification phase or semi-institutionalisation phase, despite the fact that the ISO 9001: 2000 QMS have been successfully implemented in eight departments in the Makana Municipality.

Oliver (1991: 153) refers to conflicting institutional demands and inconsistencies between institutional expectations and organisational objectives as the elements that motivate a strategic response to the institutional process, namely compromise, which shows partial acceptance of institutional pressures. It involves three tactics: balance, pacify and bargain. Balance means balancing the expectations of multiple constituents, pacify means placating and accommodating institutional elements and to bargain means negotiating with institutional stakeholders. In the case of the Makana and Drakenstein municipalities, there was evidence of compromise as a strategic response to institutional pressure. In this regard, the QMS was successfully implemented in eight municipal departments.

However, there was also avoidance as a strategic response, which means an attempt to impede the need to conform (Oliver, 1991: 154) in the Makana Municipality. Staff resistance to the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy is evidence of this. Oliver (1991: 155) state that three tactics are related to this strategy, namely: conceal, buffer and escape. Conceal means disguising non-conformity, buffer means loosening institutional attachments and to escape means changing goals, activities or domains. In comparison with the compromise strategic response, Oliver (1991: 155) mentions that avoidance as a strategic response is motivated by the desire to circumvent the conditions that make conforming behaviour necessary.

10.14.2 Drakenstein Municipality

In terms of Tolbert and Zucker’s (1999) institutionalisation model, the institutionalisation process results from a set of factors that act at different
points in the process. They segment the institutionalisation process in three stages: habitualisation, objectification and sedimentation. Habitualisation, or the pre-institutionalisation stage, results from the need to innovate. As soon as new structural arrangements turn into organisational policies, procedures or rules, the habitualisation or pre-institutionalisation stage is reached. In the Drakenstein Municipalities' case, the habitualisation or pre-institutionalisation stage was reached when the Executive Management and the Municipal Council resolved to implement TQM programmes, namely the ISO 9001: 2008 QMS and the ISO 14001: 2004 EMS.

New structural arrangements are constituted in response to forces in the institutional environment. Three forces are dominant in this stage: (1) technological changes – technical or technological reorientations; (2) new legal resolutions – new legal arrangements that can provoke more or less receptiveness in organisations; and (3) market forces – resulting from economic factors (Tolbert and Zucker, 1999: 200). In the Drakenstein Municipality, the dominant force in the municipal environment was complying with new developmental local government legislation as well as implementing a national government key performance area (KPA) relating to municipalities, namely: „Good Governance”.

„Good Governance” is one of five national key performance areas for municipalities, the other four being basic service delivery, local economic development, municipal financial viability and management and municipal transformation and organisational development (Section 26 of the Local Government: Municipal Performance Regulations of 2006). Furthermore, in terms of the Drakenstein Municipality Integrated Development Plan (IDP), the national government”s KPA of „Good Governance” is linked to the municipalities” strategic objective of „Institutional Excellence”.

The move from habitualisation to objectification depends on two factors: organisational monitoring and theorisation (Tolbert and Zucker, 1999: 201). The former represents the identification of evidences in other organisations that have adopted the same policies, procedures or rules. This was the case
in the Drakenstein Municipality, which could be referred to as normative and mimetic isomorphic pressures; where the respective institutional entrepreneurs successfully argued before their executive and senior management and Council the value of implementing quality and environmental management standards in support of the total quality management (TQM) philosophy, which proved to be a success in other organisations.

Theorisation plays the role of justifying, by means of technical specialists, whether the new structural arrangements can solve the organisational problems that motivated the innovation. This was evident in the Drakenstein Municipality when consultants were appointed to assist in the implementation and institutionalisation of quality and environmental management standards in support of the total quality management (TQM) philosophy. Organisational members will only reach a certain level of consensus when the sum of these two factors provides a positive result. The objectification stage can also be called semi-institutionalisation (Tolbert and Zucker, 1999: 201).

The move from objectification to sedimentation represents full institutionalisation of the new structural arrangements (Tolbert and Zucker, 1999: 201). It means that, from this stage onwards, the new structural arrangements acquire historical continuity and are used by future generations of organisational members, that is, the new arrangements are exteriorised. In the Drakenstein Municipality, there has been no move from the objectification stage to the sedimentation stage due to the challenges in implementation, namely: political instability, staff resistance, staff shortages, skills development and resource constraints. It therefore cannot be stated that the new structural arrangements pertaining to quality and environmental management standards in support of the total quality management (TQM) philosophy have acquired historical continuity.

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In view of the institutionalisation process proposed by Tolbert and Zucker (1999), sedimentation only occurs when the factors, namely positive impacts, group resistance and defence by an interest group, motivating the change overcome the factors inhibiting this change in each process stage. Another aspect refers to the relative weight each mentioned factor can assume in specific situations. In the Drakenstein Municipality, sedimentation in terms of the institutionalisation process has not taken place to date, due to challenges with regards to lack of sustained political support, staff resistance, staff shortages, skills shortages and resource constraints. It can therefore be stated that in the Drakenstein Municipality that quality and environmental management standards in support of the total quality management (TQM) philosophy are still in the objectification phase or semi-institutionalisation phase.

Oliver (1991: 153) refers to conflicting institutional demands and inconsistencies between institutional expectations and organisational objectives as the elements that motivate a strategic response to the institutional process, namely compromise, which shows partial acceptance of institutional pressures. It involves three tactics: balance, pacify and bargain. Balance means balancing the expectations of multiple constituents, pacify
means placating and accommodating institutional elements and to bargain means negotiating with institutional stakeholders. In the case of the Drakenstein Municipality, there was evidence of compromise as a strategic response to institutional pressure. In this regard, the Phase 01 of the ISO 14001: 2004 EMS was successfully implemented as well as Phase 01 of the ISO 9001: 2008 QMS was implemented at the Drakenstein Municipality.

However, there was also avoidance as a strategic response, which means an attempt to impede the need to conform (Oliver, 1991: 154) in the Drakenstein Municipality. Staff resistance to the implementation of quality and environmental management standards in support of the total quality management (TQM) philosophy is evidence of this. Oliver (1991: 155) state that three tactics are related to this strategy, namely: conceal, buffer and escape. Conceal means disguising non-conformity, buffer means loosening institutional attachments and to escape means changing goals, activities or domains. In comparison with the compromise strategic response, Oliver (1991: 155) mentions that avoidance as a strategic response is motivated by the desire to circumvent the conditions that make conforming behaviour necessary.

10.15 Evaluation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein Municipalities

This section provides an evaluation of the progress made by the Makana and Drakenstein Municipalities in the design and implementation of its TQM programmes, which includes the ISO 9001: 2008 QMS and the South African Excellence Model (SAEF Model and the ISO 14001: 2004 (EMS). It is divided into two sub-sections. The first provides an overview of the achievements and limitations in relation to the TQM programme design, implementation,
impact and sustainability. The second examines a number of constraints and challenges that have characterised the process.

10.15.1 Achievements and Limitations

10.15.1.1 TQM Programme Design

The documents and the interviews reveal that the TQM programmes were well-designed and theoretically grounded and sound in the context of the ISO 9001: 2008 QMS and the South African Excellence Model (SAEF Model). The participants interviewed all agreed that the TQM programmes was a technically excellent system. They felt that the TQM programmes was capable of building upon and integrating with the IDP. The documents and the interviews reveal that the EMS was well-designed and theoretically grounded and sound in the context of the ISO 14001: 2004 EMS. The participants interviewed all agreed that the EMS was a technically excellent system. Whilst they felt that the EMS was capable of building upon and integrating with the IDP, IEP and SoER, they nevertheless indicated that the ISO 14001: 2004 EMS is by its nature rather generic and could have been adapted and tailored more effectively to meet the specific needs and characteristics of the Drakenstein Municipality. This might have enabled management and staff to engage more effectively with the training material.

10.15.1.2 TQM Programme Implementation

The document analysis and interviews revealed that due process had been followed in the implementation of the TQM programme process. The internationally recognised ISO standard operations were followed throughout the implementation process. There was also regular correspondence and contact between the consultant and the municipal stakeholders. The training sessions occurred on schedule, and most of the participants interviewed indicated that they had very positive experiences during the sessions, which were very effective in transferring knowledge.
In terms of implementation, the respondents indicated that most serious deviation from the original programme was the temporary suspension of the TQM implementation programme, which was brought about largely because of political instability and the high vacancy rates in key posts in the municipality. Other implementation problems and deviations mentioned by the respondents included the lack of availability, understanding, commitment and willingness to be a part of the TQM implementation programme on the part of other staff. These deviations, to a large extent, negatively impacted on the roll out of the programme.

Therefore, from a theoretical procedural perspective the TQM programmes were implemented appropriately according to ISO standards and the SAEF Model. However there were and there remains a range of practical, operational and logistical challenges that have impeded the successful implementation of the TQM programmes.

In the Drakenstein Municipality, the document analysis and interviews revealed that due process had been followed in the implementation of the first phase of the EMS process. The internationally recognised ISO standard operations were followed throughout the implementation process. There was also regular correspondence and contact between the consultants from the University of the North-West and the municipal stakeholders. The monthly training sessions occurred on schedule, and most of the participants interviewed indicated that they had very positive experiences during the sessions, which were very effective in transferring knowledge. One participant stated, however, that the effectiveness of the training sessions was hampered in her view, since the sessions were conducted in convoluted Afrikaans and thus affected her understanding of the information. The management at the municipality ensured that all the necessary resources were available for the training sessions and that staff received time-off to attend them.

In terms of implementation, the respondents indicated that most serious deviation from the original programme was the temporary suspension of phase 1 of the implementation programme, which was brought about largely because of the high vacancy rates in key posts in the municipality, especially
in the civil engineering department. Other implementation problems and deviations mentioned by the respondents included the lack of availability, understanding, commitment and willingness to be a part of the EMS implementation programme on the part of other staff. These deviations did not necessarily impact on the roll out of the programme but definitely impacted on its effectiveness.

Therefore, from a theoretical procedural perspective the EMS was implemented appropriately according to ISO standards. However there were and there remains a range of practical, operational and logistical challenges that have impeded the successful implementation of the EMS.

10.15.1.3 TQM Programmes' Impact

The implementation of the TQM programmes in the Makana Municipality is in its early stages of development and has been adversely affected by political instability, key staff vacancies and low staff morale. It is therefore far too soon to try and assess what impact, if any, the TQM programmes has had on service delivery. The participants interviewed indicated that most of the staff of the municipality were still unsure about the TQM programmes and their roles within it, with the exception of the Municipal Manager and the Project Leader.

The implementation of the EMS in Drakenstein is in its infancy, has been adversely affected by key staff vacancies, and has temporarily been put on hold. It is therefore far too soon try and assess what impact, if any, the EMS has had on service delivery. With respect to the impact on organisational culture, personnel, structures and procedures, there was little evidence that the EMS system has had much of an impact to date. The participants interviewed indicated that most of the staff of the municipality were still unsure about the EMS and their roles within it. With the exception of the Principal Technician and his HODs there seems to be an uncertainty with regard to the roles that the various departments should play. This is perhaps not surprising as the second phase of EMS training has been temporarily put on hold.
Despite the implementation limitations noted above, and the challenges and constraints that will be discussed below, there were positive indications in the documentary evidence and the interviews concerning the future sustainability of the TQM programmes. The participants indicated that the Makana Municipality remains committed to the implementation of the TQM programmes, and that continual support for the TQM programme is engrained in the IDP and Budget of the Municipality.

Despite such encouraging signs, there are still a number of question marks related to the longer-term sustainability of the TQM programmes. These relate, as will be seen in the next section on challenges and constraints, to such issues as the lack of sufficient awareness and support for the TQM programmes amongst political leaders, senior managers, staff and the public; as well as organisational, management, human resource and financial constraints. Such issues will clearly need to be addressed if the sustainability of the TQM programmes is to be ensured.

Despite the implementation limitations noted above, and the challenges and constraints that will be discussed below, there were positive indications in the documentary evidence and the interviews concerning the future sustainability of the EMS programme. The participants indicated that the Drakenstein Municipality remains committed to the implementation of the EMS, and that continual support for the EMS is engrained in the IDP of the Municipality. At the same time, the Municipality has made significant advances in environmental management performance such as the IDP, IEP, SOER and other environmental initiatives, which suggests that there is a strong and committed foundation upon which to build a sustainable EMS that can play a significant role in ensuring that the Council manages environmental issues and impacts in a comprehensive and effective manner.

Despite such encouraging signs, there are still a number of question marks related to the longer-term sustainability of the EMS. These relate, as will be seen in the next section on challenges and constraints, to such issues as the
lack of sufficient awareness and support for the EMS amongst political leaders, senior managers, staff and the public; as well as organisational, management, human resource and financial constraints. Such issues will clearly need to be addressed if the sustainability of the EMS programme is to be ensured.

10.15.2 Challenges and Constraints

The documentation studied and, in particular, the information derived from the interviews revealed a number of challenges and constraints that have impeded the TQM programmes process and will need to be addressed for the goals of the TQM programmes to be successfully realised. These included insufficient interest and awareness amongst political leaders and senior managers; organisational and management constraints, including departmentalism; staff awareness and human resource constraints; financial challenges; and insufficient public awareness, support and involvement.

10.15.2.1 Political and Managerial Awareness

Participants interviewed indicated that if elected politicians do not demonstrate commitment to the TQM programme’s implementation, the TQM programme implementation staff will be unsupported and will have neither the motivation nor access to the required resources they need to drive the implementation of the programme. The TQM programmes will then not be seen as a priority by political leaders, top managers and staff. The inevitable result will be inadequate resource allocations. This has had the effect of leaving a relatively small group of officials and the consultant to drive the process. The lack of sufficient buy-in amongst the top leadership (elected and official) could be due to a number of factors, including inadequate awareness or knowledge of quality management issues, and the need to attend to other important service delivery priorities.

Participants interviewed indicated that if elected politicians do not demonstrate commitment to the EMS implementation, the EMS programme implementation staff will be unsupported and will have neither the motivation nor access to the required resources they need to drive the implementation of
the programme. The EMS will then not be seen as a priority by political leaders, top managers and staff. The inevitable result will be inadequate resource allocations. The interviews revealed that, whilst there had been strong commitment and support from some politicians and senior managers, this enthusiasm had not been universally shared by all political leaders and senior managers. This has had the effect of leaving a relatively small group of managers, officials and consultants to drive the process.

The lack of sufficient buy-in amongst the top leadership (elected and official) could be due to a number of factors, including inadequate awareness or knowledge of environmental issues, and the need to attend to other important service delivery priorities. The future implementation of the EMS should, therefore, be accompanied by targeted and appropriate information campaigns in order to source and sustain political and senior administrative support for the project.

10.15.2.2 Organisational and Management Constraints

Through the interview process it was established that important organisational and management constraints had limited implementation of the TQM programmes, particularly in relation to problems experienced in terms of staff shortages and political instability. The interview respondents indicated that the high vacancy rate in key positions has severely impeded the implementation of the TQM programmes.

Through the interview process it was established that important organisational and management constraints had limited the fully effective implementation of the EMS system, particularly in relation to problems experienced in the civil engineering department. The whole tier below the Head of Department of the management structure was vacant at the time of the evaluation. The interview respondents indicated that the high vacancy rate in key positions has severely impeded the implementation of the EMS.

A further impediment identified by the respondents is associated with a typical local authority structure is that the decision-making process is often very slow,
involving many different levels. This can be frustrating to those implementing an EMS, especially those tasked with the management of the EMS.

A related problem identified by the respondents related to the issue of silos or departmentalism. In the past environmental policy and initiatives have tended to be the sole responsibility of one department (whether environment, planning, parks, engineering or health departments), rather than being mainstreamed effectively across the local authority. In the case of the Drakenstein Municipality, all the respondents interviewed held the same view, that the implementation of the EMS was or should be the responsibility of the Directorate: Infrastructure and Planning Services. Such fragmentation means that an integrated approach to environmental management could easily be compromised. The implementation, management and maintenance of the EMS is not seen by most other council departments as one of their departmental responsibilities.

10.15.2.3 Human Resource Constraints

The respondents indicated that there were major human resource challenges in the Makana Municipality that would need to be addressed if the TQM programmes was to be effectively implemented on a sustainable basis. These include a high level of staff awareness and commitment, the necessary depth of professional and technical skills and expertise, and relatively well skilled general workforce.

They also pointed to the general unwillingness of staff to participate, unless they received additional remuneration for the extra workload. The Municipal Manager indicated that when the TQM programmes was initially discussed hardly anyone in the municipality had any knowledge about total quality management programmes.

The respondents indicated that there were major human resource challenges in the Drakenstein Municipality that would need to be addressed if the EMS system was to be effectively implemented on a sustainable basis. These include a high level of staff awareness and commitment, the necessary depth of professional and technical skills and expertise, and relatively well skilled
general workforce. They also pointed to the general unwillingness of staff to participate, unless they received additional remuneration for the extra workload. The principle technician indicated that when the EMS was initially discussed hardly anyone in the municipality had any knowledge about environment management systems.

As noted earlier, the high vacancy rate, in particular in the civil engineering division, has seriously hampered the implementation of the EMS. Furthermore it has cast an air of doubt within departments about the future implementation of the EMS. Currently all six line manager posts (which all happen to be engineers) are vacant. Within these vacancies are key posts responsible for the implementation and management of the EMS.

**10.15.2.4 Financial Challenges**

Respondents indicated that thus far the Makana Municipality has made the necessary financial resources available for the implementation of the TQM programmes. As a strategic goal the continual development of the TQM programmes is also in the Makana Municipality’s IDP. However, with competing priorities of service delivery and the meeting of basic human needs, the respondents indicated that there might be difficulties in securing the necessary resources to develop and implement fully fledged TQM programmes.

During the interviews it was felt that the option of sourcing „outside“ funds for the implementation of the EMS may be something that the Makana Municipality should seriously consider.

Respondents indicated that thus far, the Drakenstein Municipality has made the necessary financial resources available for the implementation of the pilot phase of the EMS. As a strategic goal the continual development of the EMS is also in the Drakenstein Municipality’s IDP. However, with competing priority of service delivery and the meeting of basic human needs, the respondents indicated that there might be difficulties in securing the necessary resources to develop and implement a fully--fledged EMS system.
10.15.2.5 Lack of Public Awareness and Support

Respondents felt that the Drakenstein Municipality did not embark on an adequate public awareness programme in relation to the EMS. This has resulted in inadequate public pressure on bureaucrats and politicians, and inadequate public support for initiatives to address environmental issues, leading to inaction and a disregard for environmental issues. The application of the ISO 14001 does not require the same kind of public participation required by the IDP and EIA. However, it demands that management must consider interested and affected party perspectives when objectives and targets are set. It is, however, inconceivable that an EMS process can be launched effectively without the local authority engaging the public.

10.16 Conclusion

The findings from the research investigation have been discussed from the perspective of TQM, institutional theory and institutional entrepreneurship. The implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein municipalities was subject to the continuing volatility in the political leadership of both municipalities.

Due to the resultant negative effects that this state of affairs had on the municipal administrations, and the fact that there are still staff shortages as a result of vacancies not being filled as well as the skills shortages, it is envisaged that the quality management standards and excellence models in support of the total quality management (TQM) philosophy would not be sustained unless there is collective collaboration amongst institutional entrepreneurs.

The implementation of the quality management standards and excellence models in support of the total quality management (TQM) philosophy required collective action from the political, bureaucratic and procedural entrepreneurs in order to enhance effective, efficient and accountable service delivery.
However, in both the Makana and Drakenstein municipalities, institutional entrepreneurs, namely councillors and officials were not working together as a collective to implement these management tools. Due to political instability and political infighting amongst councillors, the implementation process was suspended for a long period of time, which adversely affected the morale of staff. There were lost opportunities in both municipalities where the implementation of these management tools could have yielded tangible positive results, if the political and bureaucratic institutional entrepreneurs (namely councillors and officials) worked together as a collective with a common purpose of promoting effective, efficient and accountable service delivery.

The departments, which have not implemented these management tools in both the Makana and Drakenstein municipalities, are still operating according to the old established bureaucratic frameworks. Institutionalisation of the quality management standards and excellence models in support of the total quality management (TQM) philosophy has not occurred in the Makana nor the Drakenstein municipalities.

The original contribution to the body of knowledge in business, government and management that this research study would make is to highlight the critical importance of institutional entrepreneurs working together as a collective in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy within developmental local government in order to enhance effective, efficient and accountable service delivery. This study has further highlighted the difficulties associated with trying to achieve the type of collective action required, particularly in an under-resourced and politically unstable organisational context.

In light of these challenges, in Chapter 11, recommendations and conclusions will be presented as well as the limitations of the study and areas for future research will be outlined.
CHAPTER 11:
RECOMMENDATIONS AND CONCLUSION

11.1 Introduction

According to Lehtoranta (1998: 01), the complex process of service delivery is seen to be of national importance and requires an extensive and holistic performance improvement programme. Local government is for all intents and purposes the primary vehicle for service delivery. Performance management programmes in local government should be evaluated by key policy makers, managers and staff in order to adjust programmes, activities and objectives in ways that will lead to improved performance (Wholey, 1987: 45). However, if performance and quality is not measured it cannot be managed. Performance and quality measurement should therefore be utilised as a diagnostic aid to identify performance anomalies, as well as an early warning device to sound an alert against such anomalies. Performance and quality management strategies, frameworks, systems, techniques and tools are therefore imperative in the new era of developmental local government in South Africa.

This study has focused on the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in two municipalities in South Africa, identifying some of the key challenges faced by institutional entrepreneurs in their collective endeavours to introduce and institutionalise new management systems. In this chapter, recommendations arising out of the main findings of the research investigation are presented.

11.2 General conclusion

The aim of this research study was to analyse the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy and developmental local government within two South African municipalities. As a result of coercive, mimetic and normative isomorphic pressures impacting on the Makana and Drakenstein
municipalities, change was imperative if these institutions were to remain relevant and legitimate in order to address its service delivery mandate of effectiveness and efficiency. The literature on institutional theory, institutional entrepreneurship and TQM has proved to be useful in understanding how and why the Makana and Drakenstein municipalities implemented quality management standards and excellence models in support of the total quality management (TQM) philosophy as a result of the pressure to change.

It provided a theoretical perspective from which to understand and appreciate the pressures that impacted on the municipalities as a result of its new developmental mandate as encapsulated in new municipal legislation. It also assisted in understanding how institutional entrepreneurs responded to these pressures to conform. Institutional theory argues that the primary objective of organisational change is not necessarily better performance but greater legitimacy. In other words, organisations adapt their internal characteristics in order to conform to the expectations of the key stakeholders in their environment.

In the case of the Makana and Drakenstein municipalities, it cannot be stated that legitimacy has been achieved. This is mainly as a result of institutional entrepreneurs not collaborating and collectively working with each other to institutionalise quality management standards and excellence models in support of the total quality management (TQM) philosophy with the aim to enhance effective, efficient and accountable service delivery.

This study suggests that the role of the political and administrative leadership as institutional entrepreneurs working as a collective within the administration, is critical if the institution is to achieve effective, efficient and accountable service delivery in developmental local government. In situations where groups of stakeholders are concerned about a common issue or problem such as environmental degradation, the only route to achieving change is by developing collaborative solutions (Gray 1989; Hardy and Phillips, 1998: 217; Trist, 1983: 247) and a „collective logic of action” (Lincoln et al. 1996: 67).
This represents a repertoire of bridging tactics that socially skilled actors use to induce cooperation from both allies and adversaries (Fligstein, 1997: 397). These include: "framing (Benford and Snow, 2000: 611), which induces cooperation by appealing to mutual identity and interests (Ansell, 1998: 359); setting an agenda which others believe to be in their own interests (Lukes 1974); expressing tangible and task-oriented goals, rather than ones that are elusive (Huxham and Vangen 2005); and building "cognitive legitimation" by spreading public knowledge about an issue to make it more familiar and amenable to acceptance (Aldrich and Fiol, 1994: 645). In both the Makana and Drakenstein municipalities, the tactics of framing, setting agendas and mainstreaming issues and projects were insufficient.

In order to successfully implement quality management standards and excellence models in support of the total quality management (TQM) philosophy within developmental local government, collaborative leadership and cooperation amongst institutional entrepreneurs is imperative. Because they can seldom change institutions alone, institutional entrepreneurs must typically mobilise allies (Boxenbaum and Battilana, 2005: 01; Fligstein, 1997: 397; Greenwood et al. 2002: 58); develop alliances and cooperation (Fligstein, 2001: 261; Lawrence et al. 2002: 281; Rao, 1998: 912). In particular they must mobilise key constituents such as highly embedded agents (Lawrence et al. 2002), professionals and experts (Hwang and Powell, 2005: 179). Hence, institutional entrepreneurship is a complex political and cultural process (DiMaggio, 1988: 03; Fligstein, 1997: 397; Rao, 1998: 912) where institutional entrepreneurs must mobilise diverse social skills depending on the kind of institutional project they intend to impose (Perkmann and Spicer, 2007: 23).

Senior management interact and closely liaise with municipal councillors and when there is political instability, as was the case at Makana and Drakenstein municipalities, the programmes and projects of the administration are severely impacted upon negatively. Furthermore, apart from mere compliance with legislation, the collective role of institutional entrepreneurs were central in
effecting change in the form of these management tools, in order to achieve the objectives of developmental local government.

Within the developmental local government context in South Africa, synergy between the political leadership and executive management is imperative if service delivery is going to effective and efficient. Implementing quality management standards and excellence models in support of the total quality management (TQM) philosophy within the municipal administration can only be achieved if there is a stable political leadership committed to sound corporate governance. Therefore, before implementing these management tools within local government both politicians and officials need to jointly agree on the implementation during strategic planning sessions and during the compilation of the Municipality’s Integrated Development Plan (IDP).

The IDP is one of the key tools used by the South African government to tackle its new developmental role. In contrast to the role planning has played in the past, integrated development planning is a function of municipal management and is part of an integrated system of planning and delivery. The integrated development planning process is meant to arrive at decisions on issues such as municipal budgets, land management, promotion of local economic development, and institutional transformation in a consultative, systematic, and strategic manner. It therefore not only informs municipal management on key issues, but also guides the activities of other spheres of government, corporate service providers, non-governmental organisations and the private sector who wish to operate within the municipal area.

The IDP therefore ensures that municipalities are not only informed about their environment but are also sensitive to cross cutting dimensions and impacts. In this way, municipal management is informed on key issues that will affect budgetary and land use management decisions. It also facilitates intergovernmental relations by ensuring that all developmental activities within a municipal area are consolidated and further the vision, objectives, strategies, and projects of the municipality. The fact that the political
responsibility of the IDP lies with the Executive Mayor, ensures that the IDP and its implementation receives top priority within decision-making structures.

The findings arising from research into documentary sources as well as interviews with respondents from the two research sites - namely Makana Municipality in Grahamstown and Drakenstein Municipality in Paarl - have shown that the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in both municipalities was not a smooth process and there were many challenges such as political instability, staff and skills shortages, resistance by staff to implementation and resource constraints. However, limited success was achieved in implementing and establishing these management tools, namely eight municipal departments being certified as complying with the ISO 9001: 2000 QMS in the Makana Municipality and phase one of the ISO 14001: 2004 EMS having been completed in the Drakenstein Municipality as well as the implementation of the ISO 9001: 2008 QMS in the Tourism Unit.

The interests of the institutional entrepreneurs at Makana and Drakenstein municipalities - Municipal Managers, Executive Mayors, Councillors, Quality and Excellence Managers, Environmental Officials and the Consultants - was to advance the principles and values as enshrined in Section 51 of the Local Government: Municipal Systems Act 32 of 2000, namely: to establish a simple and enabling framework for the core processes of planning between politicians and administrators, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government.

Evidence has shown that the absence of stable political leadership and non-cooperation and collaboration amongst institutional entrepreneurs contributed significantly to the non-institutionalisation of the quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein municipalities. Although
the institutional entrepreneurs within both the Makana and Drakenstein municipalities initially supported each other to implement and institutionalise these management tools, disagreements amongst the councillors emerged pertaining to political issues. This resulted in them not providing political leadership, support and oversight in their respective municipal administrations to the detriment of service delivery. The role of institutional entrepreneurs is to set the vision within the broader rules of the game that have been set, and then to translate that vision into actions, structures, systems, policies, procedures and processes that will institutionalise it.

The original contribution to the body of knowledge in business, government and management that this research study has made is to provide insight from the perspective of institutional theory, of the critical importance of institutional entrepreneurs to work together as a collective in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy within developmental local government.

Thus, this research study suggests that the strategic and collective role of the political and administrative leadership as institutional entrepreneurs is a critical role if the municipality is to achieve its aims and objectives, namely effective, efficient and accountable service delivery in developmental local government.

11.3 General recommendations

In order for the challenges that have been experienced during the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy in the Makana and Drakenstein municipalities to be overcome, the under-mentioned steps should be considered.

Firstly, institutional entrepreneurs should work as a collective and collaborate with each other to transform their institutional architectures. In this regard,
there should be dedicated joint political and administrative sessions dealing exclusively with implementation issues. The Executive Mayor as the political head and the Municipal Manager as the administrative head should meet on a quarterly basis to specifically ascertain progress on TQM implementation issues. The TQM and PMS Officials should prepare comprehensive reports with recommendations and incorporate same in a formal agenda for consideration and resolution.

Secondly, institutional entrepreneurs can create common ground with the municipality’s stakeholders. Through public participation programmes, councillors and managers can jointly highlight and promote TQM programmes so as to instil confidence amongst residents that service delivery is measured according to internationally accepted frameworks in order to enhance effective, efficient and accountable service delivery. This can be mainstreamed in the public participation processes embedded within the Integrated Development Plan (IDP).

Thirdly, councillors and managers can obtain the cooperation of their respective colleagues to rebuild their institutions. This can be done through lobbying and motivating stakeholders, to promote TQM programmes on an ongoing basis.

Fourthly, institutional entrepreneurs can devise appropriate incentive structures, which consist of designing institutional arrangements that encourage cooperation by reducing the cost of service delivery. The successful implementation of TQM programmes can be a standard key performance indicator in the municipality’s performance management system.

Fifthly, councillors and management can apply ethical guidelines, which mean motivating politicians and officials to cooperate by invoking ethical factors such as sense of fairness, equity and altruism. They can invoke the provisions of enabling legislation such as the Constitution and local government legislation, which refers to the norms and values, expected of politicians and administrators in delivering effective, efficient and accountable
services to the community. Awareness and mainstreaming campaigns can be embarked upon which should be budgeted for.

Finally, councillors and managers can use implementation guidelines, which refer to employing specific instruments to implement joint agreements. Implementation capacity can be built through information transfer, research grants, technical assistance, training and management expertise to resource-constrained managers. Furthermore, periodic and timely assessments of the progress through review mechanisms and non-compliance procedures will ensure continued cooperation. This can be done through regular TQM reports being tabled before the Executive Mayoral Committee and the Council. This would enable the councillors to exercise their oversight role over the municipal administration.

Councillors and management could consider using the self-assessed quality management system (SQMS) (See Appendix 8) which should start with well-defined corporate values and mission so that all stakeholders can visualise the commitment, culture and core values of an organisation. Senior management should initiate their leadership, and develop clear municipal goals and quality objectives consistent with the municipality’s mission. Core quality concepts and elements (such as leadership, strategic quality planning, design quality, speed and prevention, people participation and partnership, fact-based management, continuous improvement, and customer focus and satisfaction) would then be identified, and together as a system addressed to well-defined and designed processes. These processes would encompass the planning of new products or services with zero defects, employee and supplier involvement and participation, training and education, rewards and recognition as well as the quality of work environment (Pun, 1998: 356).

Competitive performance evaluations and benchmarking would directly address continuous improvements and changing customer requirements, with the aid of analytical tools and problem-solving techniques (such as statistical tools, cause-and-effect diagrams and relations diagrams). The findings would then be used to formulate a process management plan that interweaves the
objectives, strategies and implementation aspects of quality programmes, projects and tasks. Both the environmental and the safety and health standards would be included along the conformity requirements of the ISO 9000 certification as they are all embraced by TQM philosophy. The municipality can then document quality policies, processes and procedures into the system, and use them as a platform for continuously improving the quality of service delivery that customers want (Pun, 1998: 356).

Having regard to the different business situations, the management can decide on either taking small-step process improvements using Kaizen approach, or radical process changes using Business Process Re-engineering (BPR) or both depending on whether they may needed separately and collectively (Pun et al. 1999: 615).

In integrating a Self-Assessed Quality Management System (SQMS), municipalities should concentrate and build on what already exists, as opposed to developing large manuals and operating procedures for each SQMS sub-element. They should also put cross-functional teams to perform systems integration on the documentation side and incorporate quality, environmental and safety issues effectively (Beechner and Koch, 1997: 33; McCully, 1997: 49). Detailed system implementation should be planned, taking in the SQMS criteria and the considerations of time schedules, budgets and resource allocation. To avoid falling into the trap of developing separate and distinct procedures for each function that has no link to other facets of the integrated system, effective management reviews and audits of the self-assessment results can help streamline the SQMS development process (Hale, 1997: 39).

Moreover, possible feedback can recycle back to the planning and integration stages for further refinement of the SQMS building and development. Apart from those technical aspects, the management commitment and employee involvement efforts are governing the success of SQMS. Proper building and development of SQMS can help municipalities to better safeguard their sustainable business results and achieve performance improvement and
11.4 Specific recommendations

<table>
<thead>
<tr>
<th>Critical Factors (CFs) of TQM</th>
<th>Intervention</th>
<th>Accountability</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Customer-based approach,</td>
<td>Training</td>
<td>Human Resources</td>
<td>Commencing at the start of the new municipal financial year.</td>
</tr>
<tr>
<td>(2) Cooperation with Suppliers</td>
<td>programmes to be implemented with a specific focus on service-quality, citizen-orientation and service delivery excellence.</td>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>(3) Senior Management Commitment and Leadership</td>
<td>More frequent and structured strategic planning sessions and joint political and administrative meetings.</td>
<td>Executive Mayor and Municipal Manager.</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>(4) Quality Planning</td>
<td>A year-planner of quality sessions and meetings need to be compiled at the start of the municipal financial year.</td>
<td>TQM Officer</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>(5) Management based on facts,</td>
<td>Training to be provided to</td>
<td>Human Resources</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(6) Education and Training, (7) Process Management</th>
<th>senior, middle and junior managers on the use of qualitative and quantitative management techniques.</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>(8) Continuous Improvement and Learning, (9) Involvement of all Members of the Organisation, (10) Teamwork</td>
<td>Councillors and Senior Management need to instil a culture of continuous improvement within the municipality by holding quarterly meetings with trade unions and during the implementation of the performance management system (PMS).</td>
<td>Municipal Manager, Executive Directors and Heads of Departments.</td>
</tr>
<tr>
<td>(11) Involvement of all Members of the Organisation, (12) Organisational Awareness and Concern for the Social and</td>
<td>Executive Mayor and Municipal Manager</td>
<td>Integrated awareness campaigns on social and environmental issues within the Municipality and in the community using the print</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quarterly at the very least but ongoing in terms of the Integrated development Plan (IDP).</td>
</tr>
</tbody>
</table>
Environmental Issues, (13) Communication Systems

and electronic media as well as extensive public participation exercises to consult the community.

11.5 Limitations of research study and recommendations for further research

At the start of the research study, both the Makana and Drakenstein municipalities appeared to be ideal research sites to investigate best practice and institutionalisation. However, in both cases unforeseen events derailed their progress and made them less suitable as model cases. Nevertheless, this lack of progress simultaneously presented interesting and valuable insights, refocusing the study on the dynamics of the collective roles of institutional entrepreneurs.

This research study faced a number of limitations. These included: the high staff turn-over rate in key positions in both municipalities. Practically, this has resulted in a delay in the implementation process of the quality management standards and excellence models in support of the total quality management (TQM) philosophy as well as the current suspension of the implementation of the EMS at Drakenstein Municipality. This suspension has resulted in secondary staff not yet receiving EMS training. A second limitation that is interrelated is that participants interviewed were unable to address all the questions. This was partly due to their lack of knowledge with regard to these management tools and their implementation.

This lack of knowledge was largely due to the high vacancy rate of key positions within both the municipalities. Key participants who would have provided important information about the EMS and its implementation were
unable to participate in the study. Besides being unable to contribute as knowledgeable informants, some participants interviewed were reluctant to openly and freely share their views on the quality of leadership exercised by the institutional entrepreneurs, given the fact that they are employed within a politically charged environment.

Another limitation of this research study is the limited number of interviewees (namely, nine interviewees) in both the Makana and Drakenstein municipalities respectively. A bigger number of officials could have been interviewed, but many were not forthcoming due to fears that they harboured in view of the fact of the volatile political environment that they were employed in.

11.5.1 Limitations of the research design

With respect to the case study research design, the following limitations have been identified: (a) The complexity examined was difficult to represent simply; (b) The “objectivity” of the researcher when a researcher has expertise, knowledge and intuition of the subject matter and operations of the industry in question; (c) Case studies are not generalizable in the conventional sense, and (d) The findings are easy to dismiss, by those who do not like the messages that they contain.

(a) The complexity examined was difficult to represent simply:

When case studies are successful in revealing some of the complexities of social situations, there is often a problem of representation. It is often difficult to present accessible and realistic pictures of that complexity in writing. For instance, writing is predominantly a linear form of communication, with a beginning, middle and end, but much of what case study research reveals is simply not like that. Often, by writing about one aspect of the issue as, for example, in one person”s story, other aspects of it are unintentionally concealed. There are often several different ways to present the same set of issues, each one of which is subtly different in its approach and emphasis. This situation can make the findings of such research very difficult to summarise (Hodkinson and Hodkinson, 2001: 09).
(b) The “objectivity” of the researcher when a researcher has expertise, knowledge and intuition of the subject matter and operations of the industry in question.

For a combination of reasons, researcher expertise, knowledge and intuition is a vital part of the case study approach. Questions have to be carefully chosen, how to ask those questions, what to observe and what to record. Researchers have to draw out issues of interest from the data and construct stories about those issues and/or people. For these reasons, a key determinant of the quality of a piece of case study research is the quality of the insights and thinking brought to bear by the particular researcher (Hodkinson and Hodkinson, 2001: 10). In this regard, the authors state:

“When you read our publications, you are accessing our construction of the data around issues we judge to be important. No matter how rigorous we strive to be, this means that the research is not, and cannot be, completely objective, nor can we easily make transparent all the judgements we have made. Like all good researchers, we try to present adequate evidence, from the data, to support the stories we tell, but a certain amount has to be taken on trust.” (Hodkinson and Hodkinson, 2001: 10).

(c) Case studies are not generalizable in the conventional sense.

By definition, case studies can make no claims to be typical. For example, researchers “have no way of knowing, empirically, to what extent our four secondary school departments are similar or different from other such departments in schools all over England” (Hodkinson and Hodkinson, 2001: 10). Furthermore, because the sample is small and idiosyncratic, and because data is pre-dominantly non-numerical, there is no way to establish the probability that data is representative of some larger population. For many researchers and others, this renders any case study findings as of little value (Hodkinson and Hodkinson, 2001: 10).
(d) The findings are easy to dismiss, by those who do not like the messages that they contain.

Quite apart from the sorts of weakness that are found in case study research, there is a further problem if they present issues or findings that are unpopular, for example with policy-makers and managers. Those who do not like what case study researchers write, can easily find reasons to dismiss those findings, such as: the sample was too small; it’s not like that elsewhere; the researchers were biased and so forth. The sorts of research based on large representative samples, with apparently clear, unambiguous findings, are much less easy to resist (Hodkinson and Hodkinson, 2001: 10).

Despite, the above-mentioned limitations of the case study research design, it is submitted that the researcher has obtained a “rich” understanding of the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy from the Makana and Drakenstein municipalities respectively. Hodkinson and Hodkinson (2001: 11) argue that that there is no simple checklist of criteria, against which the validity and/or quality of a piece of case study research can be judged. If common tests of objectivity, sample size, clear numerical categories and generalizability are applied, many case studies will fail, almost by definition.

Rather, judging the worth of case study research demands some understanding and careful thinking by the reader. Do the stories told „ring true”? Do they seem well supported by evidence and argument? Does the study tell us something new and/or different and that is of value in some sort of way? Is any theorising better or more valuable than alternative models? These and many other questions can and should be asked of any case study that is read. Ideally, they should be asked from a position of some prior understanding: of the topic being investigated, and/or of the strengths and limitations of the methods and approaches used (Hodkinson and Hodkinson, 2001: 12). Notwithstanding the limitations of the case study research design outlined above, it is submitted that the research claim made hereunder can withstand vigorous and rigorous scrutiny.
The original contribution to the body of knowledge in business, government and management that this research study has made is to provide insight from the perspective of institutional theory into the dynamics of the interaction of institutional entrepreneurs as a collective, thereby highlighting the critical importance of institutional entrepreneurs to work together in the implementation and institutionalisation of quality management standards and excellence models in support of the total quality management (TQM) philosophy within developmental local government, in order to enhance effective, efficient and accountable service delivery.

11.5.2 Recommendations for future research

This research study set out to analyse the implementation of quality management standards and excellence models in support of the total quality management (TQM) philosophy and developmental local government within two South African municipalities. In view of the fact that the successful implementation of such programmes requires collective leadership on the part of both the councillors and executive management, future research could focus on collective institutional entrepreneurship and its impact on change, organisational structure, quality, and performance management in South African developmental local government. Special emphasis should be placed on the cognitive dimension of institutional entrepreneurs as to why they undertake to effect change in institutions despite them being constrained by prevalent existing organisational cultures. Furthermore, future research can focus on the role and duties of institutional entrepreneurs in the implementation process so as to ensure that successful institutionalisation is realised.

TQM is a cultural transformation tool for municipalities to realise their constitutional mandates, legislative obligations and their organisational goals. It focuses on the total organisation. Future research could therefore concentrate on the relationship between total quality management (TQM) and the integrated development plan (IDP) in terms of attempting to show whether
the implementation of TQM results in better plans being formulated and better delivery of planning objectives. Survey research in the form of administering questionnaires amongst respondents drawn from various local municipalities could be employed to understand this relationship across various local municipalities. It could also incorporate an examination of the role of collective institutional entrepreneurship and its impact on change and performance management in developmental local government. Furthermore, there should be ongoing use of case studies in other situations where implementation has been more extensive and successful, where there is greater political stability.

The effective, efficient and accountable rendering of services is of critical importance to local government, if it is to be viewed as a legitimate institution of service delivery by the citizenry. The IDP is central in this endeavour. TQM can enhance the IDP and its plans, programmes and objectives contained therein. Performance management is a legislative requirement and TQM is supportive thereof. In this research study, institutional theory and institutional entrepreneurship has provided a fruitful and unique perspective in examining TQM implementation, particularly the notion of collective action requirements. Further research endeavours would therefore be valuable in both extending this knowledge and improving practice to deliver high levels of service.
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INTRODUCTION

The need for a Model

Regardless of sector, size, structure or maturity, organisations need to establish an appropriate management framework to be successful. The EFQM Excellence Model is a practical, non-prescriptive framework that enables organisations to:
- Assess where they are on the path to excellence; helping them to understand their key strengths and potential gaps in relation to their stated Vision and Mission.
- Provide a common vocabulary and way of thinking about the organisation that facilitates the effective communication of ideas, both within and outside the organisation.
- Integrate existing and planned initiatives, removing duplication and identifying gaps.
- Provide a basic structure for the organisation’s management system.

Whilst there are numerous management tools and techniques commonly used, the EFQM Excellence Model provides an holistic view of the organisation and it can be used to determine how these different methods fit together and complement each other. The Model can therefore be used in conjunction with any number of these tools, based on the needs and function of the organisation, as an overarching framework for developing sustainable excellence.

Excellent Organisations achieve and sustain superior levels of performance that meet or exceed the expectations of all their stakeholders.

All organisations strive to be successful, some fail, some achieve periods of success but ultimately fade from view, and a few achieve sustainable success, gaining deserved respect and admiration.

The EFQM was formed to recognise and promote sustainable success and to provide guidance to those seeking to achieve it.

This is realised through a set of three integrated components:
- The Fundamental Concepts of Excellence: The underlying principles which are the essential foundation of achieving sustainable excellence for any organisation.
The EFQM Excellence Model: A framework to help organisations convert the Fundamental Concepts and RADAR logic into practice.

RADAR logic: A dynamic assessment framework and powerful management tool that provides the backbone to support an organisation as it addresses the challenges it must overcome if it is to realise its aspiration to achieve sustainable excellence.

Using these three integrated components has helped organisations of all sizes and from all sectors to compare themselves with the attributes, qualities and achievements of sustainable organisations. They can use them to develop a culture of excellence, bring consistency to their management style, access good practices, drive innovation and improve their results.

Used appropriately, the EFQM Excellence Model, with the associated RADAR logic and Fundamental Concepts, ensures that all the management practices used by an organisation form a coherent system that is continually improved and delivers the intended strategy for the organisation.

The 2010 version of the EFQM Model, RADAR logic and Fundamental Concepts builds on years of experience and takes into account the current and future challenges of an organisation.

The Fundamental Concepts of Excellence outline the essential foundation for achieving sustainable excellence for any organisation. They can be used as the basis to describe the attributes of an excellent organisational culture. They also serve as a common language for senior management.

The EFQM Excellence Model allows Managers/Leaders to understand the cause and effect relationships between what their organisation does and the results it achieves. With the support of RADAR logic it is possible to make a robust assessment of the degree of excellence of any organisation.

The RADAR logic provides a structured approach to question the performance of an organisation. It also supports the scoring mechanism behind the EFQM Excellence Award and other recognition or assessment schemes and can help to lead change and manage improvement projects in an organisation.
THE FUNDAMENTAL CONCEPTS OF EXCELLENCE

Achieving Balanced Results

Excellent organisations meet their Mission and progress towards their Vision through planning and achieving a balanced set of results that meet both the short and long term needs of their stakeholders and where relevant, exceed them.

In practice, excellent organisations:
- Identify and understand the Key Results required to achieve their Mission and evaluate progress towards their Vision and strategic goals.
- Gather stakeholders’ needs and expectations for input to the development and review of their strategy and supporting policies, remaining constantly alert to any changes.
- Use a balanced set of results to review their progress, providing a view of long and short term priorities for the key stakeholders, with clearly defined “cause and effect” relationships.
- Adopt effective mechanisms to understand future scenarios and manage strategic risks.

- Define the required outcomes and related performance indicators and establish targets based on comparisons of their performance with other organisations and the Mission and Vision.
- Deploy strategy and supporting policies in a systematic manner to achieve the desired set of results, balancing short and long term objectives.
- Evaluate the set of results achieved to improve future performance and provide sustainable benefits to their stakeholders.
- Ensure transparency of reporting to key stakeholders, including appropriate governance bodies, in line with their expectations.
- Ensure that their leaders are provided with accurate and sufficient information to support them in effective and timely decision making, enabling them to effectively predict the future performance of the organisation.
Adding Value for Customers

Excellent organisations know that customers are their primary reason for being and strive to innovate and create value for them by understanding and anticipating their needs and expectations.

In practice, excellent organisations:
- Know who their different customer groups are, respond to and anticipate their different needs and expectations.
- Build and maintain a dialogue with all their customers, based on openness and transparency.
- Strive to innovate and create value for their customers.
- Ensure their people have the necessary tools, competencies, information and empowerment to be able to maximise the customer experience.
- Continually monitor and review the experiences and perceptions of customers and respond quickly and effectively to any feedback.
- Involve customers in the development of new and innovative products, services and experiences.
- Compare their performance with relevant benchmarks and understand their strengths in order to maximise the value generated for customers.

Leading with Vision, Inspiration & Integrity

Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics.

In practice, excellent organisations have leaders who:
- Set and communicate a clear direction and strategic focus; they unite their people to share and achieve the organisation's core purpose and objectives.
- Understand the key business drivers; they balance the needs of the organisation and its stakeholders in planning for the achievement of present and future objectives.
- Demonstrate their ability to make sound and timely decisions, based on available information, previous experience and consideration of the impact of their decisions.
- Are flexible; they review, adapt and realign the direction of their organisation when necessary, inspiring trust at all times.
- Recognise sustainable advantage is dependent on their ability to learn quickly and respond rapidly with new ways of working.
- Inspire people and create a culture of involvement, ownership, empowerment, improvement and accountability, at all levels.
- Promote a culture which supports the generation and development of new ideas and new ways of thinking to encourage innovation and organisational development.
- Champion the organisation's Values and are role models for integrity, social responsibility and ethical behaviour, both internally and externally, to develop and enhance the organisation's reputation.
Managing by Processes

Excellent organisations are managed through structured and strategically aligned processes using fact-based decision making to create balanced and sustained results.

In practice, excellent organisations:
- Create and manage a framework of key processes that are structured and aligned to deliver their strategy in a way that adds real value for their stakeholders, achieving the optimum balance of efficiency and effectiveness.
- Analyse, categorise and prioritise their processes and adopt appropriate approaches to effectively manage them, including the management of processes extending beyond the boundaries of the organisation.
- Develop meaningful process performance indicators and related outcomes, clearly linked to measuring progress against the strategic goals.
- Use data on the current performance and capabilities of processes to identify opportunities for, and generate, innovation.
- Involve their people in continually reviewing, improving and optimising the effectiveness and efficiency of their processes.
- Deliver high levels of stakeholder confidence by ensuring risks are identified and appropriately managed across all their processes.
- Manage end to end processes, within and beyond the organisation, to achieve the desired performance and outcomes.

Succeeding through People

Excellent organisations value their people and create a culture of empowerment for the balanced achievement of organisational and personal goals.

In practice, excellent organisations:
- Understand the skills and competencies required to achieve the Mission, Vision and strategic goals.
- Create a culture where people’s dedication, skills, talents and creativity are developed and valued.
- Ensure that their people can contribute to their own, and the organisation’s ongoing success, realising their full potential in a spirit of true partnership.
- Align personal and team objectives with the organisation’s strategic goals and ensure their people are empowered to maximise their contribution.
- Adopt approaches that ensure a responsible work/life balance for their people.
- Ensure and embrace the diversity of their people.
- Foster organisational development through shared Values, accountability, ethics and a culture of trust and openness.
- Clearly define the levels of people performance required to achieve the strategic goals.
- Encourage their people to be the creators and ambassadors of the organisation’s ongoing success.
Nurturing Creativity & Innovation

Excellent organisations generate increased value and levels of performance through continual and systematic innovation by harnessing the creativity of their stakeholders.

In practice, excellent organisations:
- Establish and manage networks to identify opportunities for innovation from signals within the internal and external environment.
- Set clear goals and objectives for innovation and refine their strategy in line with innovation achievements.
- Establish approaches to engage people, partners, customers and society in generating ideas and innovation.
- Create a culture of entrepreneurship to enable innovation across all aspects of the organisation.
- Use innovation in a way that goes well beyond technical change and reveals new ways of offering value to customers, new ways of working and new ways of building on partnerships, resources and competencies.
- Use innovation to enhance their organisation's reputation and image and attract new customers, partners and talent.
- Have an open mindset and use creativity and innovation to respond quickly to challenges they face.
- Turn new ideas into reality through innovation-enabling processes which fit the nature and importance of the changes they will make.
- Assess the impact and the added value of innovations.

Building Partnerships

Excellent organisations seek, develop and maintain trusting relationships with various partners to ensure mutual success. These partnerships may be formed with amongst others, customers, society, key suppliers, educational bodies or Non-Governmental Organisations (NGOs).

In practice, excellent organisations:
- Recognise that, in the increasingly demanding world of today, success may depend on the effective partnerships they develop.
- Know what their core purpose is and they seek partners to enhance their capabilities and ability to generate stakeholder value.
- Establish extensive networks to enable them to identify potential partnership opportunities.
- Understand partnerships entail working together for long-term, sustainable value enhancement.
- Identify strategic and operational partnerships based on organisational and strategic needs, complementary strengths and capabilities.
- Develop partnerships that systematically enable the delivery of enhanced value to their respective stakeholders through competencies, synergies and seamless processes.
- Work together with partners to achieve mutual benefit, supporting one another with expertise, resources and knowledge to achieve shared goals.
- Build a sustainable relationship with partners based on mutual trust, respect and openness.
Taking Responsibility for a Sustainable Future

Excellent organisations embed within their culture an ethical mindset, clear Values and the highest standards for organisational behaviour, all of which enable them to strive for economic, social and ecological sustainability.

In practice, excellent organisations:-

- Secure their future by defining and communicating a core purpose that provides the basis for their overall Vision, Values, ethics and corporate behaviour.
- Understand their organisation’s key competencies and how they can benefit wider society.
- Consider economical, societal and ecological sustainability as a reference when balancing the sometimes conflicting imperatives they face.
- Are able to demonstrate that they have considered the impact of their operations, product lifecycle and services on public health, safety and the environment.
- Ensure a safe and healthy working environment for their people.
- Ensure their people act with integrity and adopt the highest standards of ethical behaviour.
- Encourage their people and other stakeholders to participate in activities that contribute to wider society.
- Are transparent and accountable to their stakeholders and society at large for their performance and actively support the desire to go beyond regulatory compliance.
- Allocate resources to provide for long-term needs rather than just short-term gain and, where relevant, become and remain competitive.
THE EFQM EXCELLENCE MODEL

The EFQM Excellence Model represented in the diagram above is a non-prescriptive framework based on nine criteria. Five of these are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organisation does and how it does it. The 'Results' criteria cover what an organisation achieves. 'Results' are caused by 'Enablers' and 'Enablers' are improved using feedback from 'Results'.

The arrows emphasise the dynamic nature of the Model, showing learning, creativity and innovation helping to improve the Enablers that in turn lead to improved Results.

Each of the nine criteria has a definition, which explains the high level meaning of that criterion.

To develop the high level meaning further each criterion is supported by a number of criterion parts. Criterion parts are statements that describe in further detail what, typically, can be seen in excellent organisations and should be considered in the course of an assessment.

Finally, below each criterion part are guidance points. Many of these guidance points are directly linked to the Fundamental Concepts mentioned earlier. Use of these guidance points is not mandatory nor are the lists exhaustive but they are intended to further exemplify the meaning of the criterion part.
1. Leadership

Definition

Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organisation to anticipate and react in a timely manner to ensure the ongoing success of the organisation.

1a. Leaders develop the Mission, Vision, Values and ethics and act as role models

1b. Leaders define, monitor, review and drive the improvement of the organisation’s management system and performance

1c. Leaders engage with external stakeholders

1d. Leaders reinforce a culture of excellence with the organisation’s people

1e. Leaders ensure that the organisation is flexible and manages change effectively

In practice, leaders of excellent organisations:

- Set and communicate a clear direction and strategic focus; they unite their people in sharing and achieving the organisation’s core purpose and objectives.
- Secure the future of the organisation by defining and communicating a core purpose that provides the basis for their overall Vision, Values, ethics and corporate behaviour.
- Champion the organisation’s Values and are role models for integrity, social responsibility and ethical behaviour, both internally and externally.
- Foster organisational development through shared Values, accountability, ethics and a culture of trust and openness.
- Ensure their people act with integrity and adopt the highest standards of ethical behaviour.
- Develop a shared leadership culture for the organisation and review and improve the effectiveness of personal leadership behaviours.
- Use a balanced set of results to review their progress, providing a view of long and short-term priorities for the key stakeholders, with clearly defined “cause and effect” relationships.
- Develop and improve the organisation’s management system, including evaluating the set of results in order to improve future performance and provide sustainable benefits to stakeholders.

Base decisions on factually reliable information and use all available knowledge to interpret current and predicted performance of the relevant processes.
- Are transparent and accountable to stakeholders and society at large for their performance and actively support the desire to go beyond regulatory compliance.
- Deliver high levels of stakeholder confidence by ensuring risks are identified and appropriately managed across all their processes.
- Understand and develop the underlying capabilities of the organisation.

In practice, leaders of excellent organisations:

- Know who their different external stakeholder groups are and develop approaches to understand, anticipate and respond to their different needs and expectations.
- Establish approaches to engage partners, customers and society in generating ideas and innovation.
- Use innovation to enhance their organisation’s reputation and image and attract new customers, partners and talent.
- Identify strategic and operational partnerships based on organisational and strategic needs, complementary strengths and capabilities.
- Ensure transparency of reporting to key stakeholders, including appropriate governance bodies, in line with their expectations.
- Inspire people and create a culture of involvement, ownership, empowerment, entrepreneurship, improvement and accountability, at all levels.
- Promote a culture which supports the generation and development of new ideas and new ways of thinking to encourage innovation and organisational development.
- Ensure that their people can contribute to their own, and the organisation’s ongoing success by realizing their full potential in a spirit of true partnership.
- Support people throughout the organisation to achieve their plans, objectives and targets, recognizing efforts in a timely and appropriate manner.
- Promote and encourage equal opportunities and diversity.
1e. Leaders ensure that the organisation is flexible and manages change effectively.

In practice, leaders of excellent organisations:

- Understand the internal and external drivers of organisational change.
- Demonstrate their ability to make sound and timely decisions, based on available information, previous experience and consideration of the impact of their decisions.
- Are flexible; they review, adapt and realign the direction of their organisation when necessary, inspiring trust at all times.
- Involve and seek commitment of all relevant stakeholders for their contribution to the sustainable success of the organisation and any changes necessary to ensure this success.
- Demonstrate their ability to maintain sustainable advantage through their capability to learn quickly and respond rapidly with new ways of working.
- Allocate resources to provide for long-term needs rather than just short-term profitability and, where relevant, become and remain competitive.
2. Strategy

Definition

Excellence organisations implement their Mission and Vision by developing a stakeholder focused strategy. Policies, plans, objectives and processes are developed and deployed to deliver the strategy.

2a. Strategy is based on understanding the needs and expectations of both stakeholders and the external environment.

2b. Strategy is based on understanding internal performance and capabilities.

2c. Strategy and supporting policies are developed, reviewed and updated.

2d. Strategy and supporting policies are communicated, implemented and monitored.

2a. Strategy is based on understanding the needs and expectations of both stakeholders and the external environment.

In practice, excellent organisations:

- Gather stakeholders' needs and expectations for input to the development and review of their strategy and supporting policies, remaining constantly alert to any changes.
- Identify, analyse and understand developments within the organisation's external environment.
- Identify, analyse and understand external indicators, such as economic, market and societal trends, which may affect the organisation.
- Understand and anticipate the long and short-term impact of changes to relevant political, legal, regulatory and compliance requirements.
- Identify, understand and anticipate opportunities and threats, based on feedback from stakeholders and other external information and analyses.

2b. Strategy is based on understanding internal performance and capabilities.

In practice, excellent organisations:

- Analyse operational performance trends, core competencies and outcomes to understand current and potential organisational capabilities.
- Analyse data and information regarding existing and potential partners' core competencies and capabilities to understand how they complement the organisation's capabilities.
- Analyse data and information to determine the impact of new technologies and business models on the performance of the organisation.
- Compare their performance with relevant benchmarks to understand their relative strengths and areas for improvement.

2c. Strategy and supporting policies are developed, reviewed and updated.

In practice, excellent organisations:

- Create and maintain a clear strategy and supporting policies to achieve the Mission and Vision of the organisation.
- Identify and understand the Key Results required to achieve the Mission and evaluate progress towards the Vision and strategic goals.
- Use core competencies to generate progress for all stakeholders, including the wider society.
- Adopt effective mechanisms to understand future scenarios and manage strategic risks.
- Understand the key business drivers: they balance the needs of the organisation and its stakeholders.
- Ensure economic, societal and ecological sustainability.

2d. Strategy and supporting policies are communicated, implemented and monitored.

In practice, excellent organisations:

- Define the required outcomes and related performance indicators and establish targets based on comparisons of their performance with other organisations and the Mission and Vision.
- Deploy strategy and supporting policies in a systematic manner to achieve the desired set of results, balancing short and long term objectives.
- Maintain and align an organisational structure and a framework of key processes to deliver their strategy in a way that adds real value for their stakeholders, achieving the optimum balance of efficiency and effectiveness.
- Align individual and team objectives with the organisation's strategic goals and ensure they are empowered to maximise their contribution.
- Communicate strategy and supporting policies with stakeholders, in an appropriate way.
- Set clear goals and objectives for innovation and refine their strategy in line with innovation achievements.
3. People

Definition

Excellent organisations value their people and create a culture that allows the mutually beneficial achievement of organisational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognise, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organisation.

3a. People plans support the organisation’s strategy.

In practice, excellent organisations:

- Have clearly defined the people performance levels required to achieve the strategic goals.
- Align people plans with their strategy, the organisational structure, new technologies and key processes.
- Involve employees, and their representatives, in developing and reviewing the people strategy, policies and plans, adopting creative and innovative approaches when appropriate.
- Manage recruitment, career development, mobility and succession planning, supported by appropriate policies, to ensure fairness and equal opportunities.
- Use people surveys and other forms of employee feedback to improve people strategies, policies and plans.

3b. People’s knowledge and capabilities are developed.

In practice, excellent organisations:

- Understand the skills and competencies required to achieve the Mission, Vision and strategic goals.
- Ensure training and development plans help people match the skills and future capability needs of the organisation.
- Align individual and team objectives with the organisation’s targets, reviewing and updating them in a timely manner.
- Appraise and help people improve their performance to improve and maintain their mobility and employability.
- Ensure their people have the necessary tools, competencies, information and empowerment to be able to maximise their contribution.

3c. People are aligned, involved and empowered.

In practice, excellent organisations:

- Ensure their people, at the individual and team level, are fully aligned with the organisation’s Mission, Vision and strategic goals.
- Create a culture where people’s dedication, skills, talents and creativity are developed and valued.
- Encourage their people to be the creators and ambassadors of the organisation’s ongoing success.
- Ensure that people have an open mindset and use creativity and innovation to respond quickly to challenges they face.
- Create a culture of entrepreneurship to enable innovation across all aspects of the organisation.
- Involve their people in continually reviewing, improving and optimising the effectiveness and efficiency of their processes.

3d. People communicate effectively throughout the organisation.

In practice, excellent organisations:

- Understand the communication needs and expectations of their people.
- Develop communications strategy, policies, plans and channels based on communications needs and expectations.
- Communicate a clear direction and strategic focus ensuring their people understand the organisation’s Mission, Vision, Values and objectives.
- Ensure that their people understand and can demonstrate their contribution to the organisation’s ongoing success.
- Enable and encourage the sharing of information, knowledge and best practices, achieving a dialogue throughout the organisation.

3e. People are rewarded, recognised and cared for.

In practice, excellent organisations:

- Align remuneration, benefits, redeployment, redundancy and other terms of employment with strategy and policies and, to promote and sustain the involvement and empowerment of their people.
- Adopt approaches that ensure a responsible work/life balance for their people.
- Ensure and embrace the diversity of their people.
- Ensure a safe and healthy working environment for their people.
- Encourage their people to participate in activities that contribute to wider society.
- Promote a culture of mutual support, recognition and care between individuals and between teams.
4. Partnerships & Resources

**Definition**

Excellent organisations plan and manage external partnerships, suppliers and internal resources in order to support strategy and policies and the effective operation of processes. They ensure that they effectively manage their environmental and societal impact.

- **4a. Partners and suppliers are managed for sustainable benefit.**
- **4b. Finances are managed to secure sustained success.**
- **4c. Buildings, equipment, materials and natural resources are managed in a sustainable way.**
- **4d. Technology is managed to support the delivery of strategy.**
- **4e. Information and knowledge are managed to support effective decision making and to build the organisational capability.**

**4a. Partners and suppliers are managed for sustainable benefit.**

In practice, excellent organisations:

- Segment and differentiate partners and suppliers, in line with the organisation’s strategy, and adopt appropriate policies and processes for effectively managing them.
- Build a sustainable relationship with partners and suppliers based on mutual trust, respect and openness.
- Establish extensive networks to enable them to identify potential partnership opportunities.
- Understand partnerships include working together for long-term, sustainable value enhancement. They know what their core purpose is and seek partners to enhance their capabilities and ability to generate stakeholder value.
- Develop partnerships that systematically enable the delivery of enhanced value to their respective stakeholders through competencies, synergies and seamless processes.
- Work together with partners to achieve mutual benefit, supporting one another with expertise, resources and knowledge to achieve shared goals.

**4b. Finances are managed to secure sustained success.**

In practice, excellent organisations:

- Develop and implement financial strategies, policies and processes to support the overall strategy of the organisation.
- Design the financial planning, control, reporting and review processes to optimise the efficient and effective use of resources.
- Establish and implement financial governance processes, tailored to all appropriate levels in the organisation.
- Evaluate, select and validate investment in, and divestment of, both tangible and non tangible assets, taking into account their long term economic, societal and ecological effects.
- Deliver high levels of stakeholder confidence by ensuring financial risks are identified and appropriately managed.
- Ensure alignment between the delivery of long term goals and short-term financial planning cycles.

**4c. Buildings, equipment, materials and natural resources are managed in a sustainable way.**

In practice, excellent organisations:

- Develop and implement a strategy and supporting policies for managing buildings, equipment and materials that supports the organisation’s overall strategy.
- Optimise the use and effectively manage the lifecycle and physical security of their tangible assets, including buildings, equipment and materials.
- Demonstrate they actively manage the impact of their operations on public health, safety and the environment.
- Measure and manage any adverse effects of the organisation’s operations on the community and their people.
- Adopt and implement appropriate policies and approaches to minimise their local and global environmental impact, including setting challenging goals for meeting and exceeding legal standards and requirements.

**4d. Technology is managed to support the delivery of strategy.**

In practice, excellent organisations:

- Develop a strategy and supporting policies for managing the technology portfolio that supports the organisation’s overall strategy.
- Use technology, including IT-enabled processes, to support and improve the effective operation of the organisation.
- Manage their technology portfolio, including optimising the use of existing technology as well as replacing their outdated technology.
- Involve their people and other relevant stakeholders in the development and deployment of new technologies to maximise the benefits generated.
- Identify and evaluate alternative and emerging technologies in the light of their impact on organisational performance and capabilities and the environment.
- Use technology to support innovation and creativity.
4e. Information and knowledge are managed to support effective decision making and to build the organisation's capability.

In practice, excellent organisations:

- Ensure that their leaders are provided with accurate and sufficient information to support them in effective and timely decision making, enabling them to effectively predict the future performance of the organisation.
- Transform data into information and, where relevant, into knowledge that can be shared and effectively used.
- Provide and monitor access to relevant information and knowledge for their people and external users, whilst ensuring both security and the organisation's intellectual property is protected.
- Establish and manage networks to identify opportunities for innovation from signals within the internal and external environment.
- Use innovation in a way that goes well beyond technical change and reveals new ways of offering value to customers, new ways of working and new ways of building on partnerships, resources and competencies.
- Use data and information on the current performance and capabilities of processes to identify opportunities for, and generate, innovation.
5. Processes, Products and Services

Definition

Excellent organisations design, manage and improve processes, products and services to generate increasing value for customers and other stakeholders.

5a. Processes are designed and managed to optimise stakeholder value.

In practice, excellent organisations:
- Analyse, categorise and prioritise their end to end processes as part of the overall management system and adopt appropriate approaches to effectively manage and improve them, including those processes that extend beyond the boundaries of the organisation.
- Clearly define process ownership and their role and responsibility in developing, maintaining and improving the framework of key processes.
- Develop meaningful process performance indicators and outcome measures clearly linked to the strategic goals.
- Turn new ideas into reality through innovation enabling processes that fit the nature and importance of the changes they will make.
- Assess the impact and the added value of innovations and improvements to processes.

5b. Products and Services are developed to create optimum value for customers.

In practice, excellent organisations:
- Strive to innovate and create value for their customers.
- Use market research, customer surveys and other forms of feedback to anticipate and identify improvements aimed at enhancing the product and service portfolio.
- Involve their people, customers, partners and suppliers in the development of new and innovative products, services and experiences for both existing and new customer groups.
- Understand and anticipate the impact and potential of new technologies on products and services.
- Use creativity to design and develop new and innovative products and services together with customers, partners or other stakeholders.
- Take into account any impact of the product and service lifecycle on economic, societal and ecological sustainability.

5c. Products and Services are effectively promoted and marketed.

In practice, excellent organisations:
- Clearly define their value propositions, ensuring sustainability by balancing the needs of all relevant stakeholders.
- Define the business model in terms of core capabilities, processes, partners and value proposition.
- Implement the business model and value proposition by defining their “unique selling points”, market positioning, target customer groups and distribution channels.
- Develop marketing strategies to effectively promote their products and services to target customers and user groups.
- Effectively market their product and service portfolio to existing and potential customers.
- Ensure that they have the capability to fulfil their promises.

5d. Products and Services are produced, delivered and managed.

In practice, excellent organisations:
- Produce and deliver products and services to meet, or exceed, customer needs and expectations, in line with the offered value proposition.
- Ensure their people have the necessary tools, competencies, information and empowerment to be able to maximise the customer experience.
- Manage products and services throughout their entire lifecycle, including reusing and recycling where appropriate, considering any impact on public health, safety and the environment.
- Compare their product and service delivery performance with relevant benchmarks and understand their strengths in order to maximise the value generated for customers.
- Involve their people, customers, partners and suppliers in optimising the effectiveness and efficiency of their value chain.

5e. Customer relationships are managed and enhanced.

In practice, excellent organisations:
- Know who their different customer groups are and respond to, and anticipate, their different needs and expectations.
- Determine and meet customers’ day-to-day and long-term contact requirements.
- Build and maintain a dialogue with all their customers, based on openness, transparency and trust.
- Continually monitor and review the experiences and perceptions of customers and respond quickly and effectively to any feedback.
- Advise customers on the responsible use of products and services.
6. Customer Results

Definition

Excellent organisations:
- Develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their strategy and supporting policies, based on the needs and expectations of their customers.
- Set clear targets for Key Results based on the needs and expectations of their customers, in line with their chosen strategy.
- Demonstrate positive or sustained good Customer Results over at least 3 years.
- Clearly understand the underlying reasons and drivers of observed trends and the impact these results will have on other performance indicators and related outcomes.
- Anticipate future performance and results.
- Understand how the Key Results they achieve compare to similar organisations and use this data, where relevant, for target setting.
- Segment results to understand the experience, needs and expectations of specific customer groups.

6a. Perceptions.
- These are the customers' perceptions of the organisation. They may be obtained from a number of sources, including customer surveys, focus groups, vendor ratings, compliments and complaints.
- These perceptions should give a clear understanding of the effectiveness, from the customer's perspective, of the deployment and execution of the organisation's customer strategy and supporting policies and processes.
- Depending on the purpose of the organisation, measures may focus on:
  - Reputation and image
  - Product and service value
  - Product and service delivery
  - Customer service, relationship and support
  - Customer loyalty and engagement

6b. Performance Indicators.
- These are the internal measures used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict their impact on the perceptions of its external customers.
- These indicators should give a clear understanding of the efficiency and effectiveness of the deployment and execution of the organisation's customer strategy and supporting policies and processes.
- Depending on the purpose of the organisation, measures may focus on:
  - Products and services delivery
  - Customer service, relationships and support
  - Complaints and compliments
  - External recognition
7. People Results

Definition

Excellent organisations:
- Develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their strategy and supporting policies, based on the needs and expectations of their people.
- Set clear targets for Key Results based on the needs and expectations of their people, in line with their chosen strategy.
- Demonstrate positive or sustained good People Results over at least 3 years.
- Clearly understand the underlying reasons for and drivers of observed trends and the impact these results will have on other performance indicators and related outcomes.
- Anticipate future performance and results.
- Understand how the Key Results they achieve compare to similar organisations, and use this data, where relevant, for target setting.
- Segment results to understand the needs and expectations of specific groups within their organisation.

7a. Perceptions.
- These are the people's perception of the organisation. They may be obtained from a number of sources, including surveys, focus groups, interviews and structured appraisals.
- These perceptions should give a clear understanding of the effectiveness, from the people's perspective, of the deployment and execution of the organisation's people strategy and supporting policies and processes.
- Depending on the purpose of the organisation, measures may focus on:
  - Satisfaction, involvement and engagement
  - Pride and fulfilment
  - Leadership and management
  - Target setting, competency and performance management
  - Leadership performance
  - Training and career development
  - Internal communications

7b. Performance Indicators.
- These are the internal measures used by the organisation in order to monitor, understand, predict and improve the performance of the organisation's people and to predict their impact on perceptions.
- These indicators should give a clear understanding of the efficiency and effectiveness of the deployment and execution of the organisation's people strategy and supporting policies and processes.
- Depending on the purpose of the organisation, measures may focus on:
  - Involvement and engagement
  - Target setting, competency and performance management
  - Leadership performance
  - Training and career development
  - Internal communications
8. Society Results

Definition

Excellent organisations:
- Develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their societal and ecological strategy and related policies, based on the needs and expectations of the relevant external stakeholders.
- Set clear targets for Key Results based on the needs and expectations of their external stakeholders, in line with their chosen strategy.
- Demonstrate positive or sustained good Society Results over at least 3 years.
- Clearly understand the underlying reasons and drivers of observed trends and the impact these results will have on other performance indicators and related outcomes.
- Anticipate future performance and results.
- Understand how the Key Results they achieve compare to similar organisations and use this data, where relevant, for target setting.
- Segment results to understand the experience, needs and expectations of specific stakeholders within Society.

8b. Performance Indicators.
- These are the internal measures used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict the impact on the perceptions of society.
- These indicators should give a clear understanding of the effectiveness and efficiency of the approaches adopted to manage the organisation’s societal and environmental responsibilities.
- Depending on the purpose of the organisation, measures may focus on:
  - Environmental performance
  - Regulatory and governance compliance
  - Societal performance
  - Health and safety performance
  - Responsible sourcing and procurement performance

8a. Perceptions.
- This is society’s perception of the organisation. This may be obtained from a number of sources, including surveys, reports, press articles, public meetings, NGOs, public representatives and governmental authorities.
- These perceptions should give a clear understanding of the effectiveness, from society’s perspective of the deployment and execution of the organisation’s societal and environmental strategy and supporting policies and processes.
- Depending on the purpose of the organisation, measures may focus on:
  - Environmental impact
  - Image and reputation
  - Societal impact
  - Workplace impact
  - Awards and media coverage
9. Key Results

Note: Key Results for Customers, People and Society are covered in Criteria 6, 7 and 8.

Definition

Excellent organisations:
- Develop and agree a set of key financial and non-financial results to determine the successful deployment of their strategy, based on the needs and expectations of their key stakeholders.
- Set clear targets for Key Results based on the needs and expectations of their key stakeholders, in line with their chosen strategy.
- Demonstrate positive or sustained good Key Results over at least 3 years.
- Clearly understand the underlying reasons and drivers of observed trends and the impact these results will have on other performance indicators and related outcomes.
- Anticipate future performance and results.
- Understand how the Key Results they achieve compare to similar organisations and use this data, where relevant, for target setting.
- Segment results to understand the performance levels and strategic outcomes achieved within specific areas of the organisation.

9a. Key Strategic Outcomes.
These are the key financial and non-financial outcomes which demonstrate the success of the organisation's deployment of their strategy. The set of measures and relevant targets will be defined and agreed with key stakeholders.
Depending on the purpose of the organisation, measures may focus on:
- Financial outcomes
- Performance against budget
- Volume of key products or services delivered
- Key process outcomes

9b. Key Performance Indicators.
These are the key financial and non-financial indicators that are used to measure the organisation's operational performance. They help monitor, understand, predict and improve the organisation's likely key performance outcomes.
Depending on the purpose of the organisation, measures may focus on:
- Financial performance indicators
- Project costs
- Key process performance indicators
- Partner and supplier performance
- Technology, information and knowledge
INTEGRATING THE MODEL AND THE FUNDAMENTAL CONCEPTS OF EXCELLENCE

One of the aims of this revision of the EFQM Excellence Model was to achieve a full integration of the Fundamental Concepts of Excellence and the framework of the Model.

The Fundamental Concepts were reviewed and updated first and these were used as the basis for the bullet points in the criterion parts of the EFQM Excellence Model. In some cases, the text from the Fundamental Concepts is repeated in its entirety in the relevant criterion parts. In other cases, the text from the Fundamental Concepts has been adapted to fit the specific context of the criterion part.

This is illustrated in the table below.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<tr>
<td>1</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
</tr>
<tr>
<td>2</td>
<td>I</td>
<td>J</td>
<td>K</td>
<td>L</td>
<td>M</td>
<td>N</td>
<td>O</td>
<td>P</td>
</tr>
<tr>
<td>3</td>
<td>Q</td>
<td>R</td>
<td>S</td>
<td>T</td>
<td>U</td>
<td>V</td>
<td>W</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td>Y</td>
<td>Z</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

= Text from Fundamental Concept directly reflected in the criteria part
x = Adaptation of text from Fundamental Concept appears in the criterion part
The RADAR logic is a dynamic assessment framework and powerful management tool that provides a structured approach to questioning the performance of an organisation.

At the highest level, RADAR logic states that an organisation needs to:

- Determine the Results it is aiming to achieve as part of its strategy.
- Plan and develop an integrated set of sound Approaches to deliver the required results both now and in the future.
- Deploy the approaches in a systematic way to ensure implementation.
- Assess and refine the deployed approaches based on monitoring and analysis of the results achieved and ongoing learning activities.

The Enabler matrix (page 24) is used to support the analysis of the approaches within the five Enabler criteria; Leadership, Strategy, People, Partnerships & Resources and Processes, Products & Services. The Results matrix (page 25) is used to support the analysis of the results within the four Results criteria; Customer Results, People Results, Society Results and Key Results.
To help support robust analysis, the RADAR matrices break down each element into a series of attributes, shown below:

### Analysis of ENABLERS

<table>
<thead>
<tr>
<th>Element</th>
<th>Attributes of approach and deployment</th>
</tr>
</thead>
</table>
| APPROACH: This covers what an organisation plans to do and the reasons for it. A sound approach has a clear rationale that focuses on the organisation's present and future needs, it is delivered through well-defined processes, and has a clear focus on the needs of the stakeholders of the approaches used. In addition, the approaches will be integrated. An integrated approach has a clear basis in strategy and is linked to other approaches where appropriate. Refinements will have been embedded into approaches over time. | • Sound  
• Integrated |
| DEPLOYMENT: This covers what an organisation does to deploy the approach. In an excellent organisation the approach will be implemented in relevant areas in a systematic way. Systematic implementation is well planned and is introduced in a manner suitable for the approach and the organisation. An ability to manage changes to approaches in an appropriate time-frame will exist. | • Implemented  
• Systematic |
| ASSESSMENT AND REFINEMENT: This covers what an organisation does to assess and refine both the approach and the deployment of the approach. In an excellent organisation the approach, and deployment of it, will be subject to regular measurement of efficiency and effectiveness. Learning activities will be undertaken, practices will exist to bring creativity to bear in generating ideas for new or changed approaches. The output from measurement, learning and creativity will be used to identify, prioritise, plan and implement improvement and innovation. | • Measurement  
• Learning and Creativity  
• Improvement and Innovation |

### Analysis of RESULTS

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Characteristics of relevant data and methods</th>
</tr>
</thead>
</table>
| RELEVANCE AND USABILITY: The Result data should be comprehensive, timely, reliable, accurate, appropriately segmented and consistent with strategy and the needs and expectations of relevant stakeholders. Relationships between relevant Results and their impact on one another should be understood. Key Results should be identified and prioritised. | • Relevance  
• Integrity  
• Segmentation |
| PERFORMANCE OUTCOMES: In an excellent organisation, results will show positive trends and/or sustained good performance. Targets will be set for Key Results and will be appropriate and met or exceeded. Also for Key Results, performance will be compared externally and the comparisons will be favourable, particularly against best in sector and/or world class. Understanding of the relationships between Key Enablers and Key Results will provide confidence that positive performance will be sustained in the future. | • Trends  
• Targets  
• Comparisons  
• Causes |
The RADAR Assessment and Management Tool for ENABLERS:

<table>
<thead>
<tr>
<th>Approach:</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sound:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- approach has a clear rationale</td>
<td>No evidence or anecdotal</td>
<td>Some evidence</td>
<td>Evidence</td>
<td>Clear evidence</td>
<td>Comprehensive evidence</td>
</tr>
<tr>
<td>- approach has defined processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- approach focuses on stakeholder needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- refinements have been embedded in the approach over time</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- approach supports strategy</td>
<td>No evidence or anecdotal</td>
<td>Some evidence</td>
<td>Evidence</td>
<td>Clear evidence</td>
<td>Comprehensive evidence</td>
</tr>
<tr>
<td>- approach is linked to other approaches as appropriate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL for Approach</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Deployment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- approach is implemented in relevant areas</td>
<td>No evidence or anecdotal</td>
<td>Implemented in % of relevant areas</td>
<td>Implemented in % of relevant areas</td>
<td>Implemented in % of relevant areas</td>
<td>Implemented in all relevant areas</td>
</tr>
<tr>
<td>Systematic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Approach is deployed in a timely, structured way and with ability to manage changes in the environment if needed</td>
<td>No evidence or anecdotal</td>
<td>Some evidence</td>
<td>Evidence</td>
<td>Clear evidence</td>
<td>Comprehensive evidence</td>
</tr>
<tr>
<td>TOTAL for Deployment</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>Assessment and Refinement:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- regular measurements of efficiency and effectiveness of the approach and its deployment are carried out</td>
<td>No evidence or anecdotal</td>
<td>Some evidence</td>
<td>Evidence</td>
<td>Clear evidence</td>
<td>Comprehensive evidence</td>
</tr>
<tr>
<td>- measures selected are appropriate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning and Creativity:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- learning is used to identify internal and external good practices and improvement opportunities</td>
<td>No evidence or anecdotal</td>
<td>Some evidence</td>
<td>Evidence</td>
<td>Clear evidence</td>
<td>Comprehensive evidence</td>
</tr>
<tr>
<td>- Creativity is used to generate new or changed approaches</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement and Innovation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Output from measurement and learning is used to identify, prioritise, plan and implement improvements</td>
<td>No evidence or anecdotal</td>
<td>Some evidence</td>
<td>Evidence</td>
<td>Clear evidence</td>
<td>Comprehensive evidence</td>
</tr>
<tr>
<td>- Output from creativity is evaluated, prioritised and used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL for Assessment and Refinement</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>OVERALL TOTAL</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
</tr>
</tbody>
</table>
The RADAR Assessment and Management Tool for RESULTS:

<table>
<thead>
<tr>
<th>Relevance and Usability:</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope and Relevance:</strong> The scope of the results presented...</td>
<td>Relevance not established or anecdotal information</td>
<td>Results presented and relevance established for about 1/4 of the areas involved</td>
<td>Results presented and relevance established for about 1/2 of the areas involved</td>
<td>Results presented and relevance established for about 3/4 of the areas involved</td>
<td>Results presented and relevance established for all of the areas involved</td>
</tr>
<tr>
<td><strong>Integrity:</strong> Results are timely, reliable and accurate</td>
<td>No evidence of Intactness or anecdotal information</td>
<td>Timely, reliable and accurate for about 1/4 results presented</td>
<td>Timely, reliable and accurate for about 1/2 results presented</td>
<td>Timely, reliable and accurate for about 3/4 results presented</td>
<td>Timely, reliable and accurate for all results presented</td>
</tr>
<tr>
<td><strong>Segmentation:</strong> Results are appropriately segmented</td>
<td>No segmentation</td>
<td>Usable segmentation for about 1/4 of results</td>
<td>Usable segmentation for about 1/2 of results</td>
<td>Usable segmentation for about 3/4 of results</td>
<td>All results are useably segmented</td>
</tr>
<tr>
<td><strong>TOTAL for Relevance and Usability</strong></td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>

*Note the total here should not exceed the score given for scope and relevance*

<table>
<thead>
<tr>
<th>Performance:</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trends:</strong> Trends are positive AND/OR there is sustained good performance</td>
<td>No Results or anecdotal information</td>
<td>Positive trends and/or sustained good performance for about 1/4 of results over at least 3 years</td>
<td>Positive trends and/or sustained good performance for about 1/2 of results over at least 3 years</td>
<td>Positive trends and/or sustained good performance for about 3/4 of results over at least 3 years</td>
<td>Positive trends and/or sustained good performance for all results over at least 3 years</td>
</tr>
<tr>
<td><strong>Targets:</strong> Targets are set for the Key Results</td>
<td>No Targets or anecdotal information</td>
<td>Appropriate and achieved for about 1/4 of Key Results</td>
<td>Set, appropriate and achieved for about 1/2 of Key Results</td>
<td>Set, appropriate and achieved for about 3/4 of Key Results</td>
<td>Set, appropriate and achieved for all Key Results</td>
</tr>
<tr>
<td><strong>Comparisons:</strong> Comparisons are made for the Key Results</td>
<td>No Comparisons or anecdotal information</td>
<td>Established, favourable and appropriate comparisons for about 1/4 of Key Results</td>
<td>Established, favourable and appropriate comparisons for about 1/2 of Key Results</td>
<td>Established, favourable and appropriate comparisons for about 3/4 of Key Results</td>
<td>Established, favourable and appropriate comparisons for all Key Results</td>
</tr>
<tr>
<td><strong>Causes:</strong> The relationship between Results achieved and their Enablers is understood</td>
<td>No confidence on cause or anecdotal information</td>
<td>Enabling effect visible for about 1/4 of results and some evidence that performance will be sustained</td>
<td>Enabling effect visible for about 1/2 of results and evidence that performance will be sustained</td>
<td>Enabling effect visible for about 3/4 of results and clear evidence that performance will be sustained</td>
<td>Enabling effect visible for all results and comprehensive evidence that performance will be sustained</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td><strong>OVERALL TOTAL</strong></td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
</tbody>
</table>
SCORING FOR THE EFQM EXCELLENCE AWARD

The RADAR Assessment and Management tool is the evaluation method used to score applications for the EFQM Excellence Award and most national Excellence awards in Europe. It can also be used by organisations carrying out Self-Assessment and wishing to use a score for benchmarking or other purposes.

When an organisation is scored using the RADAR matrix, weights are given to each of the nine criteria to calculate the number of points awarded. These weights were established in 1991 as the result of a wide consultation exercise across Europe. They have been periodically reviewed by EFQM and the diagram below illustrates the 2010 weightings.

Generally each criterion part is allocated equal weight within that criterion, for example 1a attracts 20% of the points allocated to criterion 1.

There are however two exceptions:
- Criterion part 6a takes 75% of the points allocated to criterion 6, whilst criterion part 6b takes 25%;
- Criterion part 7a takes 75% of the points allocated to criterion 7, whilst criterion part 7b takes 25%;

The first step to scoring is to use the RADAR scoring matrix to allocate a percentage score to each criterion part. This is achieved by considering each of the elements and attributes of the matrix for each of the criterion parts in the Model. The scoring summary sheet (next page) is then used to combine the percentage scores awarded to the criterion parts to give an overall score on a scale of 0-1000 points.
### SCORING SUMMARY SHEET

#### 1. Enablers Criteria

<table>
<thead>
<tr>
<th>Criterion Number</th>
<th>1 %</th>
<th>2 %</th>
<th>3 %</th>
<th>4 %</th>
<th>5 %</th>
<th>6 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion Part 1</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
<td>c</td>
<td>a</td>
</tr>
<tr>
<td>Criterion Part 2</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
<td>c</td>
<td>a</td>
</tr>
<tr>
<td>Criterion Part 3</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
<td>c</td>
<td>a</td>
</tr>
<tr>
<td>Criterion Part 4</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
<td>c</td>
<td>a</td>
</tr>
<tr>
<td>Criterion Part 5</td>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
<td>c</td>
<td>a</td>
</tr>
<tr>
<td>Sum of parts</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

**Score awarded:**

The score awarded is the arithmetic average of the % scores for the criterion part. If organisations present convincing reasons why one or more parts are not relevant to them it is valid to calculate the average on the number of criteria addressed. To avoid confusion with a zero score, parts of the criteria accepted as not relevant should be entered "NR" in the table above.

#### 2. Results Criteria

<table>
<thead>
<tr>
<th>Criterion Number</th>
<th>6 %</th>
<th>7 %</th>
<th>8 %</th>
<th>9 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion Part 6a</td>
<td>a</td>
<td>b</td>
<td>a</td>
<td>b</td>
</tr>
<tr>
<td>Criterion Part 6b</td>
<td>a</td>
<td>b</td>
<td>a</td>
<td>b</td>
</tr>
<tr>
<td>Score awarded</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 3. Calculation of Total Points

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Score Awarded</th>
<th>Weighting</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnerships and Resources</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processes, Products and Services</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Results</td>
<td>x 1.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People Results</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Society Results</td>
<td>x 1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Results</td>
<td>x 1.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total points awarded

- Enter the score awarded for each criterion (of both sections 1 and 2 above).
- Multiply each score by the appropriate weighting to give the points awarded.
- Add points awarded to each criterion to give total points awarded for applicant.
GLOSSARY OF TERMS

The following is a list of terms used throughout the EFQM Excellence Model guidance material. It has been compiled in order to help understanding and use of the Model.

**Approach** - The overall way by which something is made to happen - an approach comprises of processes and structured actions within a framework of principles and policies.

**Benchmarking** - A systematic comparison of approaches with other relevant organisations that gains insights that will help the organisation to take action to improve its performance.

**Benchmark** - A measured achievement for comparison and target setting purposes.

**Business Model** - The elements of the business that create and deliver value; these elements normally include the value proposition, the profit formula, key resources and key processes of the organisation.

**Change Management** - The approach during which the changes of an organisation or system are implemented in a controlled manner by following a pre-defined framework or processes, to support the achievement of the strategic goals. Change management enables the transition from a current state into a desired future state.

**Continual Improvement** - The ongoing improvement of processes that lead to achievement of higher levels of performance through incremental change.

**Core Competence** - A well performed internal activity or capability that is central to the organisation's competitiveness, profitability or efficiency.

**Corporate Governance** - A framework of authority and control within an organisation used to help it fulfil its legal, financial and ethical obligations.

**Creativity** - The generation of ideas for new or improved products, services, processes, systems or social interactions.

**Critical success factors** - Limited number (usually between 3 to 8) of characteristics, conditions or variables, that have a direct impact on the effectiveness, efficiency and viability of an organisation, programme or project.

**Culture** - The specific collection of Values and Norms that are shared by people and groups in an organisation that control the way they interact with each other and with stakeholders outside the organisation.

**Customer** - The recipient of products or services provided by the organisation.

**Empowerment** - The process by which individuals or teams are able to take decision making responsibilities, and operate with a degree of autonomy in their actions.

**Equal opportunity** - The practice of ensuring that all people receive fair and equal treatment regardless of gender, age, race, nationality, religion, disability or sexual orientation.

**Fundamental Concepts of Excellence** - The set of key and proven principles upon which the EFQM Excellence Model framework is based.

**Good/best practice** - Superior approaches, policies, processes or methods that lead to exceptional achievement. Since it is difficult to find out what is best, the term "good practice" is preferred by most organisations. Ways to find good practice outside the organisation can include benchmarking and external learning.
Innovation - The practical translation of ideas into new products, services, processes, systems or social interactions.

Intellectual Capital - The value of an organisation that is not captured in its traditional financial accounts. It represents the intangible assets of an organisation and is often the difference between market and book value.

Key Processes - The processes that are of the utmost importance for the organisation since they deliver and support the strategy and drive the value chain.

Knowledge - Knowledge is expertise and skills acquired by a person through experience and education, involving the theoretical and/or practical understanding of a subject. While data are raw facts and information is data with context and perspective, knowledge is information with guidance/ability for action.

Leaders - The people who coordinate and balance the interests and activities of all who have a stake in the organisation.

Management System - The framework of processes, related performance/result indicators and process management and improvement systems used to ensure that the organisation can fulfill its Mission and Vision.

Mission - A statement that describes the purpose or "raison d'être" of an organisation, confirmed by its stakeholders.

Mobility - The willingness and capability of people to change their job or the working location.

Organisational Agility - The ability to respond and adapt, in a timely way, to an emerging threat or opportunity.

Partner - An external party the organisation strategically chooses to work with, to achieve common objectives and sustained mutual benefit.

Partnership - A durable working relationship between the organisation and partners, creating and sharing added value for both parties. Partnerships can be formed e.g. with suppliers, distributors, educational bodies or customers. Strategic partnerships support the strategic objectives of the organisation in a particular way.

People - All individuals employed by the organisation (full time, part-time, including volunteers), including leaders at all levels.

Perception - The opinion stakeholders have of the organisation.

Stakeholder - Person, group or organisation that has a direct or indirect stake or interest in the organisation because it can either affect the organisation or be affected by it. Examples of external stakeholders are owners (shareholders), customers, suppliers, partners, government agencies and representatives of the community or the society. Examples for internal stakeholders are people or groups of people.

Value Proposition - The differentiating value the organisation's products and services offer to customers.

Strategy - A high level plan describing the tactics by which an organisation intends to achieve its Mission and Vision.

Process - A set of activities that interact with one another because the output from one activity becomes the input for another activity. Processes add value by transforming inputs into outputs, using resources.
Products - Commercially distributed goods as a result of a fabrication, manufacturing, or production process that passes through a distribution channel before being consumed or used. In a broad sense, products include a wide range of goods, from commodities to complex installations such as facilities, plants or factories.

Society - The social infrastructure outside the organisation that can be affected by the organisation.

Values - Operating philosophies or principles that guide an organisation's internal conduct as well as its relationship with the external world. Values provide guidance for people on what is good or desirable and what is not. They exert major influence on the behaviour of individuals and teams and serve as broad guidelines in all situations.

Vision - Description of what the organisation is attempting to achieve in the long-term future. It is intended to serve as a clear guide for choosing current and future courses of action and, along with the Mission, it is the basis for strategies and policies.
FURTHER READING

To help organisations to continually improve and achieve higher levels of performance, EFQM assesses their performance, provides them with networking and mutual learning experience, offers education and learning opportunities, recognises their achievements and supports their implementation of best in class tools and practices.

All of this is achieved through the use and application of the EFQM Excellence Model and its associated Fundamental Concepts and RADAR logic.

OUR OFFERINGS

EFQM Assessment
EFQM customised assessments provide you with an external perspective to understand where you are today and how you can improve. A unique feature of EFQM assessments is that they give you a clear indication of which actions drive results. Through EFQM qualified teams of experienced assessors and/or managers from peer organisations, we present you with external feedback and recommendations that will assist you in effectively implementing strategies and instilling a culture of excellence.

EFQM Recognition
EFQM recognition schemes are much more than just recognition. They create a desire for your people to learn, improve and drive an organisation towards sustainable success. The strength of EFQM recognition lies in the simple and motivating process which provides you with a blueprint to improve results in a sustainable way, while providing international appreciation and acknowledgment.

EFQM Training
EFQM training is driven by a common need from our members to learn assessment and leadership skills. Through our 20 years of experience and together with our members and partners, we have the knowledge and expertise to create and deliver high level training and real-life assignments to develop tomorrow’s leaders.

EFQM Sharing
EFQM offers unique sharing opportunities to its members. We help you to leverage new sources of learning by creating the conditions for collaborative exchange across and outside the organisation. Our members value the experience, and the insights offered by their peers in the spirit of mutual improvement. EFQM maintains trust by safeguarding confidentiality and applying its expertise to the selection of organisations that can learn from one another.

EFQM works in partnership with many national organisations within and beyond Europe and licenses a number of organisations to deliver training courses related to the EFQM Excellence Model. Please refer to our website, www.efqm.org, to find out how to contact our partners or to participate in the EFQM activities described above.
ACKNOWLEDGEMENTS

This update of the EFQM Excellence Model was produced in 2009. Inputs were taken from many sources but EFQM expressly wishes to acknowledge the Core Team Members.

- Christian Forstner, Siemens and André van der Geest, TNT representing the EFQM assessor community.
- Matt Fisher, Ricoh, representing EFQM members.
- Chris Hakes, Leadership Agenda Ltd., and Geoff Carter, PACEPerformance representing EFQM trainers.
- Marie Lindsay, St Mary's College and Jacques Philippaerts, Belgium Federal Police representing Public Sector and SME's.
- André Moll, DGQ, and Andreas Redling, Quality Austria representing EFQM Partner Organisations.

Over 100 people have contributed to this revision and a full list of contributors is available on the EFQM website.
SOUTH AFRICAN NATIONAL STANDARD

Quality management systems — Requirements

This national standard is the identical implementation of ISO 9001:2008 and ISO technical corrigendum 1, and is adopted with the permission of the International Organization for Standardization.
SANS 9001:2008
Edition 4 and ISO tech. corr. 1
ISO 9001:2008
Edition 4 and tech. corr. 1

Table of changes

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National foreword

This South African standard was approved by National Committee SABS TC 176, Quality assurance and quality management matters, in accordance with procedures of the SABS Standards Division, in compliance with annex 3 of the WTO/TBT agreement.

This SANS document was published in December 2009.

This SANS document supersedes SANS 9001:2008 (edition 4).
Quality management systems — Requirements

TECHNICAL CORRIGENDUM 1

Systèmes de management de la qualité — Exigences

RECTIFICATIF TECHNIQUE 1

Technical Corrigendum 1 to ISO 9001:2008 was prepared by Technical Committee ISO/TC 176, Quality management and quality assurance, Subcommittee SC 2, Quality systems.

Page 15, Annex A, Table A.1

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ICS 03.120.10

Ref. No. ISO 9001:2008/Cor.1:2009(E)

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### Table A.1 — Correspondence between ISO 9001:2008 and ISO 14001:2004 (continued)

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### Table A.1 — Correspondence between ISO 9001:2008 and ISO 14001:2004 (continued)

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Page 20, Annex B, Table B.1, seventh row

Replace the entire row:

| Foreword | Para 8 | D | Annexes A and B of this International Standard are for information only. |

with the following row:

| Foreword | Para 8 | D | Annexes A and B of this International Standard are for information only. |
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Quality management systems — Requirements

Systèmes de management de la qualité — Exigences
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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 9001 was prepared by Technical Committee ISO/TC 176, Quality management and quality assurance, Subcommittee SC 2, Quality systems.

This fourth edition cancels and replaces the third edition (ISO 9001:2000), which has been amended to clarify points in the text and to enhance compatibility with ISO 14001:2004.

Details of the changes between the third edition and this fourth edition are given in Annex B.
Introduction

0.1 General

The adoption of a quality management system should be a strategic decision of an organization. The design and implementation of an organization's quality management system is influenced by:

a) its organizational environment, changes in that environment, and the risks associated with that environment,

b) its varying needs,

c) its particular objectives,

d) the products it provides,

e) the processes it employs,

f) its size and organizational structure.

It is not the intent of this International Standard to imply uniformity in the structure of quality management systems or uniformity of documentation.

The quality management system requirements specified in this International Standard are complementary to requirements for products. Information marked "NOTE" is for guidance in understanding or clarifying the associated requirement.

This International Standard can be used by internal and external parties, including certification bodies, to assess the organization's ability to meet customer, statutory and regulatory requirements applicable to the product, and the organization's own requirements.

The quality management principles stated in ISO 9000 and ISO 9004 have been taken into consideration during the development of this International Standard.

0.2 Process approach

This International Standard promotes the adoption of a process approach when developing, implementing and improving the effectiveness of a quality management system, to enhance customer satisfaction by meeting customer requirements.

For an organization to function effectively, it has to determine and manage numerous linked activities. An activity or set of activities using resources, and managed in order to enable the transformation of inputs into outputs, can be considered as a process. Often the output from one process directly forms the input to the next.

The application of a system of processes within an organization, together with the identification and interactions of these processes, and their management to produce the desired outcome, can be referred to as the "process approach."

An advantage of the process approach is the ongoing control that it provides over the linkage between the individual processes within the system of processes, as well as over their combination and interaction.

When used within a quality management system, such an approach emphasizes the importance of:

a) understanding and meeting requirements,

b) the need to consider processes in terms of added value,
c) obtaining results of process performance and effectiveness, and

d) continual improvement of processes based on objective measurement.

The model of a process-based quality management system shown in Figure 1 illustrates the process linkages presented in Clauses 4 to 8. This illustration shows that customers play a significant role in defining requirements as inputs. Monitoring of customer satisfaction requires the evaluation of information relating to customer perception as to whether the organization has met the customer requirements. The model shown in Figure 1 covers all the requirements of this International Standard, but does not show processes at a detailed level.

NOTE In addition, the methodology known as "Plan-Do-Check-Act" (PDCA) can be applied to all processes. PDCA can be briefly described as follows.

Plan: establish the objectives and processes necessary to deliver results in accordance with customer requirements and the organization's policies.

Do: implement the processes.

Check: monitor and measure processes and product against policies, objectives and requirements for the product and report the results.

Act: take actions to continually improve process performance.

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**Figure 1 — Model of a process-based quality management system**
0.3 Relationship with ISO 9004

ISO 9001 and ISO 9004 are quality management system standards which have been designed to complement each other, but can also be used independently.

ISO 9001 specifies requirements for a quality management system that can be used for internal application by organizations, or for certification, or for contractual purposes. It focuses on the effectiveness of the quality management system in meeting customer requirements.

At the time of publication of this International Standard, ISO 9004 is under revision. The revised edition of ISO 9004 will provide guidance to management for achieving sustained success for any organization in a complex, demanding, and ever changing, environment. ISO 9004 provides a wider focus on quality management than ISO 9001; it addresses the needs and expectations of all interested parties and their satisfaction, by the systematic and continual improvement of the organization’s performance. However, it is not intended for certification, regulatory or contractual use.

0.4 Compatibility with other management systems

During the development of this International Standard, due consideration was given to the provisions of ISO 14001:2004 to enhance the compatibility of the two standards for the benefit of the user community. Annex A shows the correspondence between ISO 9001:2008 and ISO 14001:2004.

This International Standard does not include requirements specific to other management systems, such as those particular to environmental management, occupational health and safety management, financial management or risk management. However, this International Standard enables an organization to align or integrate its own quality management system with related management system requirements. It is possible for an organization to adapt its existing management system(s) in order to establish a quality management system that complies with the requirements of this International Standard.
Quality management systems — Requirements

1 Scope

1.1 General

This International Standard specifies requirements for a quality management system where an organization
a) needs to demonstrate its ability to consistently provide product that meets customer and applicable statutory and regulatory requirements, and
b) aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

NOTE 1 In this International Standard, the term “product” only applies to
a) product intended for, or required by, a customer,
b) any intended output resulting from the product realization processes.

NOTE 2 Statutory and regulatory requirements can be expressed as legal requirements.

1.2 Application

All requirements of this International Standard are generic and are intended to be applicable to all organizations, regardless of type, size and product provided.

Where any requirement(s) of this International Standard cannot be applied due to the nature of an organization and its product, this can be considered for exclusion.

Where exclusions are made, claims of conformity to this International Standard are not acceptable unless these exclusions are limited to requirements within Clause 7, and such exclusions do not affect the organization's ability, or responsibility, to provide product that meets customer and applicable statutory and regulatory requirements.

2 Normative references

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 9000:2005, Quality management systems — Fundamentals and vocabulary

3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 9000 apply.

Throughout the text of this International Standard, wherever the term “product” occurs, it can also mean “service".
4 Quality management system

4.1 General requirements

The organization shall establish, document, implement and maintain a quality management system and continually improve its effectiveness in accordance with the requirements of this International Standard.

The organization shall
a) determine the processes needed for the quality management system and their application throughout the organization (see 1.2),
b) determine the sequence and interaction of these processes,
c) determine criteria and methods needed to ensure that both the operation and control of these processes are effective,
d) ensure the availability of resources and information necessary to support the operation and monitoring of these processes,
e) monitor, measure where applicable, and analyse these processes, and
f) implement actions necessary to achieve planned results and continual improvement of these processes.

These processes shall be managed by the organization in accordance with the requirements of this International Standard.

Where an organization chooses to outsource any process that affects product conformity to requirements, the organization shall ensure control over such processes. The type and extent of control to be applied to these outsourced processes shall be defined within the quality management system.

NOTE 1 Processes needed for the quality management system referred to above include processes for management activities, provision of resources, product realization, measurement, analysis and improvement.

NOTE 2 An "outsourced process" is a process that the organization needs for its quality management system and which the organization chooses to have performed by an external party.

NOTE 3 Ensuring control over outsourced processes does not absolve the organization of the responsibility of conformity to all customer, statutory and regulatory requirements. The type and extent of control to be applied to the outsourced process can be influenced by factors such as
a) the potential impact of the outsourced process on the organization's capability to provide product that conforms to requirements,
b) the degree to which the control for the process is shared,
c) the capability of achieving the necessary control through the application of 7.4.

4.2 Documentation requirements

4.2.1 General

The quality management system documentation shall include
a) documented statements of a quality policy and quality objectives,
b) a quality manual,
c) documented procedures and records required by this International Standard, and
d) documents, including records, determined by the organization to be necessary to ensure the effective planning, operation and control of its processes.
NOTE 1 Where the term "documented procedure" appears within this International Standard, this means that the procedure is established, documented, implemented and maintained. A single document may address the requirements for one or more procedures. A requirement for a documented procedure may be covered by more than one document.

NOTE 2 The extent of the quality management system documentation can differ from one organization to another due to
a) the size of organization and type of activities,
b) the complexity of processes and their interactions, and
c) the competence of personnel.

NOTE 3 The documentation can be in any form or type of medium.

4.2.2 Quality manual

The organization shall establish and maintain a quality manual that includes:

a) the scope of the quality management system, including details of and justification for any exclusions (see 1.2),
b) the documented procedures established for the quality management system, or reference to them, and
c) a description of the interaction between the processes of the quality management system.

4.2.3 Control of documents

Documents required by the quality management system shall be controlled. Records are a special type of document and shall be controlled according to the requirements given in 4.2.4.

A documented procedure shall be established to define the controls needed

a) to approve documents for adequacy prior to issue,
b) to review and update as necessary and re-approve documents,
c) to ensure that changes and the current revision status of documents are identified,
d) to ensure that relevant versions of applicable documents are available at points of use,
e) to ensure that documents remain legible and readily identifiable,
f) to ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the quality management system are identified and their distribution controlled, and
g) to prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.

4.2.4 Control of records

Records established to provide evidence of conformity to requirements and of the effective operation of the quality management system shall be controlled.

The organization shall establish a documented procedure to define the controls needed for the identification, storage, protection, retrieval, retention and disposition of records.

Records shall remain legible, readily identifiable and retrievable.

5 Management responsibility

5.1 Management commitment

Top management shall provide evidence of its commitment to the development and implementation of the quality management system and continually improving its effectiveness by
a) communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements,
b) establishing the quality policy,
c) ensuring that quality objectives are established,
d) conducting management reviews, and
e) ensuring the availability of resources.

5.2 Customer focus

Top management shall ensure that customer requirements are determined and are met with the aim of enhancing customer satisfaction (see 7.2.1 and 8.2.1).

5.3 Quality policy

Top management shall ensure that the quality policy
a) is appropriate to the purpose of the organization,
b) includes a commitment to comply with requirements and continually improve the effectiveness of the quality management system,
c) provides a framework for establishing and reviewing quality objectives,
d) is communicated and understood within the organization, and
e) is reviewed for continuing suitability.

5.4 Planning

5.4.1 Quality objectives

Top management shall ensure that quality objectives, including those needed to meet requirements for product [see 7.1 a]), are established at relevant functions and levels within the organization. The quality objectives shall be measurable and consistent with the quality policy.

5.4.2 Quality management system planning

Top management shall ensure that
a) the planning of the quality management system is carried out in order to meet the requirements given in 4.1, as well as the quality objectives, and
b) the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

5.5 Responsibility, authority and communication

5.5.1 Responsibility and authority

Top management shall ensure that responsibilities and authorities are defined and communicated within the organization.
5.5.2 Management representative

Top management shall appoint a member of the organization's management who, irrespective of other responsibilities, shall have responsibility and authority that includes
a) ensuring that processes needed for the quality management system are established, implemented and maintained,
b) reporting to top management on the performance of the quality management system and any need for improvement, and
c) ensuring the promotion of awareness of customer requirements throughout the organization.

NOTE The responsibility of a management representative can include liaison with external parties on matters relating to the quality management system.

5.5.3 Internal communication

Top management shall ensure that appropriate communication processes are established within the organization and that communication takes place regarding the effectiveness of the quality management system.

5.6 Management review

5.6.1 General

Top management shall review the organization's quality management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. This review shall include assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives.

Records from management reviews shall be maintained (see 4.2.4).

5.6.2 Review input

The input to management review shall include information on
a) results of audits,
b) customer feedback,
c) process performance and product conformity,
d) status of preventive and corrective actions,
e) follow-up actions from previous management reviews,
f) changes that could affect the quality management system, and
g) recommendations for improvement.

5.6.3 Review output

The output from the management review shall include any decisions and actions related to
a) improvement of the effectiveness of the quality management system and its processes,
b) improvement of product related to customer requirements, and
c) resource needs.
6 Resource management

6.1 Provision of resources

The organization shall determine and provide the resources needed
a) to implement and maintain the quality management system and continually improve its effectiveness, and
b) to enhance customer satisfaction by meeting customer requirements.

6.2 Human resources

6.2.1 General

Personnel performing work affecting conformity to product requirements shall be competent on the basis of appropriate education, training, skills and experience.

NOTE Conformity to product requirements can be affected directly or indirectly by personnel performing any task within the quality management system.

6.2.2 Competence, training and awareness

The organization shall
a) determine the necessary competence for personnel performing work affecting conformity to product requirements,
b) where applicable, provide training or take other actions to achieve the necessary competence,
c) evaluate the effectiveness of the actions taken,
d) ensure that its personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives, and
e) maintain appropriate records of education, training, skills and experience (see 4.2.4).

6.3 Infrastructure

The organization shall determine, provide and maintain the infrastructure needed to achieve conformity to product requirements. Infrastructure includes, as applicable,

a) buildings, workspace and associated utilities,
b) process equipment (both hardware and software), and
c) supporting services (such as transport, communication or information systems).

6.4 Work environment

The organization shall determine and manage the work environment needed to achieve conformity to product requirements.

NOTE The term "work environment" relates to those conditions under which work is performed including physical, environmental and other factors (such as noise, temperature, humidity, lighting or weather).
7 Product realization

7.1 Planning of product realization

The organization shall plan and develop the processes needed for product realization. Planning of product realization shall be consistent with the requirements of the other processes of the quality management system (see 4.1).

In planning product realization, the organization shall determine the following, as appropriate:

a) quality objectives and requirements for the product;
b) the need to establish processes and documents, and to provide resources specific to the product;
c) required verification, validation, monitoring, measurement, inspection and test activities specific to the product and the criteria for product acceptance;
d) records needed to provide evidence that the realization processes and resulting product meet requirements (see 4.2.4).

The output of this planning shall be in a form suitable for the organization’s method of operations.

NOTE 1 A document specifying the processes of the quality management system (including the product realization processes) and the resources to be applied to a specific product, project or contract can be referred to as a quality plan.

NOTE 2 The organization may also apply the requirements given in 7.3 to the development of product realization processes.

7.2 Customer-related processes

7.2.1 Determination of requirements related to the product

The organization shall determine

a) requirements specified by the customer, including the requirements for delivery and post-delivery activities,
b) requirements not stated by the customer but necessary for specified or intended use, where known,
c) statutory and regulatory requirements applicable to the product, and
d) any additional requirements considered necessary by the organization.

NOTE Post-delivery activities include, for example, actions under warranty provisions, contractual obligations such as maintenance services, and supplementary services such as recycling or final disposal.

7.2.2 Review of requirements related to the product

The organization shall review the requirements related to the product. This review shall be conducted prior to the organization’s commitment to supply a product to the customer (e.g. submission of tenders, acceptance of contracts or orders, acceptance of changes to contracts or orders) and shall ensure that

a) product requirements are defined,
b) contract or order requirements differing from those previously expressed are resolved, and
c) the organization has the ability to meet the defined requirements.

Records of the results of the review and actions arising from the review shall be maintained (see 4.2.4).

Where the customer provides no documented statement of requirement, the customer requirements shall be confirmed by the organization before acceptance.
Where product requirements are changed, the organization shall ensure that relevant documents are amended and that relevant personnel are made aware of the changed requirements.

NOTE In some situations, such as internet sales, a formal review is impractical for each order. Instead the review can cover relevant product information such as catalogues or advertising material.

7.2.3 Customer communication

The organization shall determine and implement effective arrangements for communicating with customers in relation to
a) product information,
b) enquiries, contracts or order handling, including amendments, and
c) customer feedback, including customer complaints.

7.3 Design and development

7.3.1 Design and development planning

The organization shall plan and control the design and development of product.

During the design and development planning, the organization shall determine
a) the design and development stages,
b) the review, verification and validation that are appropriate to each design and development stage, and
c) the responsibilities and authorities for design and development.

The organization shall manage the interfaces between different groups involved in design and development to ensure effective communication and clear assignment of responsibility.

Planning output shall be updated, as appropriate, as the design and development progresses.

NOTE Design and development review, verification and validation have distinct purposes. They can be conducted and recorded separately or in any combination, as suitable for the product and the organization.

7.3.2 Design and development inputs

Inputs relating to product requirements shall be determined and records maintained (see 4.2.4). These inputs shall include
a) functional and performance requirements,
b) applicable statutory and regulatory requirements,
c) where applicable, information derived from previous similar designs, and
d) other requirements essential for design and development.

The inputs shall be reviewed for adequacy. Requirements shall be complete, unambiguous and not in conflict with each other.

7.3.3 Design and development outputs

The outputs of design and development shall be in a form suitable for verification against the design and development input and shall be approved prior to release.
Design and development outputs shall
a) meet the input requirements for design and development,
b) provide appropriate information for purchasing, production and service provision,
c) contain or reference product acceptance criteria, and
d) specify the characteristics of the product that are essential for its safe and proper use.

NOTE: Information for production and service provision can include details for the preservation of product.

7.3.4 Design and development review

At suitable stages, systematic reviews of design and development shall be performed in accordance with planned arrangements (see 7.3.1)

a) to evaluate the ability of the results of design and development to meet requirements, and
b) to identify any problems and propose necessary actions.

Participants in such reviews shall include representatives of functions concerned with the design and development stage(s) being reviewed. Records of the results of the reviews and any necessary actions shall be maintained (see 4.2.4).

7.3.5 Design and development verification

Verification shall be performed in accordance with planned arrangements (see 7.3.1) to ensure that the design and development outputs have met the design and development input requirements. Records of the results of the verification and any necessary actions shall be maintained (see 4.2.4).

7.3.6 Design and development validation

Design and development validation shall be performed in accordance with planned arrangements (see 7.3.1) to ensure that the resulting product is capable of meeting the requirements for the specified application or intended use, where known. Wherever practicable, validation shall be completed prior to the delivery or implementation of the product. Records of the results of validation and any necessary actions shall be maintained (see 4.2.4).

7.3.7 Control of design and development changes

Design and development changes shall be identified and records maintained. The changes shall be reviewed, verified and validated, as appropriate, and approved before implementation. The review of design and development changes shall include evaluation of the effect of the changes on constituent parts and product already delivered. Records of the results of the review of changes and any necessary actions shall be maintained (see 4.2.4).

7.4 Purchasing

7.4.1 Purchasing process

The organization shall ensure that purchased product conforms to specified purchase requirements. The type and extent of control applied to the supplier and the purchased product shall be dependent upon the effect of the purchased product on subsequent product realization or the final product.
The organization shall evaluate and select suppliers based on their ability to supply product in accordance with the organization's requirements. Criteria for selection, evaluation and re-evaluation shall be established. Records of the results of evaluations and any necessary actions arising from the evaluation shall be maintained (see 4.2.4).

7.4.2 Purchasing information

Purchasing information shall describe the product to be purchased, including, where appropriate,

a) requirements for approval of product, procedures, processes and equipment,

b) requirements for qualification of personnel, and

c) quality management system requirements.

The organization shall ensure the adequacy of specified purchase requirements prior to their communication to the supplier.

7.4.3 Verification of purchased product

The organization shall establish and implement the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements.

Where the organization or its customer intends to perform verification at the supplier's premises, the organization shall state the intended verification arrangements and method of product release in the purchasing information.

7.5 Production and service provision

7.5.1 Control of production and service provision

The organization shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable,

a) the availability of information that describes the characteristics of the product,

b) the availability of work instructions, as necessary,

c) the use of suitable equipment,

d) the availability and use of monitoring and measuring equipment,

e) the implementation of monitoring and measurement, and

f) the implementation of product release, delivery and post-delivery activities.

7.5.2 Validation of processes for production and service provision

The organization shall validate any processes for production and service provision where the resulting output cannot be verified by subsequent monitoring or measurement and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered.

Validation shall demonstrate the ability of these processes to achieve planned results.

The organization shall establish arrangements for these processes including, as applicable,

a) defined criteria for review and approval of the processes,

b) approval of equipment and qualification of personnel,

c) use of specific methods and procedures,
d) requirements for records (see 4.2.4), and

e) revalidation.

7.5.3 Identification and traceability

Where appropriate, the organization shall identify the product by suitable means throughout product realization.

The organization shall identify the product status with respect to monitoring and measurement requirements throughout product realization.

Where traceability is a requirement, the organization shall control the unique identification of the product and maintain records (see 4.2.4).

NOTE In some industry sectors, configuration management is a means by which identification and traceability are maintained.

7.5.4 Customer property

The organization shall exercise care with customer property while it is under the organization’s control or being used by the organization. The organization shall identify, verify, protect and safeguard customer property provided for use or incorporation into the product. If any customer property is lost, damaged or otherwise found to be unsuitable for use, the organization shall report this to the customer and maintain records (see 4.2.4).

NOTE Customer property can include intellectual property and personal data.

7.5.5 Preservation of product

The organization shall preserve the product during internal processing and delivery to the intended destination in order to maintain conformity to requirements. As applicable, preservation shall include identification, handling, packaging, storage and protection. Preservation shall also apply to the constituent parts of a product.

7.6 Control of monitoring and measuring equipment

The organization shall determine the monitoring and measurement to be undertaken and the monitoring and measuring equipment needed to provide evidence of conformity of product to determined requirements.

The organization shall establish processes to ensure that monitoring and measurement can be carried out and are carried out in a manner that is consistent with the monitoring and measurement requirements.

Where necessary to ensure valid results, measuring equipment shall

a) be calibrated or verified, or both, at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification shall be recorded (see 4.2.4);

b) be adjusted or re-adjusted as necessary;

c) have identification in order to determine its calibration status;

d) be safeguarded from adjustments that would invalidate the measurement result;

e) be protected from damage and deterioration during handling, maintenance and storage.

In addition, the organization shall assess and record the validity of the previous measuring results when the equipment is found not to conform to requirements. The organization shall take appropriate action on the equipment and any product affected.

Records of the results of calibration and verification shall be maintained (see 4.2.4).
When used in the monitoring and measurement of specified requirements, the ability of computer software to satisfy the intended application shall be confirmed. This shall be undertaken prior to initial use and reconfirmed as necessary.

NOTE Confirmation of the ability of computer software to satisfy the intended application would typically include its verification and configuration management to maintain its suitability for use.

8 Measurement, analysis and improvement

8.1 General

The organization shall plan and implement the monitoring, measurement, analysis and improvement processes needed

a) to demonstrate conformity to product requirements,

b) to ensure conformity of the quality management system, and

c) to continually improve the effectiveness of the quality management system.

This shall include determination of applicable methods, including statistical techniques, and the extent of their use.

8.2 Monitoring and measurement

8.2.1 Customer satisfaction

As one of the measurements of the performance of the quality management system, the organization shall monitor information relating to customer perception as to whether the organization has met customer requirements. The methods for obtaining and using this information shall be determined.

NOTE Monitoring customer perception can include obtaining input from sources such as customer satisfaction surveys, customer data on delivered product quality, user opinion surveys, lost business analysis, compliments, warranty claims and dealer reports.

8.2.2 Internal audit

The organization shall conduct internal audits at planned intervals to determine whether the quality management system

a) conforms to the planned arrangements (see 7.1), to the requirements of this International Standard and to the quality management system requirements established by the organization, and

b) is effectively implemented and maintained.

An audit programme shall be planned, taking into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits. The audit criteria, scope, frequency and methods shall be defined. The selection of auditors and conduct of audits shall ensure objectivity and impartiality of the audit process. Auditors shall not audit their own work.

A documented procedure shall be established to define the responsibilities and requirements for planning and conducting audits, establishing records and reporting results.

Records of the audits and their results shall be maintained (see 4.2.4).

The management responsible for the area being audited shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and their causes.
Follow-up activities shall include the verification of the actions taken and the reporting of verification results (see 8.5.2).

NOTE See ISO 19011 for guidance.

8.2.3 Monitoring and measurement of processes

The organization shall apply suitable methods for monitoring and, where applicable, measurement of the quality management system processes. These methods shall demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, correction and corrective action shall be taken, as appropriate.

NOTE When determining suitable methods, it is advisable that the organization consider the type and extent of monitoring or measurement appropriate to each of its processes in relation to their impact on the conformity to product requirements and on the effectiveness of the quality management system.

8.2.4 Monitoring and measurement of product

The organization shall monitor and measure the characteristics of the product to verify that product requirements have been met. This shall be carried out at appropriate stages of the product realization process in accordance with the planned arrangements (see 7.1). Evidence of conformity with the acceptance criteria shall be maintained.

Records shall indicate the person(s) authorizing release of product for delivery to the customer (see 4.2.4).

The release of product and delivery of service to the customer shall not proceed until the planned arrangements (see 7.1) have been satisfactorily completed, unless otherwise approved by a relevant authority and, where applicable, by the customer.

8.3 Control of nonconforming product

The organization shall ensure that product which does not conform to product requirements is identified and controlled to prevent its unintended use or delivery. A documented procedure shall be established to define the controls and related responsibilities and authorities for dealing with nonconforming product.

Where applicable, the organization shall deal with nonconforming product by one or more of the following ways:

a) by taking action to eliminate the detected nonconformity;
b) by authorizing its use, release or acceptance under concession by a relevant authority and, where applicable, by the customer;
c) by taking action to preclude its original intended use or application;
d) by taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started.

When nonconforming product is corrected it shall be subject to re-verification to demonstrate conformity to the requirements.

Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, shall be maintained (see 4.2.4).

8.4 Analysis of data

The organization shall determine, collect and analyse appropriate data to demonstrate the suitability and effectiveness of the quality management system and to evaluate where continual improvement of the effectiveness of the quality management system can be made. This shall include data generated as a result of monitoring and measurement and from other relevant sources.
The analysis of data shall provide information relating to
a) customer satisfaction (see 8.2.1),
b) conformity to product requirements (see 8.2.4),
c) characteristics and trends of processes and products, including opportunities for preventive action (see 8.2.3 and 8.2.4), and
d) suppliers (see 7.4).

8.5 Improvement

8.5.1 Continual improvement

The organization shall continually improve the effectiveness of the quality management system through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.

8.5.2 Corrective action

The organization shall take action to eliminate the causes of nonconformities in order to prevent recurrence. Corrective actions shall be appropriate to the effects of the nonconformities encountered.

A documented procedure shall be established to define requirements for
a) reviewing nonconformities (including customer complaints),
b) determining the causes of nonconformities,
c) evaluating the need for action to ensure that nonconformities do not recur,
d) determining and implementing action needed,
e) records of the results of action taken (see 4.2.4), and
f) reviewing the effectiveness of the corrective action taken.

8.5.3 Preventive action

The organization shall determine action to eliminate the causes of potential nonconformities in order to prevent their occurrence. Preventive actions shall be appropriate to the effects of the potential problems.

A documented procedure shall be established to define requirements for
a) determining potential nonconformities and their causes,
b) evaluating the need for action to prevent occurrence of nonconformities,
c) determining and implementing action needed,
d) records of results of action taken (see 4.2.4), and
e) reviewing the effectiveness of the preventive action taken.
Annex A
(informative)

Correspondence between ISO 9001:2008 and ISO 14001:2004

Table A.1 — Correspondence between ISO 9001:2008 and ISO 14001:2004

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## Annex B
(informative)


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### 0.1 Para 1, Sentence 2

| D | The design and implementation of an organization's quality management system is influenced by varying needs, particular objectives, the products provided, the processes employed and the size and structure of the organization. |
| A | The design and implementation of an organization's quality management system is influenced by: |
|   | a) its organizational environment, change in that environment, and the risks associated with that environment; |
|   | b) its varying needs; |
|   | c) its particular objectives; |
|   | d) the products it provides; |
|   | e) the processes it employs; |
|   | f) its size and organizational structure. |

| Sentence 3 | Now a new para | It is not the intent of this International Standard to imply uniformity in the structure of quality management systems or uniformity of documentation. |

### 0.1 Para 4

| A | This International Standard can be used by internal and external parties, including certification bodies, to assess the organization's ability to meet customer, statutory and regulatory requirements applicable to the product, and the organization's own requirements. |

### 0.2 Para 2

| D + A | For an organization to function effectively, it has to identify, determine and manage numerous linked activities. An activity or set of activities using resources, and managed in order to enable the transformation of inputs into outputs, can be considered as a process. |
Table B.1 — Changes between ISO 9001:2000 and ISO 9001:2008 (continued)

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<td>A</td>
<td>The application of a system of processes within an organization, together with the identification and interactions of these processes, and their management to produce the desired outcome, can be referred to as the “process approach”.</td>
</tr>
<tr>
<td>0.3</td>
<td>Para 1</td>
<td>D + A</td>
<td>The present editions of ISO 9001 and ISO 9004 have been developed as a consistent pair of quality management system standards which have been designed to complement each other, but can also be used independently. Although the two International Standards have different scopes, they have similar structures in order to assist their application as a consistent pair.</td>
</tr>
<tr>
<td>0.3</td>
<td>Para 3</td>
<td>D + A</td>
<td>ISO 9004 gives a guidance on a wider range of objectives of a quality management system than does ISO 9001, particularly for the continual improvement of an organization’s overall performance and efficiency, as well as its effectiveness. ISO 9004 is recommended as a guide for organizations whose top management wishes to move beyond the requirements of ISO 9001, in pursuit of continual improvement of performance. However, it is not intended for certification or for-contractual purposes.</td>
</tr>
<tr>
<td>0.4</td>
<td>Para 1</td>
<td>D + A</td>
<td>This International Standard has been aligned with ISO 14001:1996 in order to enhance the compatibility of the two standards for the benefit of the user community.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>During the development of this International Standard, due consideration was given to the provisions of ISO 14001:2004 to enhance the compatibility of the two standards for the benefit of the user community. Annex A shows the correspondence between ISO 9001:2008 and ISO 14001:2004.</td>
</tr>
<tr>
<td>1.1</td>
<td>Bullet a)</td>
<td>A</td>
<td>a) needs to demonstrate its ability to consistently provide product that meets customer and applicable statutory and regulatory requirements, and</td>
</tr>
<tr>
<td></td>
<td>Bullet b)</td>
<td>A</td>
<td>b) aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.</td>
</tr>
<tr>
<td></td>
<td>Note</td>
<td>D</td>
<td>NOTE 1 In this International Standard, the term “product” applies only to the product intended for, or required by, a customer.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>NOTE 2 Statutory and regulatory requirements can be expressed as legal requirements.</td>
</tr>
<tr>
<td></td>
<td>New Note 2</td>
<td>A</td>
<td>Where exclusions are made, claims of conformity to this International Standard are not acceptable unless these exclusions are limited to requirements within Clause 7, and such exclusions do not affect the organization’s ability, or responsibility, to provide product that meets customer and applicable statutory and regulatory requirements.</td>
</tr>
<tr>
<td>2</td>
<td>Para 1</td>
<td>D + A</td>
<td>The following normative document contains provisions which, through reference in this text, constitute provisions of this International Standard. For dated references, subsequent amendments to, or revisions of, any of these publications do not apply. However, parties to agreements and to other than this International Standard are encouraged to investigate the possibility of applying the most recent edition of the normative document indicated below. For undated references, the latest edition of the normative document referred to applies. Members of ISO and IEC maintain registers of currently valid International Standards:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.</td>
</tr>
</tbody>
</table>
## Table B.1 — Changes between ISO 9001:2000 and ISO 9001:2008 (continued)

<table>
<thead>
<tr>
<th>ISO 9001:2000 Clause No.</th>
<th>Paragraph/ Figure/ Table/ Note</th>
<th>Addition (A) or Deletion (D)</th>
<th>Amended text</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Para 1</td>
<td>D + A</td>
<td>For the purposes of this document, the terms and definitions given in ISO 9000 apply.</td>
</tr>
<tr>
<td>3</td>
<td>Paras 2, 3</td>
<td>D</td>
<td>The following terms, used in this edition of ISO 9001 to describe the supply chain, have been changed to reflect the vocabulary currently used: supplier → organization → customer. The term &quot;organization&quot; replaces the term &quot;supplier&quot; used in ISO 9001:1994, and refers to the unit to which this International Standard applies. Also, the term &quot;supplier&quot; now replaces the term &quot;subcontractor&quot;.</td>
</tr>
<tr>
<td>4.1</td>
<td>Bullet a)</td>
<td>D + A</td>
<td>a) identify determining processes needed for the quality management system and their application throughout the organization (see 1.2),</td>
</tr>
<tr>
<td>4.1</td>
<td>Bullet e)</td>
<td>A</td>
<td>e) monitor, measure where applicable, and analyse these processes, and</td>
</tr>
<tr>
<td>4.1</td>
<td>Para 4</td>
<td>D + A</td>
<td>Where an organization chooses to outsource any process that affects product conformity with requirements, the organization shall ensure control over such processes. The type and extent of control to be applied to these outsourced processes shall be defined within the quality management system.</td>
</tr>
<tr>
<td>4.1</td>
<td>Note 1</td>
<td>D + A</td>
<td>NOTE 1 Processes needed for the quality management system referred to above should include processes for management activities, provision of resources, product realization, and measurement, analysis and improvement.</td>
</tr>
<tr>
<td>4.1</td>
<td>New Notes 2 &amp; 3</td>
<td>A</td>
<td>NOTE 2 An “outsourced process” is a process that the organization needs for its quality management system and which the organization chooses to have performed by an external party.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>NOTE 3 Ensuring control over outsourced processes does not absolve the organization of the responsibility of conformity to all customer, statutory and regulatory requirements. The type and extent of control to be applied to the outsourced process can be influenced by factors such as: a) the potential impact of the outsourced process on the organization’s capability to provide product that conforms to requirements, b) the degree to which the control for the process is shared, c) the capability of achieving the necessary control through the application of 7.4.</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Bullet c)</td>
<td>A</td>
<td>c) documented procedures and records required by this International Standard, and</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Bullet d)</td>
<td>A + D</td>
<td>d) documents, including records, needed determined by the organization to be necessary to ensure the effective planning, operation and control of its processes. and</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Bullet e)</td>
<td>D</td>
<td>e) records required by this International Standard (see 4.2.4),</td>
</tr>
<tr>
<td>4.2.1</td>
<td>Note 1</td>
<td>A</td>
<td>NOTE 1 Where the term “documented procedure” appears within this International Standard, this means that the procedure is established, documented, implemented and maintained. A single document may address the requirements for one or more procedures. A requirement for a documented procedure may be covered by more than one document.</td>
</tr>
<tr>
<td>4.2.3</td>
<td>Bullet f)</td>
<td>A</td>
<td>f) to ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the quality management system are identified and their distribution controlled, and</td>
</tr>
<tr>
<td>4.2.4</td>
<td>Para 1</td>
<td>D + A</td>
<td>Records shall be established and maintained to provide evidence of conformity to requirements and of the effective operation of the quality management system shall be controlled. Records shall remain legible, readily identifiable and retrievable. The organization shall establish a documented procedure shall be established to define the controls needed for the identification, storage, protection, retrieval, retention time and disposition of records. Records shall remain legible, readily identifiable and retrievable.</td>
</tr>
<tr>
<td>5.5.2</td>
<td>Para 1</td>
<td>A</td>
<td>Top management shall appoint a member of the organization’s management who, irrespective of other responsibilities, shall have responsibility and authority that includes</td>
</tr>
<tr>
<td>6.2.1</td>
<td>Para 1</td>
<td>A + D</td>
<td>Personnel performing work affecting conformity to product quality requirements shall be competent on the basis of appropriate education, training, skills and experience.</td>
</tr>
<tr>
<td></td>
<td>New Note</td>
<td>A</td>
<td>NOTE Conformity to product requirements can be affected directly or indirectly by personnel performing any task within the quality management system.</td>
</tr>
</tbody>
</table>
Table B.1 — Changes between ISO 9001:2000 and ISO 9001:2008 (continued)

<table>
<thead>
<tr>
<th>ISO 9001:2000 Clause No.</th>
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<th>Amended text</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.2</td>
<td>Clause title</td>
<td>A + D</td>
<td>Competence, training and awareness and training</td>
</tr>
<tr>
<td>6.2.2</td>
<td>Bullets (a) &amp; (b)</td>
<td>A + D</td>
<td>a) determine the necessary competence for personnel performing work affecting conformity to product quality requirements, b) where applicable, provide training or take other actions to satisfy those needs achieve the necessary competence.</td>
</tr>
<tr>
<td>6.3</td>
<td>Bullet c)</td>
<td>A</td>
<td>c) supporting services (such as transport, communication or information systems).</td>
</tr>
<tr>
<td>6.4</td>
<td>New Note</td>
<td>A</td>
<td>NOTE The term “work environment” relates to those conditions under which work is performed including physical, environmental and other factors (such as noise, temperature, humidity, lighting or weather),</td>
</tr>
<tr>
<td>7.1</td>
<td>Bullet b)</td>
<td>A + D</td>
<td>b) the need to establish processes and documents, and to provide resources specific to the product;</td>
</tr>
<tr>
<td>7.1</td>
<td>Bullet c)</td>
<td>A</td>
<td>c) required verification, validation, monitoring, measurement, inspection and test activities specific to the product and the criteria for product acceptance;</td>
</tr>
<tr>
<td>7.2.1</td>
<td>Bullet c)</td>
<td>D + A</td>
<td>c) statutory and regulatory requirements related applicable to the product, and</td>
</tr>
<tr>
<td>7.2.1</td>
<td>Bullet d)</td>
<td>D + A</td>
<td>d) any additional requirements determined considered necessary by the organization.</td>
</tr>
<tr>
<td>7.2.1</td>
<td>New Note</td>
<td>A</td>
<td>NOTE Post-delivery activities include, for example, actions under warranty provisions, contractual obligations such as maintenance services, and supplementary services such as recycling or final disposal.</td>
</tr>
<tr>
<td>7.3.1</td>
<td>New Note</td>
<td>A</td>
<td>NOTE Design and development review, verification and validation have distinct purposes. They can be conducted and recorded separately or in any combination, as suitable for the product and the organization.</td>
</tr>
<tr>
<td>7.3.2</td>
<td>Para 2</td>
<td>D + A</td>
<td>These The inputs shall be reviewed for adequacy. Requirements shall be complete, unambiguous and not in conflict with each other.</td>
</tr>
<tr>
<td>7.3.3</td>
<td>Para 1</td>
<td>D + A</td>
<td>The outputs of design and development shall be provided in a form that enables in a form suitable for verification against the design and development input and shall be approved prior to release.</td>
</tr>
<tr>
<td>7.3.3</td>
<td>Bullet b)</td>
<td>D</td>
<td>b) provide appropriate information for purchasing, production and service provision,</td>
</tr>
<tr>
<td>7.3.3</td>
<td>New Note</td>
<td>A</td>
<td>NOTE: Information for production and service provision can include details for the preservation of product.</td>
</tr>
<tr>
<td>7.3.7</td>
<td>Paras 1 &amp; 2</td>
<td>No text change, Paras now merged</td>
<td>Design and development changes shall be identified and records maintained. The changes shall be reviewed, verified and validated, as appropriate, and approved before implementation. The review of design and development changes shall include evaluation of the effect of the changes on constituent parts and product already delivered. Records of the results of the review of changes and any necessary actions shall be maintained (see 4.2.4).</td>
</tr>
<tr>
<td>7.5.1</td>
<td>Bullet d)</td>
<td>D + A</td>
<td>d) the availability and use of monitoring and measuring devices equipment,</td>
</tr>
<tr>
<td>7.5.1</td>
<td>Bullet f)</td>
<td>A</td>
<td>f) the implementation of product release, delivery and post-delivery activities.</td>
</tr>
<tr>
<td>7.5.2</td>
<td>Para 1</td>
<td>D + A</td>
<td>The organization shall validate any processes for production and service provision where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any processes-use and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered.</td>
</tr>
<tr>
<td>7.5.3</td>
<td>Para 2</td>
<td>A</td>
<td>The organization shall identify the product status with respect to monitoring and measurement requirements throughout product realization.</td>
</tr>
<tr>
<td>7.5.3</td>
<td>Para 3</td>
<td>D + A</td>
<td>Where traceability is a requirement, the organization shall control and record the unique identification of the product and maintain records (see 4.2.4).</td>
</tr>
<tr>
<td>7.5.4</td>
<td>Para 1, Sentence 3</td>
<td>D + A</td>
<td>If any customer property is lost, damaged or otherwise found to be unsuitable for use, this shall be reported to the customer and records maintained the organization shall report this to the customer and maintain records (see 4.2.4).</td>
</tr>
</tbody>
</table>

NOTE: Customer property can include intellectual property and personal data.
Table B.1 — Changes between ISO 9001:2000 and ISO 9001:2008 (continued)

<table>
<thead>
<tr>
<th>ISO 9001:2000 Clause No.</th>
<th>Paragraph/ Figure/ Table/ Note</th>
<th>Addition (A) or Deletion (D)</th>
<th>Amended text</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.5.5 Para 1 A</td>
<td>D + A</td>
<td>The organization shall preserve the conformity of product during internal processing and delivery to the intended destination in order to maintain conformity to requirements. This, as applicable, preservation shall include identification, handling, packaging, storage, and protection. Preservation shall also apply to the constituent parts of a product.</td>
<td></td>
</tr>
<tr>
<td>7.6 Title</td>
<td>D + A</td>
<td>Control of monitoring and measuring devices/equipment</td>
<td></td>
</tr>
<tr>
<td>7.8 Para 1 A</td>
<td>D + A</td>
<td>The organization shall determine the monitoring and measurement to be undertaken and the monitoring and measuring devices/equipment needed to provide evidence of conformity of product to determined requirements (see 7.2.4).</td>
<td></td>
</tr>
<tr>
<td>7.6 Bullet a) A</td>
<td>A</td>
<td>a) be calibrated or verified, or both, at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification shall be recorded (see 4.2.4);</td>
<td></td>
</tr>
<tr>
<td>7.6 Bullet c) A</td>
<td>D + A</td>
<td>c) be identified to enable the calibration status to be determined;</td>
<td></td>
</tr>
<tr>
<td>7.8 Para 4, Sentence 3</td>
<td>Now new para 5, without change.</td>
<td>Records of the results of calibration and verification shall be maintained (see 4.2.4).</td>
<td></td>
</tr>
<tr>
<td>7.8 Note</td>
<td>D + A</td>
<td>NOTE: See ISO 10012-1 and ISO 10012-2 for guidance.</td>
<td></td>
</tr>
<tr>
<td>8.1 Bullet a) A</td>
<td>D + A</td>
<td>a) to demonstrate conformity of the product to product requirements.</td>
<td></td>
</tr>
<tr>
<td>8.2.1 New Note A</td>
<td>A</td>
<td>NOTE: Monitoring customer perception can include obtaining input from sources such as customer satisfaction surveys, customer data on delivered product quality, user opinion surveys, lost business analysis, compliments, warranty claims and dealer reports.</td>
<td></td>
</tr>
<tr>
<td>8.2.2 Para 2 Sentence 3</td>
<td>A</td>
<td>The selection of auditors and conduct of audits shall ensure objectivity and impartiality of the audit process.</td>
<td></td>
</tr>
<tr>
<td>8.2.2 New Para 3 A</td>
<td>A</td>
<td>A documented procedure shall be established to define the responsibilities and requirements for planning and conducting audits, establishing records and reporting results.</td>
<td></td>
</tr>
<tr>
<td>8.2.2 Para 3 Now para 4 D + A</td>
<td>The responsibilities and requirements for planning and conducting audits, and for reporting results and maintaining records (see 4.2.4) shall be defined in a documented procedure. Records of the audits and their results shall be maintained (see 4.2.4).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2.2 Para 4 Sentence 1 Now para 5 A</td>
<td>The management responsible for the area being audited shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and their causes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2.3 Para 1 Sentence 3</td>
<td>D</td>
<td>When planned results are not achieved, correction and corrective action shall be taken, as appropriate, to ensure conformity of the product.</td>
<td></td>
</tr>
<tr>
<td>8.2.3 New Note A</td>
<td>A</td>
<td>NOTE: When determining suitable methods, it is advisable that the organization consider the type and extent of monitoring or measurement appropriate to each of its processes in relation to their impact on the conformity to product requirements and on the effectiveness of the quality management system.</td>
<td></td>
</tr>
<tr>
<td>8.2.4 Para 1 A</td>
<td>A</td>
<td>The organization shall monitor and measure the characteristics of the product to verify that product requirements have been met. This shall be carried out at appropriate stages of the product realization process in accordance with the planned arrangements (see 7.1). Evidence of conformity with the acceptance criteria shall be maintained.</td>
<td></td>
</tr>
<tr>
<td>8.2.4 Para 2 D + A</td>
<td>Evidence of conformity with the acceptance criteria shall be maintained. Records shall indicate the person(s) authorizing release of product for delivery to the customer (see 4.2.4).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.2.4 Para 3 D + A</td>
<td>Product release and service delivery. The release of product and delivery of service to the customer shall not proceed until the planned arrangements (see 7.1) have been satisfactorily completed, unless otherwise approved by a relevant authority and, where applicable, by the customer.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table B.1 — Changes between ISO 9001:2000 and ISO 9001:2008 (continued)

<table>
<thead>
<tr>
<th>ISO 9001:2000 Clause No.</th>
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<th>Addition (A) or Deletion (D)</th>
<th>Amended text</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3</td>
<td>Para 1, Sentence 2</td>
<td>D + A</td>
<td>The controls and related responsibilities and authorities for dealing with nonconforming product shall be defined in a documented procedure. A documented procedure shall be established to define the controls and related responsibilities and authorities for dealing with nonconforming product.</td>
</tr>
<tr>
<td>8.3</td>
<td>Para 2</td>
<td>A</td>
<td>Where applicable, the organization shall deal with nonconforming product by one or more of the following ways:</td>
</tr>
<tr>
<td>6.3</td>
<td>New bullet d)</td>
<td>A</td>
<td>d) by taking action appropriate to the effects or potential effects of the nonconformity when nonconforming product is detected after delivery or use has started.</td>
</tr>
<tr>
<td></td>
<td>Para 3</td>
<td>Moved to be Para 4</td>
<td>Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, shall be maintained (see 4.2.4).</td>
</tr>
<tr>
<td></td>
<td>Para 4</td>
<td>Moved to be Para 3</td>
<td>When nonconforming product is corrected it shall be subject to re-verification to demonstrate conformity to the requirements. Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, shall be maintained (see 4.2.4).</td>
</tr>
<tr>
<td></td>
<td>Para 5</td>
<td>Now new bullet d)</td>
<td>When nonconforming product is detected after delivery or use has started, the organization shall take action appropriate to the effects or potential effects of the nonconformity.</td>
</tr>
<tr>
<td>6.4</td>
<td>Bullet b)</td>
<td>D + A</td>
<td>b) conformity to product requirements (see 7.2.4) (see 8.2.4).</td>
</tr>
<tr>
<td></td>
<td>Bullet c)</td>
<td>A</td>
<td>c) characteristics and trends of processes and products, including opportunities for preventive action (see 8.2.3 and 8.2.4), and</td>
</tr>
<tr>
<td></td>
<td>Bullet d)</td>
<td>A</td>
<td>d) suppliers (see 7.4).</td>
</tr>
<tr>
<td>8.5.2</td>
<td>Para 1</td>
<td>D + A</td>
<td>The organization shall take action to eliminate the cause of nonconformities in order to prevent recurrence.</td>
</tr>
<tr>
<td>8.5.2</td>
<td>Bullet f)</td>
<td>A</td>
<td>f) reviewing the effectiveness of the corrective action taken.</td>
</tr>
<tr>
<td>8.5.3</td>
<td>Bullet e)</td>
<td>A</td>
<td>e) reviewing the effectiveness of the preventive action taken.</td>
</tr>
<tr>
<td>Annex A</td>
<td>All</td>
<td>D + A</td>
<td>Updated to reflect ISO 9001:2008 versus ISO 14001:2004</td>
</tr>
<tr>
<td>Bibliography</td>
<td>New and amended references</td>
<td>D + A</td>
<td>Updated to reflect new standards (including ISO 9004, currently under revision), new editions of standards, or withdrawn standards.</td>
</tr>
</tbody>
</table>
Bibliography

[1] ISO 9004:—1), Managing for the sustained success of an organization — A quality management approach


1) To be published. (Revision of ISO 9004:2000)
3) To be updated and aligned with ISO 9001:2008.
[22] *ISO Management Systems* 4)

[23] Reference web sites:
   http://www.iso.org
   http://www.tc176.org
   http://www.iso.org/tc176/sc2
   http://www.iso.org/tc176/ISO9001AuditingPracticesGroup

4) A bimonthly publication which provides comprehensive coverage of international developments relating to ISO’s management system standards, including news of their implementation by diverse organizations around the world. Available from ISO Central Secretariat (sales@iso.org).
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SOUTH AFRICAN NATIONAL STANDARD

Managing for the sustained success of an organization — A quality management approach

This national standard is the identical implementation of ISO 9004:2009 and is adopted with the permission of the International Organization for Standardization.
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National foreword

This South African standard was approved by National Committee SABS TC 176, Quality assurance and quality management matters, in accordance with procedures of the SABS Standards Division, in compliance with annex 3 of the WTO/TBT agreement.

This SANS document was published in February 2010.

Managing for the sustained success of an organization — A quality management approach
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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75% of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 9004 was prepared by Technical Committee ISO/TC 176, Quality management and quality assurance, Subcommittee SC 2, Quality systems.

This third edition cancels and replaces the second edition (ISO 9004:2000), which has been technically revised.

Managing for the sustained success of an organization is a major change in focus for ISO 9004, leading to substantial changes to its structure and contents.
Introduction

This International Standard provides guidance to support the achievement of sustained success for any organization in a complex, demanding, and ever-changing environment, by a quality management approach.

The sustained success of an organization is achieved by its ability to meet the needs and expectations of its customers and other interested parties, over the long term and in a balanced way. Sustained success can be achieved by the effective management of the organization, through awareness of the organization’s environment, by learning, and by the appropriate application of either improvements, or innovations, or both.

This International Standard promotes self-assessment as an important tool for the review of the maturity level of the organization, covering its leadership, strategy, management system, resources and processes, to identify areas of strength and weakness and opportunities for either improvements, or innovations, or both.

This International Standard provides a wider focus on quality management than ISO 9001; it addresses the needs and expectations of all relevant interested parties and provides guidance for the systematic and continual improvement of the organization’s overall performance. An extended model of a process-based quality management system incorporating the elements of ISO 9001 and ISO 9004 is given in Figure 1.

Figure 1 — Extended model of a process-based quality management system

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This International Standard has been developed to maintain consistency with ISO 9001 and be compatible with other management system standards. Such standards complement each other, but can also be used independently.

Annex A provides a tool for organizations to self-assess their own strengths and weaknesses, to determine their level of maturity, and to identify opportunities for improvement and innovation.

Annex B provides a description of the quality management principles that are the basis of the quality management standards prepared by ISO/TC 176.

Managing for the sustained success of an organization —
A quality management approach

1 Scope

This International Standard provides guidance to organizations to support the achievement of sustained success by a quality management approach. It is applicable to any organization, regardless of size, type and activity.

This International Standard is not intended for certification, regulatory or contractual use.

2 Normative references

The following referenced documents relate to the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 9000, Quality management systems — Fundamentals and vocabulary

3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO 9000 and the following apply.

3.1 sustained success (organization) result of the ability of an organization to achieve and maintain its objectives in the long term

3.2 organization's environment combination of internal and external factors and conditions that can affect the achievement of an organization's objectives and its behaviour towards its interested parties

4 Managing for the sustained success of an organization

4.1 General

To achieve sustained success, top management should adopt a quality management approach. The organization's quality management system should be based on the principles described in Annex B. These principles describe concepts that are the foundation of an effective quality management system. To achieve sustained success, top management should apply these principles to the organization's quality management system.

The organization should develop the organization's quality management system to ensure

— the efficient use of resources,
decision making based on factual evidence, and

- focus on customer satisfaction, as well as on the needs and expectations of other relevant interested parties.

NOTE In this International Standard, the term "top management" refers to the highest level of decision making authority in an organization and the term "the organization" covers all people in an organization. This is consistent with the definitions of these terms given in ISO 9000.

4.2 Sustained success

The organization can achieve sustained success by consistently meeting the needs and expectations of its interested parties, in a balanced way, over the long term.

An organization’s environment is ever-changing and uncertain, and to achieve sustained success its top management should

- have a long-term planning perspective,
- constantly monitor and regularly analyse the organization’s environment,
- identify all its relevant interested parties, assess their individual potential impacts on the organization’s performance, as well as determining how to meet their needs and expectations in a balanced way,
- continually engage interested parties and keep them informed of the organization’s activities and plans,
- establish mutually beneficial relationships with suppliers, partners and other interested parties,
- make use of a wide variety of approaches, including negotiation and mediation, to balance the often competing needs and expectations of interested parties,
- identify associated short and long-term risks and deploy an overall strategy for the organization to mitigate them,
- anticipate future resource needs (including the competences required of its people),
- establish processes appropriate to achieving the organization’s strategy, ensuring that they are capable of responding quickly to changing circumstances,
- regularly assess compliance with current plans and procedures, and take appropriate corrective and preventive actions,
- ensure that people in the organization have opportunities for learning for their own benefit, as well as for maintaining the vitality of the organization, and
- establish and maintain processes for innovation and continual improvement.

4.3 The organization’s environment

An organization’s environment will be undergoing change continually, regardless of its size (large or small), its activities and products, or its type (for profit or not-for-profit); consequently this should be monitored constantly by the organization. Such monitoring should enable the organization to identify, assess and manage the risks related to interested parties, and their changing needs and expectations.

Top management should make decisions for organizational change and innovation in a timely manner in order to maintain and improve the organization’s performance.

NOTE For more information on risk management, see ISO 31000.
4.4 Interested parties, needs and expectations

Interested parties are individuals and other entities that add value to the organization, or are otherwise interested in, or affected by, the activities of the organization. Meeting the needs and expectations of interested parties contributes to the achievement of sustained success by the organization.

In addition, the needs and expectations of individual interested parties are different, can be in conflict with those of other interested parties, or can change very quickly. The means by which the needs and expectations of interested parties are expressed and met can take a wide variety of forms, including collaboration, cooperation, negotiation, outsourcing, or by terminating an activity.

Table 1 — Examples of interested parties and their needs and expectations

<table>
<thead>
<tr>
<th>Interested party</th>
<th>Needs and expectations</th>
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<tbody>
<tr>
<td>Customers</td>
<td>Quality, price and delivery performance of products</td>
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<tr>
<td>Owners/shareholders</td>
<td>Sustained profitability</td>
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<td></td>
<td>Transparency</td>
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<td>People in the organization</td>
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<td>Job security</td>
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<td>Recognition and reward</td>
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<td>Suppliers and partners</td>
<td>Mutual benefits and continuity</td>
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<td>Society</td>
<td>Environmental protection</td>
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<td>Ethical behaviour</td>
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<td>Compliance with statutory and regulatory requirements</td>
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NOTE Although most organizations use similar descriptions for their interested parties (e.g. customers, owners/shareholders, suppliers and partners, people in the organization), the composition of those categories can differ significantly over time and between organizations, industries, nations and cultures.

5 Strategy and policy

5.1 General

To achieve sustained success, top management should establish and maintain a mission, a vision and values for the organization. These should be clearly understood, accepted and supported by people in the organization and, as appropriate, by other interested parties.

NOTE In this International Standard, a “mission” is a description of why the organization exists, and a “vision” describes its desired state, i.e. what the organization wants to be and how it wants to be seen by its interested parties.

5.2 Strategy and policy formulation

Top management should set out the organization’s strategy and policies clearly, in order to get the mission, vision and values accepted and supported by its interested parties. The organization’s environment should be regularly monitored to determine if there is a need to review and (when appropriate) revise the strategy and policies. In order to establish, adopt and sustain an effective strategy and policy, the organization should have processes to

— continually monitor and regularly analyse the organization’s environment, including its customers’ needs and expectations, the competitive situation, new technologies, political changes, economic forecasts, or sociological factors,

— identify and determine the needs and expectations of other interested parties,
— assess its current process capabilities and resources,
— identify future resource and technology needs,
— update its strategy and policies, and
— identify the outputs necessary to meet the needs and expectations of the interested parties.

These processes should be established in a timely manner, with any necessary plans and resources being provided to support them.

The formulation of an organization's strategy should also consider activities such as analyses of customer or regulatory demands, its products, its strengths, weaknesses, opportunities, and threats. A defined process should exist for the formulation and review of the organization's strategy.

NOTE A "strategy" means a logically structured plan or method for achieving objectives, especially over a long period of time.

5.3 Strategy and policy deployment

5.3.1 General

To implement a strategy and policies for sustained success, the organization should establish and maintain processes and practices that
— translate its strategy and policies into measurable objectives for all relevant levels of the organization, as appropriate,
— establish timelines for each objective and assign responsibility and authority for achieving the objective,
— evaluate strategic risks and define adequate counter measures,
— provide the resources required to deploy needed activities, and
— execute the activities needed to achieve these objectives.

5.3.2 Processes and practices

In order to ensure that its processes and practices are effective and efficient, the organization should perform activities for
— anticipating any potential conflicts arising from the different needs and expectations of its interested parties,
— assessing and understanding the organization's current performance and the root-causes of problems in the past, in order to avoid their recurrence,
— keeping interested parties informed, gaining their commitment, keeping them aware of progress against plans, and obtaining feedback and ideas for improvement from them,
— reviewing the management system and its processes, and updating them as necessary,
— monitoring, measuring, analysing, reviewing and reporting,
— providing any required resources, including those for improvement, innovation and learning,
— the development, updating and accomplishment of its objectives, including defining timeframes for their achievement, and
— ensuring that the results are consistent with the strategy.

5.3.3 Deployment

To deploy its strategy and policies, the organization should identify the relationships between its processes. A description of the sequence and interaction of the processes can assist review activities by
— showing the relationship between organizational structures, systems and processes,
— identifying potential problems in the interactions between processes,
— providing a means for prioritizing improvement and other change initiatives, and
— providing a framework for setting, aligning and deploying objectives to all relevant levels of the organization.

5.4 Strategy and policy communication

The effective communication of the strategy and policies is essential to the sustained success of the organization.

Such communication should be meaningful, timely and continual. Communication should also include a feedback mechanism, a review cycle and should incorporate provisions to proactively address changes in the organization’s environment.

The organization’s communication process should operate both vertically and horizontally and should be tailored to the differing needs of its recipients. For example, the same information can be conveyed differently to people within the organization than to customers or other interested parties.

6 Resource management

6.1 General

The organization should identify the internal and external resources that are needed for the achievement of the organization's objectives in the short and long term. The organization's policies and methods for resource management should be consistent with its strategy.

To ensure that resources (such as equipment, facilities, materials, energy, knowledge, finance and people) are used effectively and efficiently, it is necessary to have processes in place to provide, allocate, monitor, evaluate, optimize, maintain and protect those resources.

To ensure the availability of the resources for future activities, the organization should identify and assess the risks of potential scarcity, and continually monitor current use of resources to find opportunities for improvement of their use. In parallel, research for new resources, optimized processes and new technologies should take place.

The organization should periodically review the availability and suitability of the identified resources, including outsourced resources, and take action as necessary. The results of these reviews should also be used as inputs into the organization's reviews of its strategy, objectives and plans.
6.2 Financial resources

Top management should determine the organization's financial needs and establish the necessary financial resources for current and future operations. Financial resources can take many different forms such as cash, securities, loans or other financial instruments.

The organization should establish and maintain processes for monitoring, controlling and reporting the effective allocation and efficient usage of financial resources related to the organization's objectives.

Reporting of such matters can also provide means for determining ineffective or inefficient activities, and initiating suitable improvement actions. Financial reporting of activities related to the performance of the management system and product conformity should be used in management reviews.

Improving the effectiveness and efficiency of the management system can positively influence the financial results of the organization in many ways. Examples include

- internally, by reducing process and product failures and eliminating the waste of materials or time, and
- externally, by reducing product failures, costs of compensation under guarantees and warranties, product liabilities and other legal exposure, costs of lost customers and markets.

NOTE ISO 10014 provides examples of how an organization can identify and obtain financial and economic benefits from the application of the ISO 9000 quality management principles.

6.3 People in the organization

6.3.1 Management of people

People are a significant resource of an organization and their full involvement enhances their ability to create value for interested parties. Top management should, through its leadership, create and maintain a shared vision, shared values and an internal environment in which people can become fully involved in achieving the organization's objectives.

As people are a most valuable and critical resource, it is necessary to ensure that their work environment encourages personal growth, learning, knowledge transfer and teamwork. People management should be performed through a planned, transparent, ethical and socially responsible approach. The organization should ensure that the people understand the importance of their contribution and roles.

The organization should establish processes that empower people to

- translate the organization's strategic and process objectives into individual job objectives, and to establish plans for their achievement,
- identify constraints to their performance,
- take ownership and responsibility to solve problems,
- assess personal performance against individual job objectives,
- actively seek opportunities to enhance their competence and experience,
- promote teamwork and encourage synergy between people, and
- share information, knowledge and experience within the organization.
6.3.2 Competence of people

In order to ensure that it has the necessary competences, the organization should establish and maintain a "people development plan" and associated processes; these should assist the organization in identifying, developing and improving the competence of its people through the following steps:

- identifying the professional and personal competences the organization could need in the short and long term, in accordance with its mission, vision, strategy, policies, and objectives,
- identifying the competences currently available in the organization and the gaps between what is available and what is currently needed and could be needed in the future,
- implementing actions to improve and/or acquire competences to close the gaps,
- reviewing and evaluating the effectiveness of actions taken to ensure that the necessary competences have been acquired, and
- maintaining competences that have been acquired.

NOTE See ISO 10015 for further guidance on competence and training.

6.3.3 Involvement and motivation of people

The organization should motivate people to understand the significance and importance of their responsibilities and activities in relation to the creation and provision of value for the customers and other interested parties.

To enhance the involvement and motivation of its people, the organization should consider activities such as:

- developing a process to share knowledge and use the competence of people, e.g. a scheme for collecting ideas for improvement,
- introducing an appropriate recognition and reward system, that is based on individual evaluations of the accomplishments of the people,
- establishing a skills qualification system and career planning, to promote personal development,
- continually reviewing the level of satisfaction and needs and expectations of people, and
- providing opportunities for mentoring and coaching.

NOTE For more information about the "involvement of people", see the related quality management principle in Annex B.

6.4 Suppliers and partners

6.4.1 General

Partners can be suppliers of products, service providers, technological and financial institutions, governmental and non-governmental organizations or other interested parties. Partners can contribute with any type of resource, as agreed and defined in a partnership agreement.

The organization and its partners are interdependent and a mutually beneficial relationship enhances their capabilities to create value. The organization should consider partnership as a specific form of relationship with suppliers, where suppliers can invest in and share the profits or losses of the organization's area of activity.
When an organization is developing partnerships, the organization should give consideration to issues such as:

- the provision of information to partners, as appropriate, to maximize their contributions,
- supporting partners, in terms of providing them with resources (such as information, knowledge, expertise, technology, processes, and shared training),
- the sharing of profits and losses with partners, and
- improving the performance of partners.

**NOTE** For more information about "mutually beneficial relationships", see the related quality management principle in Annex B.

### 6.4.2 Selection, evaluation and improvement of the capabilities of suppliers and partners

The organization should establish and maintain processes to identify, select, and evaluate its suppliers and partners, in order to continually improve their capabilities and to ensure that the products or other resources they provide meet the needs and expectations of the organization.

In selecting and evaluating suppliers and partners, the organization should consider issues such as:

- their contribution to the organization’s activities and ability to create value for the organization and its interested parties,
- the potential for continually improving their capabilities,
- the enhancement of its own capabilities that can be achieved through co-operation with the suppliers and partners, and
- the risks associated in the relationships with the suppliers and partners.

Together with its suppliers and partners, the organization should seek to continually improve the quality, price and delivery of products provided by the suppliers and partners, and the effectiveness of their management systems, based on periodic evaluation and feedback of their performance.

The organization should continually review and strengthen its relationships with its suppliers and partners, while considering the balance between its short- and long-term objectives.

### 6.5 Infrastructure

The organization should plan, provide and manage its infrastructure effectively and efficiently. It should periodically assess the suitability of the infrastructure to meet organizational objectives. Appropriate consideration should be given to:

- the dependability of the infrastructure (including consideration of availability, reliability, maintainability, and maintenance support),
- safety and security,
- infrastructure elements related to products and processes,
- the efficiency, cost, capacity and work environment, and
- the impact of the infrastructure on the work environment,
The organization should identify and assess the risks associated with the infrastructure and take action to mitigate the risks, including the establishment of adequate contingency plans.

NOTE For more information about environmental impacts, see ISO 14001 and other standards prepared by ISO/TC 207.

6.6 Work environment

The organization should provide and manage a suitable work environment to achieve and maintain the sustained success of the organization and the competitiveness of its products. A suitable work environment, as a combination of human and physical factors, should include consideration of

- creative work methods and opportunities for greater involvement to realize the potential of people in the organization,
- safety rules and guidance and the use of protective equipment,
- ergonomics,
- psychological factors, including workload and stress,
- workplace location,
- facilities for people in the organization,
- maximization of efficiency and minimization of waste,
- heat, humidity, light, airflow, and
- hygiene, cleanliness, noise, vibration and pollution.

The work environment should encourage productivity, creativity and well-being for the people who are working in or visiting the organization’s premises (e.g. customers, suppliers, and partners). At the same time, the organization should ensure that its work environment complies with applicable statutory and regulatory requirements and addresses applicable standards (such as those for environmental and occupational health and safety management).

6.7 Knowledge, information and technology

6.7.1 General

The organization should establish and maintain processes to manage knowledge, information and technology as essential resources. The processes should address how to identify, obtain, maintain, protect, use and evaluate the need for these resources. The organization should share such knowledge, information and technology with its interested parties, as appropriate.

6.7.2 Knowledge

Top management should assess how the organization’s current knowledge base is identified and protected. Top management should also consider how to obtain the knowledge required to meet the present and future needs of the organization from internal and external sources, such as academic and professional institutions. There are many issues to consider when defining how to identify, maintain and protect knowledge, such as

- learning from failures, near miss situations and successes,
- capturing the knowledge and experience of people in the organization,
gathering knowledge from customers, suppliers and partners,
capturing undocumented knowledge (tacit and explicit) that exists within the organization,
ensuring the effective communication of important information content (particularly at each interface in the supply and production chains), and
managing data and records.

6.7.3 Information

The organization should establish and maintain processes to gather reliable and useful data and for converting such data into the information necessary for decision making.

This includes the processes needed for the storage, security, protection, communication and distribution of data and information to all relevant parties. The organization’s information and communication systems need to be robust and accessible, to ensure their capabilities. The organization should ensure the integrity, confidentiality and availability of information relating to its performance, process improvements, and on progress towards the achievement of sustained success.

6.7.4 Technology

Top management should consider technological options to enhance the organization's performance in areas such as product realization, marketing, benchmarking, customer interaction, supplier relations and outsourced processes. The organization should establish processes for the assessment of

- the current levels of technology inside and outside the organization, including emerging trends;
- economic costs and benefits,
- the evaluation of risks related to changes in technology,
- the competitive environment, and
- its speed and ability to react to customer requirements promptly, to ensure that it remains competitive.

NOTE For more information on how to protect knowledge, see ISO/IEC 27000 and other standards prepared by ISO/IEC 1 SC 27 on information technology security techniques.

6.8 Natural resources

The availability of natural resources is one of the factors that can influence an organization's sustained success and ability to meet the requirements of its customers and other interested parties. The organization should consider the risks and opportunities related to the availability and use of energy and natural resources in the short and long term.

The organization should give appropriate consideration to the integration of environmental protection aspects into product design and development, as well as to the development of its processes to mitigate identified risks.

The organization should seek to minimize environmental impacts over the full life cycle of its products and its infrastructure, from design, through manufacturing or service delivery, to product distribution, use and disposal.

NOTE For more information, see ISO 14001 and other standards prepared by ISO/TC 207 on environmental management.
7 Process management

7.1 General

Processes are specific to an organization and vary depending on the type, size and level of maturity of the organization. The activities within each process should be determined and adapted to the size and distinctive features of the organization.

The organization should ensure the proactive management of all processes, including outsourced processes, to ensure that they are effective and efficient, in order to achieve its objectives. This can be facilitated by adopting a "process approach" that includes establishing processes, interdependencies, constraints and shared resources.

Processes and their interrelationships should be reviewed on a regular basis and suitable actions should be taken for their improvement.

The processes should be managed as a system by creating and understanding the networks of processes, their sequences and interactions. The consistent operation of this system is often referred to as the "systems approach to management". The network can be described in a map of the processes and their interfaces.

NOTE For further information on the "process approach", see the related quality management principle in Annex B of this International Standard, as well as ISO 9000 and the ISO 9000 "Introduction and Support Package" document Guidance on the Concept and Use of the Process Approach for management systems [34].

7.2 Process planning and control

The organization should determine and plan its processes and define the functions that are necessary for providing products that can continue to meet the needs and expectations of customers and other interested parties, on an ongoing basis. Processes should be planned and controlled to be in accordance with the organization's strategy and should address management activities, provision of resources, product realization, monitoring, measurement and reviewing activities.

In the planning and control of processes, consideration should be given to

- analyses of the organization's environment,
- short- and long-term forecasts of market developments,
- the needs and expectations of the interested parties,
- objectives to be achieved,
- statutory and regulatory requirements,
- potential financial and other risks,
- process inputs and outputs,
- interactions with other processes,
- resources and information,
- activities and methods,
- records that are required or desired,
- measurement, monitoring and analysis,
— corrective and preventive actions, and
— improvement and/or innovation activities.

Process planning should include consideration of the determined needs for the organization to develop or acquire new technologies, or develop new products or product features, for added value.

7.3 Process responsibility and authority

For each process, the organization should appoint a process manager (often referred to as the "process owner") with defined responsibilities and authorities to establish, maintain, control and improve the process and its interaction with other processes. The process manager could be a person or a team, depending on the nature of the process and the organization's culture.

The organization should ensure that the responsibilities, authorities and roles of process managers are recognized throughout the organization, and that the people associated with the individual processes have the competences needed for the tasks and activities involved.

8 Monitoring, measurement, analysis and review

8.1 General

To achieve sustained success in an ever-changing and uncertain environment, it is necessary for the organization to regularly monitor, measure, analyse and review its performance.

8.2 Monitoring

Top management should establish and maintain processes for monitoring the organization's environment, and for collecting and managing the information that is necessary for
— identifying and understanding the present and future needs and expectations of all relevant interested parties,
— assessing strengths, weaknesses, opportunities and threats,
— determining the need for alternative, competitive or new product offerings,
— evaluating current and emerging markets and technologies,
— anticipating current and expected changes in statutory and regulatory requirements,
— understanding the labour market and its effect on the loyalty of people in the organization,
— understanding the social, economic, ecological trends and local cultural aspects relevant to the organization's activities,
— determining the need for natural resources, and their protection over the long term, and
— assessing current organizational and process capabilities (see Annex A).

NOTE For more information about "customer focus", see the related quality management principle in Annex B.
8.3 Measurement

8.3.1 General

Top management should assess progress in achieving planned results against the mission, vision, policies, strategies and objectives, at all levels and in all relevant processes and functions in the organization. A measurement and analysis process should be used to monitor this progress, to gather and provide the information necessary for performance evaluations and effective decision making. The selection of appropriate key performance indicators and monitoring methodology is critical for success of the measurement and analysis process.

The methods used for collecting information regarding key performance indicators should be practicable and appropriate to the organization. Typical examples include:

- risk assessments and risk controls,
- interviews, questionnaires and surveys on customer and other interested parties' satisfaction,
- benchmarking,
- performance reviews, including suppliers and partners, and
- monitoring and recording of process variables and product characteristics.

8.3.2 Key performance indicators

Factors that are within the control of the organization and critical to its sustained success should be subject to performance measurement and identified as key performance indicators (KPIs). The KPIs should be quantifiable and should enable the organization to set measurable objectives, identify, monitor and predict trends and take corrective, preventive and improvement actions when necessary. Top management should select KPIs as a basis for making strategic and tactical decisions. The KPIs should in turn be suitably cascaded as performance indicators at relevant functions and levels within the organization to support the achievement of top level objectives.

KPIs should be appropriate to the nature and size of the organization and to its products, processes and activities. They need to be consistent with the objectives of the organization, which should, in turn, be consistent with its strategy and policies (see 5.2). Specific information relating to risks and opportunities should be considered when selecting the KPIs.

In selecting the KPIs, the organization should ensure that they provide information that is measurable, accurate and reliable, and usable to implement corrective actions when performance is not in conformity with objectives or to improve process efficiency and effectiveness. Such information should take into account:

- the needs and expectations of customers and other interested parties,
- the importance of individual products to the organization, both at the present time and in the future,
- the effectiveness and efficiency of processes,
- the effective and efficient use of resources,
- profitability and financial performance, and
- statutory and regulatory requirements, where applicable.
8.3.3 Internal audit

Internal audits are an effective tool for determining the levels of compliance of the organization's management system against given criteria, and provide valuable information for understanding, analysing and continually improving the organization's performance. Audits should be conducted by people who are not involved in the activity being examined, in order to give an independent view on what is being performed.

Internal audits should assess the implementation and effectiveness of the management system. They can include auditing against more than one management system standard, such as ISO 9001 (quality management) and ISO 14001 (environmental management), as well as addressing specific requirements relating to customers, products, processes or specific issues.

To be effective, internal audits should be conducted in a consistent manner, by competent personnel, in accordance with an audit plan.

Internal auditing is an effective tool for identifying problems, risks and nonconformities, as well as for monitoring progress in closing previously identified nonconformities (which should have been addressed through root cause analysis and the development and implementation of corrective and preventive action plans). Verification that the actions taken have been effective can be determined through an assessment of the improved ability of the organization to fulfil its objectives. Internal auditing can also be focused on the identification of good practices (that can be considered for use in other areas of the organization) as well as on improvement opportunities.

The outputs of internal audits provide a useful source of information for
— addressing problems and nonconformities,
— benchmarking,
— promoting good practices within the organization, and
— increasing understanding of the interactions between processes.

The results of internal audits are usually presented in the form of reports containing information on compliance against the given criteria, nonconformities, and improvement opportunities. Audit reports are also an essential input for management reviews. Top management should establish a process for the review of all internal audit reports, to identify trends that can require organization-wide corrective or preventive actions.

The organization should also take the results of other audits, such as second and third party audits, as feedback for corrective and preventive actions.

NOTE See ISO 19011 for further guidance on auditing.

8.3.4 Self-assessment

Self-assessment is a comprehensive and systematic review of the organization's activities and its performance in relation to its degree of maturity (see Annex A).

Self-assessment should be used to determine the strengths and weaknesses of the organization in terms of its performance as well as its best practices, both at an overall level and at the level of its individual processes. Self-assessment can assist the organization to prioritize, plan and implement improvements and/or innovations, where necessary.

The results of self-assessments support
— continual improvement of the organization's overall performance,
— progress towards achieving and maintaining sustained success for the organization.
innovation in the organization's processes, products and structure, when appropriate,

— recognition of best practices, and

— the identification of further opportunities for improvement.

The results of self-assessments should be communicated to relevant people in the organization. They should be used to share understanding about the organization and its future direction. The results should be an input to management review.

NOTE 1 ISO 10014 provides a self-assessment tool directed specifically towards the financial and economic benefits of a quality management system for an organization.

NOTE 2 See Annex A for more information about self-assessment.

8.3.5 Benchmarking

Benchmarking is a measurement and analysis methodology that an organization can use to search for the best practices inside and outside the organization, with the aim of improving its own performance. Benchmarking can be applied to strategies and policies, operations, processes, products and organizational structures.

a) There are several types of benchmarking, such as

— internal benchmarking of activities within the organization,

— competitive benchmarking of performance or processes with competitors, and

— generic benchmarking; comparing strategies, operations or processes with unrelated organizations.

b) Successful benchmarking depends on factors such as

— support by top management (as it involves mutual knowledge interchange between the organization and its benchmarking partners),

— the methodology used to apply benchmarking,

— estimation of benefits versus costs, and

— understanding of the characteristics of the subject being investigated, to allow a correct comparison to the current situation in the organization.

c) The organization should establish and maintain a methodology for benchmarking that defines rules for items such as

— the definition of the scope of the subject for benchmarking,

— the process for choosing benchmarking partner(s), as well as any necessary communications and confidentiality policies,

— the determination of indicators for the characteristics to be compared, and the data collection methodology to be used,

— the collection and analysis of data,

— the identification of performance gaps and the indication of potential improvement areas,

— the establishment and monitoring of corresponding improvement plans, and
the inclusion of gathered experience into the organization's knowledge base and learning process (see 6.7).

8.4 Analysis

Top management should analyse information gathered from monitoring the organization's environment, identify risks and opportunities, and establish plans to manage them. The organization should monitor and maintain relevant information, and analyse potential impacts on its strategy and policies.

The analysis of the information gathered should enable factual decisions to be made on strategy and policy issues such as

- potential changes in the needs and expectations of interested parties in the long term,
- those existing products and activities that currently provide the most value for its interested parties,
- new products and processes needed to meet the changing needs and expectations of its interested parties,
- the evolving demands for the organizations' products in the long term,
- the influence of emerging technologies on the organization,
- new competences that could be needed, and
- changes that can be expected in statutory and regulatory requirements, or labour markets and other resources, which would affect the organization.

8.5 Review of information from monitoring, measurement and analysis

Top management should use a systematic approach to reviewing available information and for ensuring that the information is used for decision making (see 4.2).

Data can be collected from many sources, such as

- monitoring of the organization's environment,
- measurements of the organization's performance, including key performance indicators,
- assessments of the integrity and validity of the measurement processes,
- results of internal audit, self-assessment and benchmarking activities,
- risk assessment, and
- feedback from customers and other interested parties.

The reviews should be used to evaluate the results achieved against applicable objectives.

Reviews should be performed at planned and periodic intervals, to enable trends to be determined, as well as to evaluate the organization's progress towards achieving its objectives. They should also be used to identify opportunities for improvement, innovation and learning. Reviews should address the assessment and evaluation of improvement activities performed previously, including aspects of adaptability, flexibility and responsiveness in relation to the organization's vision and objectives.

Effective reviews of data can assist in the achievement of planned results.
The outputs of reviews can be used for benchmarking internally between activities and processes and to show trends over time; they can be used externally against the results achieved by other organizations, in the same or other sectors.

The outputs of reviews can indicate the adequacy of resources provided, and how effectively resources have been used in achieving the organization's objectives.

The outputs of the reviews should be presented in a format that can facilitate the implementation of process improvement activities.

9 Improvement, innovation and learning

9.1 General

Depending on the organization's environment, improvement (of its current products, processes, etc.) and innovation (to develop new products, processes, etc.) could be necessary for sustained success.

Learning provides the basis for effective and efficient improvement and innovation.

Improvement, innovation and learning can be applied to

- products,
- processes and their interfaces,
- organizational structures,
- management systems,
- human aspects and culture,
- infrastructure, work environment and technology, and
- relations with relevant interested parties.

Fundamental to effective and efficient improvement, innovation and learning is the ability and enablement of the people in the organization to make informed judgments on the basis of data analyses and the incorporation of lessons learned.

9.2 Improvement

Improvement activities can range from small-step continual improvements at a work place to significant improvements of the entire organization.

The organization should define objectives for the improvement of its products, processes, organizational structures and its management system through the analysis of data.

The improvement processes should follow a structured approach, such as the "Plan-Do-Check-Act" (PDCA) methodology. The methodology should be applied, consistently with the process approach, for all processes.

The organization should ensure that continual improvement becomes established as a part of the organizational culture by

- providing the opportunities for people in the organization to participate in improvement activities, through their empowerment,
- providing the necessary resources.
— establishing recognition and reward systems for improvement, and
— continual improvement of the effectiveness and efficiency of the improvement process itself.

NOTE For more information about "continual improvement", see the related quality management principle in Annex B.

9.3 Innovation

9.3.1 General

Changes in the organization's environment could require innovation in order to meet the needs and expectations of interested parties. The organization should

— identify the need for innovation,
— establish and maintain an effective and efficient innovation process, and
— provide the related resources.

9.3.2 Application

Innovation can be applied to issues at all levels, through changes in

— technology or product (i.e. innovations that not only respond to the changing needs and expectations of customers or other interested parties, but also to anticipate potential changes in the organization's environment and product lifecycles),
— processes (i.e. innovation in the methods for product realization, or innovation to improve process stability and reduce variance),
— the organization (i.e. innovation in its constitution and organizational structures), and
— the organization's management system (i.e. to ensure that competitive advantage is maintained and new opportunities are utilized, when there are emerging changes in the organization's environment).

9.3.3 Timing

The timing for the introduction of an innovation is usually a balance between the urgency with which it is needed versus the resources that are made available for its development. The organization should use a process that is in alignment with its strategy to plan and prioritize innovations. The organization should support the innovation initiatives with the resources needed.

9.3.4 Process

The establishment, maintenance and management of processes for innovation within the organization can be influenced by

— the urgency of the need for innovation,
— innovation objectives and their impact on products, processes and the organizational structures,
— the organization's commitment to innovation,
— people's willingness to challenge and change the status quo, and
— the availability or emergence of new technologies.
9.3.5 Risks

The organization should assess the risks related to planned innovation activities, including giving consideration to the potential impact on the organization of changes, and prepare preventive actions to mitigate those risks, including contingency plans, where necessary.

9.4 Learning

The organization should encourage improvement and innovation through learning.

For the organization to attain sustained success, it is necessary to adopt "learning as an organization" and "learning that integrates the capabilities of individuals with those of the organization".

a) "Learning as an organization" involves consideration of

- collecting information from various internal and external events and sources, including success stories and failures, and
- gaining insights through in-depth analyses of the information that has been collected.

b) "Learning that integrates the capabilities of individuals with those of the organization" is achieved by combining the knowledge, thinking patterns, and behaviour patterns of people with the values of the organization. This involves consideration of

- the organization’s values, based on its mission, vision and strategies,
- supporting initiatives in learning, and demonstrating leadership through the behaviour of top management,
- stimulation of networking, connectivity, interactivity and sharing of knowledge both inside and outside the organization,
- maintaining systems for learning and sharing of knowledge,
- recognizing, supporting and rewarding the improvement of people’s competence, through processes for learning and sharing of knowledge, and
- appreciation of creativity, supporting diversity of the opinions of the different people in the organization.

Rapid access to, and use of, such knowledge can enhance the organization’s ability to manage and maintain its sustained success.
Self-assessment tool

A.1 General

Self-assessment is a comprehensive and systematic review of an organization's activities and results, referenced against a chosen standard.

Self-assessment can provide an overall view of the performance of an organization and degree of maturity of the management system. It can also help to identify areas for improvement and/or innovation and to determine priorities for subsequent actions.

An organization should use self-assessment to identify improvement and innovation opportunities, set priorities and establish action plans with the objective of sustained success. The output of self-assessment will show strengths and weaknesses, the maturity level of the organization and, if repeated, the organization's progress over time. The results of an organization's self-assessment can be a valuable input into management reviews. Self-assessment also has the potential to be a learning tool, which can provide an improved vision of the organization and promote the involvement of interested parties.

The self-assessment tool given in this annex is based on the guidance detailed in this International Standard and includes separate self-assessment tables for key elements and details. The self-assessment tables can be used as given, or can be customized to suit the organization.

NOTE In contrast to self-assessments, audits are used to determine the extent to which the quality management system requirements are fulfilled. Audit findings are used to assess the effectiveness of the quality management system and to identify opportunities for improvement.

A.2 Maturity model

A mature organization performs effectively and efficiently and achieves sustained success by

- understanding and satisfying the needs and expectations of interested parties,
- monitoring changes in the organization’s environment,
- identifying possible areas for improvement and innovation,
- defining and deploying strategies and policies,
- setting and deploying relevant objectives,
- managing its processes and resources,
- demonstrating confidence in its people, leading to increased motivation, commitment and involvement, and
- establishing mutually beneficial supplier and other partner relationships.

This self-assessment tool uses five maturity levels, which can be extended to include additional levels or otherwise customized as needed. Figure A.1 gives a generic example of how performance criteria can be related to the levels of maturity in a tabular format. The organization should review its performance against
specified criteria, identify current maturity levels, and determine its strengths and weaknesses. The criteria given for the higher levels can assist the organization to understand the issues it needs to consider and to help it to determine the improvements needed to reach higher levels of maturity. Tables A.1 to A.7 give examples of completed tables, based on this International Standard.

<table>
<thead>
<tr>
<th>Key element</th>
<th>Maturity level towards sustained success</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>Element 1</td>
<td>Criteria 1</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Element 2</td>
<td>Criteria 2</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Element 3</td>
<td>Criteria 3</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure A.1 — Generic model for self-assessment elements and criteria related to maturity levels

A.3 Self-assessment of key elements

This self-assessment should be performed periodically by top management to obtain an overview of the organization's behaviour and its current performance (see Table A.1).

A.4 Self-assessment of detailed elements

This self-assessment is intended to be performed by operational management and process owners to obtain an in-depth overview of the organization's behaviour and current performance.

The elements of this self-assessment are contained in Tables A.2 to A.7 and relate to the clauses of this International Standard; however, the organization can define additional or different criteria to fulfil its own specific needs. If appropriate, the self-assessment can be limited to any of the tables in isolation.

A.5 Using the self-assessment tools

A step-by-step methodology for an organization to conduct a self-assessment is to:

a) define the scope of the self-assessment in terms of the parts of the organization to be assessed and the type of the assessment, such as
   — a self-assessment of key elements,
   — a self-assessment of detailed elements, based on this International Standard, or
   — a self-assessment of detailed elements based on this International Standard, with additional or new criteria or levels.

b) identify who will be responsible for the self-assessment and when it will be carried out,

c) determine how the self-assessment will be carried out, either by a team (cross-functional or other appropriate team) or by individuals. The appointment of a facilitator can assist the process.
d) identify the maturity level for each of the organization's individual processes. This should be done by comparing the present situation in the organization to the examples that are listed in the tables, and by marking the elements that the organization is already applying; start at level 1 and progress to the higher maturity levels. The current maturity level will be the highest maturity level achieved with no preceding gaps up to that point.

e) consolidate the results into a report. This provides a record of progress over time and can facilitate the communication of information, both internally and externally. The use of graphics in such a report can aid the communication of the results (see the example in Figure A.2).

f) assess the current performance of the organization's processes and identify areas for improvement and/or innovation. These opportunities should be identified through the process and an action plan developed as a result of the assessment.

An organization can be at different maturity levels for the different elements. A review of the gaps can help top management in planning and prioritizing the improvement and/or innovation activities needed to move individual elements to a higher level.

![Figure A.2 — Example illustration of the results of a self-assessment](image)

**Key**
- Achieved
- Goal

**A.6 Self-assessment results and improvement and innovation planning**

The completion of a self-assessment should result in an action plan for improvement and/or innovation that should be used as an input to top management for planning and review, based on the elements of this International Standard.
The information gained from the self-assessment could also be used to

- stimulate comparisons and share learning throughout the organization (the comparisons can be between
  the organization's processes and, where applicable, between its different units),
- benchmark with other organizations,
- monitor progress of the organization over time, by conducting periodic self-assessments, and
- identify and prioritize areas for improvement.

During this step, the organization should assign responsibilities for the chosen actions, estimate and provide
the resources needed, and identify the expected benefits and any perceived risks associated with them.
<table>
<thead>
<tr>
<th>Key element</th>
<th>Maturity level</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the management focus?</td>
<td>Level 1</td>
</tr>
<tr>
<td>(Managing)</td>
<td>The focus is on products, shareholders and some customers, with ad hoc reactions to changes, problems and opportunities.</td>
</tr>
<tr>
<td>What is the leadership approach?</td>
<td>Level 1</td>
</tr>
<tr>
<td>(Managing)</td>
<td>The approach is reactive, and is based on top-down instructions.</td>
</tr>
<tr>
<td>How is it decided what is important?</td>
<td>Level 1</td>
</tr>
<tr>
<td>(Strategy &amp; policy)</td>
<td>Decisions are based on informal inputs from the market and other sources.</td>
</tr>
<tr>
<td>What is needed to get results?</td>
<td>Level 1</td>
</tr>
<tr>
<td>(Resources)</td>
<td>Resources are managed in an ad hoc manner.</td>
</tr>
<tr>
<td>How are the activities organized?</td>
<td>Level 1</td>
</tr>
<tr>
<td>(Processes)</td>
<td>There is a non-systematic approach to the organization of activities, with only some basic working procedures or instructions in place.</td>
</tr>
<tr>
<td>Key element</td>
<td>Maturity level</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>How are results achieved?</td>
<td>Level 1</td>
</tr>
<tr>
<td>(Monitoring &amp; measurement)</td>
<td></td>
</tr>
<tr>
<td>Results are achieved in a random manner. Corrective actions are ad hoc.</td>
<td></td>
</tr>
<tr>
<td>How are results monitored?</td>
<td>Level 2</td>
</tr>
<tr>
<td>(Monitoring &amp; measurement)</td>
<td></td>
</tr>
<tr>
<td>Financial, commercial and productivity indicators are in place.</td>
<td></td>
</tr>
<tr>
<td>How are improvement priorities decided?</td>
<td>Level 3</td>
</tr>
<tr>
<td>(Improvement, innovation &amp; learning)</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on errors, complaints or financial criteria.</td>
<td></td>
</tr>
<tr>
<td>How does learning occur?</td>
<td>Level 4</td>
</tr>
<tr>
<td>(Improvement, innovation &amp; learning)</td>
<td></td>
</tr>
<tr>
<td>Learning occurs randomly, at an individual level.</td>
<td></td>
</tr>
<tr>
<td>NOTE  The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.</td>
<td>Level 5</td>
</tr>
<tr>
<td>How are improvement priorities decided?</td>
<td></td>
</tr>
<tr>
<td>(Improvement, innovation &amp; learning)</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on errors, complaints or financial criteria.</td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td></td>
</tr>
<tr>
<td>Results are achieved in a random manner. Corrective actions are ad hoc.</td>
<td></td>
</tr>
<tr>
<td>Level 2</td>
<td></td>
</tr>
<tr>
<td>Some predicted results are achieved. Corrective and preventive actions are performed in a systematic way.</td>
<td></td>
</tr>
<tr>
<td>Level 3</td>
<td></td>
</tr>
<tr>
<td>Predicted results are achieved, especially for identified interested parties.</td>
<td></td>
</tr>
<tr>
<td>Level 4</td>
<td></td>
</tr>
<tr>
<td>There are consistent, positive, predicted results, with sustainable trends.</td>
<td></td>
</tr>
<tr>
<td>Level 5</td>
<td></td>
</tr>
<tr>
<td>The achieved results are above the sector average for the organization, and are maintained in the long term. There is implementation of improvement and innovation throughout the organization.</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on inputs from emerging interested parties.</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on the needs and expectations of some interested parties, as well as those of suppliers and the organization's people.</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on trends and inputs from other interested parties, as well as analysis of social, environmental and economic changes.</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on errors, complaints or financial criteria.</td>
<td></td>
</tr>
<tr>
<td>Improvement priorities are based on customer satisfaction data, or corrective and preventive actions.</td>
<td></td>
</tr>
<tr>
<td>Learning occurs randomly, at an individual level.</td>
<td></td>
</tr>
<tr>
<td>There is systematic learning from the organization's successes and failures.</td>
<td></td>
</tr>
<tr>
<td>A systematic and shared learning process is implemented in the organization.</td>
<td></td>
</tr>
<tr>
<td>There is a culture of learning and sharing in the organization that is harnessed for continual improvement.</td>
<td></td>
</tr>
<tr>
<td>The organization's processes for learning are shared with relevant interested parties, and support creativity and innovation.</td>
<td></td>
</tr>
<tr>
<td>Subclause</td>
<td>Maturity level</td>
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</tr>
<tr>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>4.1</td>
<td></td>
</tr>
<tr>
<td>(Managing for the sustained success of an organization) General</td>
<td>The quality management system is functionally oriented, based on procedures.</td>
</tr>
<tr>
<td>4.2</td>
<td>The organization's actual performance is compared with the budget in a regular yearly review.</td>
</tr>
<tr>
<td>4.3</td>
<td>The organization reacts to changes that impact on it.</td>
</tr>
<tr>
<td>4.4</td>
<td>The organization's overriding purpose is to make an annual profit.</td>
</tr>
</tbody>
</table>

NOTE The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.
<table>
<thead>
<tr>
<th>Subclause</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td><strong>Strategy and policy</strong>&lt;br&gt;General&lt;br&gt;The planning process is organized in an <em>ad hoc</em> manner.</td>
<td><strong>Strategy and policy</strong>&lt;br&gt;The process of strategy and policy formulation has evolved to include analysis of the needs and expectations of a broader range of interested parties.</td>
<td><strong>Strategy, policies and objectives</strong>&lt;br&gt;Strategies and policies cover aspects relating to relevant interested parties.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies and policies are formulated in a structured manner.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies are formulated in a structured manner.</td>
</tr>
<tr>
<td>5.2</td>
<td><strong>Strategy and policy</strong>&lt;br&gt;formulation&lt;br&gt;Strategy, policies and objectives are only partly defined.</td>
<td><strong>Strategy and policy</strong>&lt;br&gt;The process of strategy and policy formulation includes an analysis of the needs and expectations of customers, along with an analysis of statutory and regulatory requirements.</td>
<td><strong>Strategy, policies and objectives</strong>&lt;br&gt;Strategies and policies are formulated in a structured manner.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies and policies are formulated in a structured manner.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies and policies are formulated in a structured manner.</td>
</tr>
<tr>
<td>5.3</td>
<td><strong>Strategy and policy</strong>&lt;br&gt;deployment&lt;br&gt;Short-term objectives are used and deployed in daily operations.</td>
<td><strong>Strategy and policy</strong>&lt;br&gt;The planning process includes consideration of changing external trends and the needs of interested parties; it makes necessary re-alignments when needed.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies are formulated in a structured manner.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies are formulated in a structured manner.</td>
<td><strong>Strategy, planning and policy deployment</strong>&lt;br&gt;Strategies are formulated in a structured manner.</td>
</tr>
</tbody>
</table>

Table A.3 — Self-assessment of the detailed elements of Clause 5 — Strategy and policy
<table>
<thead>
<tr>
<th>Subclause</th>
<th>Maturity level</th>
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</thead>
<tbody>
<tr>
<td><strong>Level 1</strong></td>
<td><strong>Level 2</strong></td>
</tr>
<tr>
<td>5.4 Strategy and policy communication</td>
<td>Communication takes place in a reactive way.</td>
</tr>
</tbody>
</table>

**NOTE** The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.
<table>
<thead>
<tr>
<th>Subclause</th>
<th>Maturity level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>6.1 (Resource management) General</td>
<td>Resources are defined and assigned in an ad hoc way.</td>
</tr>
<tr>
<td>6.2 Financial resources</td>
<td>Resources are defined and assigned in an ad hoc way. Short-term financial planning is used.</td>
</tr>
<tr>
<td>6.3 People in the organization</td>
<td>People are considered to be a resource, but only a few objectives are related to the strategy of the organization. Training is provided on an ad hoc basis, mostly at the request of individual employees. Competence reviews are performed in a few cases.</td>
</tr>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td></td>
<td>Resources are defined and assigned in an ad hoc way.</td>
</tr>
<tr>
<td>Subclause</td>
<td>Maturity level</td>
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<tr>
<td>---------------------------</td>
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</tr>
<tr>
<td><strong>6.4 Partners and suppliers</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6.5 Infrastructure</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6.6 Work environment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6.7 Knowledge, information and technology</strong></td>
<td></td>
</tr>
<tr>
<td>Subclause</td>
<td>Maturity level</td>
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</tr>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>6.8 Natural resources</td>
<td>The use of natural resources is managed in a very limited way.</td>
</tr>
</tbody>
</table>

NOTE: The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.
### Table A.5 — Self-assessment of the detailed elements of Clause 7 — Process management

<table>
<thead>
<tr>
<th>Subclause</th>
<th>Maturation level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7.1 (Process management) General</strong></td>
<td><strong>Level 1</strong></td>
</tr>
<tr>
<td><strong>7.2 Process planning and control</strong></td>
<td>Processes are planned and managed in an informal, ad hoc manner.</td>
</tr>
<tr>
<td><strong>7.3 Process responsibility and authority</strong></td>
<td>Process responsibilities are defined on an ad hoc basis.</td>
</tr>
</tbody>
</table>

**NOTE** The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.
### Table A.6 — Self-assessment of the detailed elements of Clause 8 — Monitoring, measurement, analysis and review

<table>
<thead>
<tr>
<th>Subclause</th>
<th>Maturity level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8.1</strong> (Monitoring, measurement, analysis and review)</td>
<td><strong>General</strong></td>
</tr>
<tr>
<td>Monitoring</td>
<td>Monitoring is performed on a sporadic basis, with no processes in place. The focus of monitoring is on products. Action is triggered by product problems or management problems (i.e. crisis situations). While information about applicable statutory and regulatory requirements is collected, changes in the requirements are only determined in an ad hoc way.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **8.2** Monitoring | **General** |
| | **8.3.1** (Measurement) General | A very limited set of data from measurements and assessments is available to support management decisions or tracking of the progress of actions taken. Basic indicators (such as financial criteria, on-time deliveries, the number of customer complaints, legal warnings and fines) are used. Data are not always reliable. | There is a formal set of definitions for key indicators related to the organization's strategy and main processes. Indicators are mostly based on the use of internal data. Management decisions are supported by the outputs from reviews of the quality management system and additional key performance indicators. | Process-level objectives are related to key performance indicators. Data is available to show how the organization's performance compares with that of other organizations. The main conditions for success are identified and tracked by suitable, practical indicators. Management decisions are adequately supported by reliable data from the measurement systems. | Data is available to show progress on key performance indicators over time. Deployment of the strategy and objectives is monitored. Performance indicators are established, widely deployed and used for strategic decisions regarding trends and long-term planning. Systematic analysis of data allows future performance to be predicted. | Systematic analysis of comprehensive data allows future performance to be predicted with confidence. Indicators contribute to good strategic decisions. KPIs are selected and acted upon in a way that provides reliable information for predicting trends and for taking strategic decisions. Risk analysis is performed as a tool for prioritizing improvement. |
| **8.3.2** Key performance indicators | | | | | | | |

**NOTE** The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.
<table>
<thead>
<tr>
<th>Subclause</th>
<th>Maturity level</th>
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</thead>
<tbody>
<tr>
<td><strong>8.3.3 Internal audit</strong></td>
<td><strong>Level 1</strong></td>
</tr>
<tr>
<td>Some data is collected, but no formal approach is used.</td>
<td>Some data is collected from key processes on a regular basis.</td>
</tr>
<tr>
<td>Audits are reactively performed in response to problems, customer complaints, etc.</td>
<td>Audit data is used systematically to review the management system.</td>
</tr>
<tr>
<td>Collected data is mostly used to resolve problems with products.</td>
<td>Self-assessment is limited.</td>
</tr>
<tr>
<td><strong>8.3.4 Self-assessment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>8.3.5 Benchmarking</strong></td>
<td><strong>Level 1</strong></td>
</tr>
<tr>
<td>Interchange of best practices within the organization is anecdotal. Some product comparisons are made with products on the market.</td>
<td>Top management supports the identification and promulgation of best practices.</td>
</tr>
<tr>
<td></td>
<td>Some products from key competitors are analysed and compared.</td>
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<td>Subclause</td>
<td>Maturity level</td>
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</tr>
<tr>
<td><strong>8.4 Analysis</strong></td>
<td></td>
</tr>
<tr>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Anecdotal examples of data analysis are used.</td>
<td>Analysis of relevant external and internal information is performed periodically.</td>
</tr>
<tr>
<td>Only economic and financial objectives have been defined as the references for data analysis.</td>
<td>Some basic statistical tools are used.</td>
</tr>
<tr>
<td>There is limited analysis of customer complaints.</td>
<td>Evaluations are performed to determine the level of fulfillment of customer needs and expectations.</td>
</tr>
</tbody>
</table>

| **8.5 Review of information from monitoring, measurement and analysis** | | | | |
| Level 1 | Level 2 | Level 3 | Level 4 | Level 5 |
| There is an ad hoc approach to reviews. Periodic reviews are conducted to assess progress in the achievement of quality objectives and to assess the performance of the quality management system. All active projects and improvement actions are assessed during reviews, in order to evaluate progress against their plans and objectives. | Systematic reviews of key performance indicators and related objectives are undertaken regularly. Where adverse trends are identified, they are acted upon. Reviews give an indication of whether adequate resources have been provided. | The outputs from the reviews are shared with some interested parties, as a way of facilitating collaboration and learning. Internal comparisons are made to identify and share good practices. | Differing sources of information indicate good performance in all strategic and operational areas of the organization. Review outputs are shared with partners, and are used as an input for the improvement of products and processes that can influence their level of performance and satisfaction. The results of reviews demonstrate that the actions taken are effective. | |

**NOTE:** The current maturity level of the organization's individual elements is the highest level achieved up to that point with no preceding gaps in the criteria.
### Table A.7 — Self-assessment of the detailed elements of Clause 9 — Improvement, innovation and learning

<table>
<thead>
<tr>
<th>Subclause</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9.1</strong> (Improvement, innovation and learning) General</td>
<td>Improvement activities are ad hoc and based on customer or regulatory complaints.</td>
<td>Basic improvement processes, based on corrective and preventive actions, are in place.</td>
<td>Improvement efforts can be demonstrated in most of the products and key processes of the organization.</td>
<td>Results generated from the improvement processes enhance the performance of the organization.</td>
<td>There is evidence of a strong relationship between improvement activities and the achievement of above average sector results for the organization.</td>
</tr>
<tr>
<td><strong>9.2</strong> Improvement</td>
<td>The organization provides training for continual improvement.</td>
<td>The focus of the improvement processes is aligned with the strategy and objectives.</td>
<td>The improvement processes are systematically reviewed.</td>
<td>Improvement is applied to products, processes, organizational structures, the operating model and the organization's management system.</td>
<td>Improvement is embedded as a routine activity across the whole organization, as well as for its suppliers and partners.</td>
</tr>
<tr>
<td><strong>9.3</strong> Innovation</td>
<td>Continual improvement processes work at some levels of the organization, and with its suppliers and partners.</td>
<td>Recognition systems are in place for teams and individuals generating strategically relevant improvements.</td>
<td>Continual improvement processes work at some levels of the organization, and with its suppliers and partners.</td>
<td>Continual improvement processes work at some levels of the organization, and with its suppliers and partners.</td>
<td>Continual improvement ability to learn and change.</td>
</tr>
<tr>
<td><strong>9.3</strong> Innovation</td>
<td>There is limited innovation. New products are introduced on an ad hoc basis, with no planning for innovation in place.</td>
<td>Innovation activities are based on data concerning the needs and expectations of customers.</td>
<td>The innovation process for new products and processes is able to identify changes in the organization's environment, in order to plan innovations.</td>
<td>Innovations are prioritized, based on the balance between their urgency, the availability of resources and the organization's strategy.</td>
<td>Innovation activities anticipate possible changes in the organization's environment.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Suppliers and partners are involved in the innovation processes.</td>
<td>Preventive plans are developed to avoid or minimize the identified risks accompanying innovation activities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The effectiveness and efficiency of the innovation processes are assessed regularly as a part of the learning process.</td>
<td>Innovation is applied to products, processes, organizational structures, the operating model and the organization's management system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Innovation is used to improve the way the organization operates.</td>
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</tr>
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<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Level 4</td>
<td>Level 5</td>
</tr>
<tr>
<td>9.4 Learning</td>
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<tr>
<td></td>
<td>Some lessons are learned as a result of complaints. Learning is on an individual basis, without the sharing of knowledge.</td>
<td>Learning is generated in a reactive way from the systematic analysis of problems and other data. Processes exist for the sharing of information and knowledge.</td>
<td>There are planned activities, events and forums for sharing information. A system is in place for recognizing positive results from suggestions or lessons learned. Learning is addressed in the strategy and policies.</td>
<td>Learning is recognized as a key issue. Networking, connectivity and interactivity are stimulated by top management to share knowledge. Top management supports initiatives for learning, and leads by example. The organization's learning ability integrates personal competence and organizational competence. Learning is fundamental to the improvement and innovation processes.</td>
<td>The culture of learning permits the taking of risks and the acceptance of failure, provided this leads to learning from the mistakes and to opportunities for improvement. There are external engagements for the purpose of learning.</td>
</tr>
</tbody>
</table>

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Annex B
(informative)

Quality management principles

B.1 General

This annex describes the eight quality management principles which form the basis for the quality management standards prepared by ISO/TC 176. These principles can be used by top management as a framework to guide their organizations towards improved performance.

This annex gives the standardized descriptions of the principles. In addition, it provides examples of the benefits derived from their use and of actions that managers typically take in applying the principles to improve their organizations’ performance.

B.2 Principle 1: Customer focus

Organizations depend on their customers and therefore should understand current and future customer needs, should meet customer requirements and strive to exceed customer expectations.

a) Key benefits

— increased revenue and market share obtained through flexible and fast responses to market opportunities,
— increased effectiveness in the use of the organization’s resources to enhance customer satisfaction,
— improved customer loyalty leading to repeat business.

b) Applying the principle of customer focus typically leads to

— researching and understanding customer needs and expectations,
— ensuring that the objectives of the organization are linked to customer needs and expectations,
— communicating customer needs and expectations throughout the organization,
— measuring customer satisfaction and acting on the results,
— systematically managing customer relationships,
— ensuring a balanced approach between satisfying customers and other interested parties (such as owners, employees, suppliers, financiers, local communities and society as a whole).
B.3 Principle 2: Leadership

Leaders establish unity of purpose and direction of the organization. They should create and maintain the internal environment in which people can become fully involved in achieving the organization's objectives.

a) Key benefits

- people will understand and be motivated towards the organization's goals and objectives,
- activities are evaluated, aligned and implemented in a unified way,
- miscommunication between levels of an organization will be minimized.

b) Applying the principle of leadership typically leads to

- considering the needs of all interested parties including customers, owners, employees, suppliers, financiers, local communities and society as a whole,
- establishing a clear vision of the organization's future,
- setting challenging goals and targets,
- creating and sustaining shared values, fairness and ethical role models at all levels of the organization,
- establishing trust and eliminating fear,
- providing people with the required resources, training and freedom to act with responsibility and accountability,
- inspiring, encouraging and recognizing people's contributions.

B.4 Principle 3: Involvement of people

People at all levels are the essence of an organization and their full involvement enables their abilities to be used for the organization's benefit.

a) Key benefits

- motivated, committed and involved people within the organization,
- innovation and creativity in furthering the organization's objectives,
- people being accountable for their own performance,
- people eager to participate in and contribute to continual improvement.

b) Applying the principle of involvement of people typically leads to

- people understanding the importance of their contribution and role in the organization,
- people identifying constraints to their performance,
- people accepting ownership of problems and their responsibility for solving them,
- people evaluating their performance against their personal goals and objectives.
— people actively seeking opportunities to enhance their competence, knowledge and experience,
— people freely sharing knowledge and experience,
— people openly discussing problems and issues.

B.5 Principle 4: Process approach

A desired result is achieved more efficiently when activities and related resources are managed as a process.

a) Key benefits
— lower costs and shorter cycle times through effective use of resources,
— improved, consistent and predictable results,
— focused and prioritized improvement opportunities.

b) Applying the principle of process approach typically leads to
— systematically defining the activities necessary to obtain a desired result,
— establishing clear responsibility and accountability for managing key activities,
— analysing and measuring of the capability of key activities,
— identifying the interfaces of key activities within and between the functions of the organization,
— focusing on the factors, such as resources, methods, and materials, that will improve key activities of the organization,
— evaluating risks, consequences and impacts of activities on customers, suppliers and other interested parties.

B.6 Principle 5: System approach to management

Identifying, understanding and managing interrelated processes as a system contributes to the organization's effectiveness and efficiency in achieving its objectives.

a) Key benefits
— integration and alignment of the processes that will best achieve the desired results,
— ability to focus effort on the key processes,
— providing confidence to interested parties as to the consistency, effectiveness and efficiency of the organization.

b) Applying the principle of system approach to management typically leads to
— structuring a system to achieve the organization's objectives in the most effective and efficient way,
— understanding the interdependencies between the processes of the system,
— structured approaches that harmonize and integrate processes,
— providing a better understanding of the roles and responsibilities necessary for achieving common objectives and thereby reducing cross-functional barriers,
— understanding organizational capabilities and establishing resource constraints prior to action,
— targeting and defining how specific activities within a system should operate,
— continually improving the system through measurement and evaluation.

B.7 Principle 6: Continual improvement

Continual improvement of the organization's overall performance should be a permanent objective of the organization.

a) Key benefits
— performance advantage through improved organizational capabilities,
— alignment of improvement activities at all levels to an organization's strategic intent,
— flexibility to react quickly to opportunities.

b) Applying the principle of continual improvement typically leads to
— employing a consistent organization-wide approach to continual improvement of the organization's performance,
— providing people with training in the methods and tools of continual improvement,
— making continual improvement of products, processes and systems an objective for every individual in the organization,
— establishing goals to guide, and measures to track, continual improvement,
— recognizing and acknowledging improvements.

B.8 Principle 7: Factual approach to decision making

Effective decisions are based on the analysis of data and information.

a) Key benefits
— informed decisions,
— an increased ability to demonstrate the effectiveness of past decisions through reference to factual records,
— increased ability to review, challenge and change opinions and decisions.

b) Applying the principle of factual approach to decision making typically leads to
— ensuring that data and information are sufficiently accurate and reliable,
— making data accessible to those who need it,
analysing data and information using valid methods,
- making decisions and taking action based on factual analysis, balanced with experience and intuition.

B.9 Principle 8: Mutually beneficial supplier relationships

An organization and its suppliers are interdependent and a mutually beneficial relationship enhances the ability of both to create value.

a) Key benefits
- increased ability to create value for both parties,
- flexibility and speed of joint responses to changing market or customer needs and expectations,
- optimization of costs and resources.

b) Applying the principle of mutually beneficial supplier relationships typically leads to
- establishing relationships that balance short-term gains with long-term considerations,
- pooling of expertise and resources with partners,
- identifying and selecting key suppliers,
- clear and open communication,
- sharing information and future plans,
- establishing joint development and improvement activities,
- inspiring, encouraging and recognizing improvements and achievements by suppliers.
Annex C
(informative)

Correspondence between ISO 9004:2009 and ISO 9001:2008

Table C.1 gives the correspondence between ISO 9001:2008 and this International Standard, and shows how the two International Standards complement each other.

ISO 9001 specifies requirements for a quality management system that can be used for internal application by organizations, or for certification, or for contractual purposes and focuses on the effectiveness of the quality management system in meeting the customer requirements.

This International Standard gives guidance for organizations whose top management wish to move beyond the requirements of ISO 9001, to address the needs and expectations of all interested parties and their satisfaction, by systematic and continual improvement of the organization's performance.

Table C.1 — Correspondence between ISO 9004:2009 and ISO 9001:2008

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>4.1 (Managing for the sustained success of an organization) General</td>
<td>4.1 (Quality management system) General requirements</td>
</tr>
<tr>
<td>4.2 Sustained success</td>
<td>5.1 Management commitment</td>
</tr>
<tr>
<td>4.3 The organization's environment</td>
<td>4.2 Documentation requirements</td>
</tr>
<tr>
<td>4.4 Interested parties, needs and expectations</td>
<td>7.2 Customer related processes</td>
</tr>
<tr>
<td>5.1 (Strategy and policy) General</td>
<td>5.2 Customer focus</td>
</tr>
<tr>
<td>5.2 Strategy and policy formulation</td>
<td>5.3 Quality policy</td>
</tr>
<tr>
<td>5.3 Strategy and policy deployment</td>
<td>5.4 Planning</td>
</tr>
<tr>
<td>5.4 Strategy and policy communication</td>
<td>5.5.3 Internal communication</td>
</tr>
<tr>
<td>6.1 (Resource management) General</td>
<td>7.2.3 Customer communication</td>
</tr>
<tr>
<td>6.2 Financial resources</td>
<td></td>
</tr>
<tr>
<td>6.3 People in the organization</td>
<td>6.1 Provision of resources</td>
</tr>
<tr>
<td>6.3.1 Management of people</td>
<td></td>
</tr>
<tr>
<td>6.3.2 Competence of people</td>
<td>6.2 Human resources</td>
</tr>
<tr>
<td>6.3.3 Involvement and motivation of people</td>
<td>6.2.2 Competence, training and awareness</td>
</tr>
<tr>
<td>6.4 Suppliers and partners</td>
<td></td>
</tr>
<tr>
<td>6.4.1 General</td>
<td>7.4.1 Purchasing process</td>
</tr>
<tr>
<td>6.4.2 Selection, evaluation and improvement of the capabilities of suppliers and partners</td>
<td></td>
</tr>
<tr>
<td>6.5 Infrastructure</td>
<td>6.3 Infrastructure</td>
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Environmental management systems—
Requirements with guidance for use

This national standard is the identical implementation of ISO 14001:2004 and is adopted with the permission of the International Organization for Standardization.
Abstract

Specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects. It applies to environmental aspects that the organization identifies as those which it can control and those which it can influence.

It is applicable to any organization that wishes to establish, implement, maintain and improve an environmental management system, to assure itself of conformity with its stated environmental policy, and to demonstrate conformity with SANS 14001:2005 by

a) making a self-determination and self-declaration, or
b) seeking confirmation of its conformance by parties having interest in the organization, such as customers, or

c) seeking confirmation of its self-declaration by a party external to the organization, or

d) seeking certification/registration of its environmental management system by an external organization.

All the requirements in SANS 14001:2005 are intended to be incorporated into any environmental management system. The extent of the application will depend on factors such as the environmental policy of the organization, the nature of its activities, products and services and the location where and the conditions in which it functions.

Keywords

applications, certification, definitions, developments, eco-management, entries, environment, environmental managements, environmental management systems, evaluations, instructions, office management, organization, performance, planning, pollution control, process organization, sample surveys, specification, specification (approval), surveillance (approval), training, use.

National foreword

This South African standard was approved by National Committee StanSA TC 207, Environmental Management, in accordance with procedures of Standards South Africa, in compliance with annex 3 of the WTO/TBT agreement.

This SANS edition cancels and replaces the first SABS edition (SABS ISO 14001:1996).
Environmental management systems — Requirements with guidance for use

Systèmes de management environnemental — Exigences et lignes directrices pour son utilisation
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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

International Standards are drafted in accordance with the rules given in the ISO/IEC Directives, Part 2.

The main task of technical committees is to prepare International Standards. Draft International Standards adopted by the technical committees are circulated to the member bodies for voting. Publication as an International Standard requires approval by at least 75 % of the member bodies casting a vote.

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights.

ISO 14001 was prepared by Technical Committee ISO/TC 207, Environmental management, Subcommittee SC 1, Environmental management systems.

This second edition cancels and replaces the first edition (ISO 14001:1996), which has been technically revised.
Introduction

Organizations of all kinds are increasingly concerned with achieving and demonstrating sound environmental performance by controlling the impacts of their activities, products and services on the environment, consistent with their environmental policy and objectives. They do so in the context of increasingly stringent legislation, the development of economic policies and other measures that foster environmental protection, and increased concern expressed by interested parties about environmental matters and sustainable development.

Many organizations have undertaken environmental "reviews" or "audits" to assess their environmental performance. On their own, however, these "reviews" and "audits" may not be sufficient to provide an organization with the assurance that its performance not only meets, but will continue to meet, its legal and policy requirements. To be effective, they need to be conducted within a structured management system that is integrated within the organization.

International Standards covering environmental management are intended to provide organizations with the elements of an effective environmental management system (EMS) that can be integrated with other management requirements and help organizations achieve environmental and economic goals. These standards, like other International Standards, are not intended to be used to create non-tariff trade barriers or to increase or change an organization's legal obligations.

This International Standard specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements and information about significant environmental aspects. It is intended to apply to all types and sizes of organization and to accommodate diverse geographical, cultural and social conditions. The basis of the approach is shown in Figure 1. The success of the system depends on commitment from all levels and functions of the organization, and especially from top management. A system of this kind enables an organization to develop an environmental policy, establish objectives and processes to achieve the policy commitments, take action as needed to improve its performance and demonstrate the conformity of the system to the requirements of this International Standard. The overall aim of this International Standard is to support environmental protection and prevention of pollution in balance with socio-economic needs. It should be noted that many of the requirements can be addressed concurrently or revisited at any time.

The second edition of this International Standard is focused on clarification of the first edition, and has taken due consideration of the provisions of ISO 9001 to enhance the compatibility of the two standards for the benefit of the user community.

For ease of use, the subclause numbers in Clause 4 of the body of this International Standard and in Annex A have been related. For example, 4.3.3 and A.3.3 both deal with objectives, targets and programme(s), and 4.5.5 and A.5.5 both deal with internal audit. In addition, Annex B identifies broad technical correspondences between ISO 14001:2004 and ISO 9001:2000 and vice versa.

There is an important distinction between this International Standard, which describes the requirements for an organization's environmental management system and can be used for certification/registration and/or self-declaration of an organization's environmental management system, and a non-certifiable guideline intended to provide generic assistance to an organization for establishing, implementing or improving an environmental management system. Environmental management encompasses a full range of issues, including those with strategic and competitive implications. Demonstration of successful implementation of this International Standard can be used by an organization to assure interested parties that an appropriate environmental management system is in place.

Guidance on supporting environmental management techniques is contained in other International Standards, particularly those on environmental management in the documents established by ISO/TC 207. Any reference to other International Standards is for information only.
NOTE This International Standard is based on the methodology known as Plan-Do-Check-Act (PDCA). PDCA can be briefly described as follows:

- Plan: establish the objectives and processes necessary to deliver results in accordance with the organization's environmental policy.
- Do: implement the processes.
- Check: monitor and measure processes against environmental policy, objectives, targets, legal and other requirements, and report the results.
- Act: take actions to continually improve performance of the environmental management system.

Many organizations manage their operations via the application of a system of processes and their interactions, which can be referred to as the "process approach". ISO 9001 promotes the use of the process approach. Since PDCA can be applied to all processes, the two methodologies are considered to be compatible.

**Figure 1 — Environmental management system model for this International Standard**

This International Standard contains only those requirements that can be objectively audited. Those organizations requiring more general guidance on a broad range of environmental management system issues are referred to ISO 14004.

This International Standard does not establish absolute requirements for environmental performance beyond the commitments, in the environmental policy, to comply with applicable legal requirements and with other requirements to which the organization subscribes, to prevention of pollution and to continual improvement. Thus, two organizations carrying out similar operations but having different environmental performance can both conform to its requirements.

The adoption and implementation of a range of environmental management techniques in a systematic manner can contribute to optimal outcomes for all interested parties. However, adoption of this International Standard will not in itself guarantee optimal environmental outcomes. In order to achieve environmental objectives, the environmental management system can encourage organizations to consider implementation of the best
available techniques, where appropriate and where economically viable, and fully take into account the cost-effectiveness of such techniques.

This International Standard does not include requirements specific to other management systems, such as those for quality, occupational health and safety, financial or risk management, though its elements can be aligned or integrated with those of other management systems. It is possible for an organization to adapt its existing management system(s) in order to establish an environmental management system that conforms to the requirements of this International Standard. It is pointed out, however, that the application of various elements of the management system might differ depending on the intended purpose and the interested parties involved.

The level of detail and complexity of the environmental management system, the extent of documentation and the resources devoted to it depend on a number of factors, such as the scope of the system, the size of an organization and the nature of its activities, products and services. This may be the case in particular for small and medium-sized enterprises.
Environmental management systems — Requirements with guidance for use

1 Scope

This International Standard specifies requirements for an environmental management system to enable an organization to develop and implement a policy and objectives which take into account legal requirements and other requirements to which the organization subscribes, and information about significant environmental aspects. It applies to those environmental aspects that the organization identifies as those which it can control and those which it can influence. It does not itself state specific environmental performance criteria.

This International Standard is applicable to any organization that wishes to
a) establish, implement, maintain and improve an environmental management system,
b) assure itself of conformity with its stated environmental policy,
c) demonstrate conformity with this International Standard by
   1) making a self-determination and self-declaration, or
   2) seeking confirmation of its conformance by parties having an interest in the organization, such as customers, or
   3) seeking confirmation of its self-declaration by a party external to the organization, or
   4) seeking certification/registration of its environmental management system by an external organization.

All the requirements in this International Standard are intended to be incorporated into any environmental management system. The extent of the application depends on factors such as the environmental policy of the organization, the nature of its activities, products and services and the location where and the conditions in which it functions. This International Standard also provides, in Annex A, informative guidance on its use.

2 Normative references

No normative references are cited. This clause is included in order to retain clause numbering identical with the previous edition (ISO 14001:1996).

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

3.1 auditor
person with the competence to conduct an audit

[ISO 9000:2000, 3.9.9]

3.2 continual improvement
recurring process of enhancing the environmental management system (3.8) in order to achieve improvements in overall environmental performance (3.10) consistent with the organization's (3.16) environmental policy (3.11)
NOTE The process need not take place in all areas of activity simultaneously.

3.3 corrective action
action to eliminate the cause of a detected nonconformity (3.15)

3.4 document
information and its supporting medium

NOTE 1 The medium can be paper, magnetic, electronic or optical computer disc, photograph or master sample, or a combination thereof.

NOTE 2 Adapted from ISO 9000:2000, 3.7.2.

3.5 environment
surroundings in which an organization (3.16) operates, including air, water, land, natural resources, flora, fauna, humans, and their interrelation

NOTE Surroundings in this context extend from within an organization (3.16) to the global system.

3.6 environmental aspect
element of an organization's (3.16) activities or products or services that can interact with the environment (3.5)

NOTE A significant environmental aspect has or can have a significant environmental impact (3.7).

3.7 environmental impact
any change to the environment (3.5), whether adverse or beneficial, wholly or partially resulting from an organization's (3.16) environmental aspects (3.6)

3.8 environmental management system
EMS
part of an organization's (3.16) management system used to develop and implement its environmental policy (3.11) and manage its environmental aspects (3.6)

NOTE 1 A management system is a set of interrelated elements used to establish policy and objectives and to achieve those objectives.

NOTE 2 A management system includes organizational structure, planning activities, responsibilities, practices, procedures (3.19), processes and resources.

3.9 environmental objective
overall environmental goal, consistent with the environmental policy (3.11), that an organization (3.16) sets itself to achieve

3.10 environmental performance
measurable results of an organization's (3.16) management of its environmental aspects (3.6)

NOTE In the context of environmental management systems (3.8), results can be measured against the organization's (3.16) environmental policy (3.11), environmental objectives (3.9), environmental targets (3.12) and other environmental performance requirements.
3.11
environmental policy
overall intentions and direction of an organization (3.16) related to its environmental performance (3.10) as formally expressed by top management

NOTE The environmental policy provides a framework for action and for the setting of environmental objectives (3.9) and environmental targets (3.12).

3.12
environmental target
detailed performance requirement, applicable to the organization (3.16) or parts thereof, that arises from the environmental objectives (3.9) and that needs to be set and met in order to achieve those objectives

3.13
interested party
person or group concerned with or affected by the environmental performance (3.10) of an organization (3.16)

3.14
internal audit
systematic, independent and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the environmental management system audit criteria set by the organization (3.16) are fulfilled

NOTE In many cases, particularly in smaller organizations, independence can be demonstrated by the freedom from responsibility for the activity being audited.

3.15
nonconformity
non-fulfilment of a requirement

[ISO 9000:2000, 3.6.2]

3.16
organization
company, corporation, firm, enterprise, authority or institution, or part or combination thereof, whether incorporated or not, public or private, that has its own functions and administration

NOTE For organizations with more than one operating unit, a single operating unit may be defined as an organization.

3.17
preventive action
action to eliminate the cause of a potential nonconformity (3.15)

3.18
prevention of pollution
use of processes, practices, techniques, materials, products, services or energy to avoid, reduce or control (separately or in combination) the creation, emission or discharge of any type of pollutant or waste, in order to reduce adverse environmental impacts (3.7)

NOTE Prevention of pollution can include source reduction or elimination, process, product or service changes, efficient use of resources, material and energy substitution, reuse, recovery, recycling, reclamation and treatment.

3.19
procedure
specified way to carry out an activity or a process

NOTE 1 Procedures can be documented or not.

NOTE 2 Adapted from ISO 9000:2000, 3.4.5.
4 Environmental management system requirements

4.1 General requirements

The organization shall establish, document, implement, maintain and continually improve an environmental management system in accordance with the requirements of this International Standard and determine how it will fulfil these requirements.

The organization shall define and document the scope of its environmental management system.

4.2 Environmental policy

Top management shall define the organization’s environmental policy and ensure that, within the defined scope of its environmental management system, it

a) is appropriate to the nature, scale and environmental impacts of its activities, products and services,

b) includes a commitment to continual improvement and prevention of pollution,

c) includes a commitment to comply with applicable legal requirements and with other requirements to which the organization subscribes which relate to its environmental aspects,

d) provides the framework for setting and reviewing environmental objectives and targets,

e) is documented, implemented and maintained,

f) is communicated to all persons working for or on behalf of the organization, and

g) is available to the public.

4.3 Planning

4.3.1 Environmental aspects

The organization shall establish, implement and maintain a procedure(s)

a) to identify the environmental aspects of its activities, products and services within the defined scope of the environmental management system that it can control and those that it can influence taking into account planned or new developments, or new or modified activities, products and services, and

b) to determine those aspects that have or can have significant impact(s) on the environment (i.e. significant environmental aspects).

The organization shall document this information and keep it up to date.

The organization shall ensure that the significant environmental aspects are taken into account in establishing, implementing and maintaining its environmental management system.
4.3.2 Legal and other requirements

The organization shall establish, implement and maintain a procedure(s)

a) to identify and have access to the applicable legal requirements and other requirements to which the organization subscribes related to its environmental aspects, and

b) to determine how these requirements apply to its environmental aspects.

The organization shall ensure that these applicable legal requirements and other requirements to which the organization subscribes are taken into account in establishing, implementing and maintaining its environmental management system.

4.3.3 Objectives, targets and programme(s)

The organization shall establish, implement and maintain documented environmental objectives and targets, at relevant functions and levels within the organization.

The objectives and targets shall be measurable, where practicable, and consistent with the environmental policy, including the commitments to prevention of pollution, to compliance with applicable legal requirements and with other requirements to which the organization subscribes, and to continual improvement.

When establishing and reviewing its objectives and targets, an organization shall take into account the legal requirements and other requirements to which the organization subscribes, and its significant environmental aspects. It shall also consider its technological options, its financial, operational and business requirements, and the views of interested parties.

The organization shall establish, implement and maintain a programme(s) for achieving its objectives and targets. Programme(s) shall include

a) designation of responsibility for achieving objectives and targets at relevant functions and levels of the organization, and

b) the means and time-frame by which they are to be achieved.

4.4 Implementation and operation

4.4.1 Resources, roles, responsibility and authority

Management shall ensure the availability of resources essential to establish, implement, maintain and improve the environmental management system. Resources include human resources and specialized skills, organizational infrastructure, technology and financial resources.

Roles, responsibilities and authorities shall be defined, documented and communicated in order to facilitate effective environmental management.

The organization’s top management shall appoint a specific management representative(s) who, irrespective of other responsibilities, shall have defined roles, responsibilities and authority for

a) ensuring that an environmental management system is established, implemented and maintained in accordance with the requirements of this International Standard,

b) reporting to top management on the performance of the environmental management system for review, including recommendations for improvement.

4.4.2 Competence, training and awareness

The organization shall ensure that any person(s) performing tasks for it or on its behalf that have the potential to cause a significant environmental impact(s) identified by the organization is (are) competent on the basis of appropriate education, training or experience, and shall retain associated records.
The organization shall identify training needs associated with its environmental aspects and its environmental management system. It shall provide training or take other action to meet these needs, and shall retain associated records.

The organization shall establish, implement and maintain a procedure(s) to make persons working for it or on its behalf aware of:

a) the importance of conformity with the environmental policy and procedures and with the requirements of the environmental management system,

b) the significant environmental aspects and related actual or potential impacts associated with their work, and the environmental benefits of improved personal performance,

c) their roles and responsibilities in achieving conformity with the requirements of the environmental management system, and

d) the potential consequences of departure from specified procedures.

4.4.3 Communication

With regard to its environmental aspects and environmental management system, the organization shall establish, implement and maintain a procedure(s) for:

a) internal communication among the various levels and functions of the organization,

b) receiving, documenting and responding to relevant communication from external interested parties.

The organization shall decide whether to communicate externally about its significant environmental aspects, and shall document its decision. If the decision is to communicate, the organization shall establish and implement a method(s) for this external communication.

4.4.4 Documentation

The environmental management system documentation shall include:

a) the environmental policy, objectives and targets,

b) description of the scope of the environmental management system,

c) description of the main elements of the environmental management system and their interaction, and reference to related documents,

d) documents, including records, required by this International Standard, and

e) documents, including records, determined by the organization to be necessary to ensure the effective planning, operation and control of processes that relate to its significant environmental aspects.

4.4.5 Control of documents

Documents required by the environmental management system and by this International Standard shall be controlled. Records are a special type of document and shall be controlled in accordance with the requirements given in 4.5.4.

The organization shall establish, implement and maintain a procedure(s) to:

a) approve documents for adequacy prior to issue,

b) review and update as necessary and re-approve documents,

c) ensure that changes and the current revision status of documents are identified,

d) ensure that relevant versions of applicable documents are available at points of use,

e) ensure that documents remain legible and readily identifiable,
f) ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the environmental management system are identified and their distribution controlled, and

g) prevent the unintended use of obsolete documents and apply suitable identification to them if they are retained for any purpose.

4.4.6 Operational control

The organization shall identify and plan those operations that are associated with the identified significant environmental aspects consistent with its environmental policy, objectives and targets, in order to ensure that they are carried out under specified conditions, by

a) establishing, implementing and maintaining a documented procedure(s) to control situations where their absence could lead to deviation from the environmental policy, objectives and targets, and

b) stipulating the operating criteria in the procedure(s), and

c) establishing, implementing and maintaining procedures related to the identified significant environmental aspects of goods and services used by the organization and communicating applicable procedures and requirements to suppliers, including contractors.

4.4.7 Emergency preparedness and response

The organization shall establish, implement and maintain a procedure(s) to identify potential emergency situations and potential accidents that can have an impact(s) on the environment and how it will respond to them.

The organization shall respond to actual emergency situations and accidents and prevent or mitigate associated adverse environmental impacts.

The organization shall periodically review and, where necessary, revise its emergency preparedness and response procedures, in particular, after the occurrence of accidents or emergency situations.

The organization shall also periodically test such procedures where practicable.

4.5 Checking

4.5.1 Monitoring and measurement

The organization shall establish, implement and maintain a procedure(s) to monitor and measure, on a regular basis, the key characteristics of its operations that can have a significant environmental impact. The procedure(s) shall include the documenting of information to monitor performance, applicable operational controls and conformity with the organization's environmental objectives and targets.

The organization shall ensure that calibrated or verified monitoring and measurement equipment is used and maintained and shall retain associated records.

4.5.2 Evaluation of compliance

4.5.2.1 Consistent with its commitment to compliance, the organization shall establish, implement and maintain a procedure(s) for periodically evaluating compliance with applicable legal requirements.

The organization shall keep records of the results of the periodic evaluations.

4.5.2.2 The organization shall evaluate compliance with other requirements to which it subscribes. The organization may wish to combine this evaluation with the evaluation of legal compliance referred to in 4.5.2.1 or to establish a separate procedure(s).

The organization shall keep records of the results of the periodic evaluations.
4.5.3 Nonconformity, corrective action and preventive action

The organization shall establish, implement and maintain a procedure(s) for dealing with actual and potential nonconformity(ies) and for taking corrective action and preventive action. The procedure(s) shall define requirements for

a) identifying and correcting nonconformity(ies) and taking action(s) to mitigate their environmental impacts,
b) investigating nonconformity(ies), determining their cause(s) and taking actions in order to avoid their recurrence,
c) evaluating the need for action(s) to prevent nonconformity(ies) and implementing appropriate actions designed to avoid their occurrence,
d) recording the results of corrective action(s) and preventive action(s) taken, and

e) reviewing the effectiveness of corrective action(s) and preventive action(s) taken.

Actions taken shall be appropriate to the magnitude of the problems and the environmental impacts encountered.

The organization shall ensure that any necessary changes are made to environmental management system documentation.

4.5.4 Control of records

The organization shall establish and maintain records as necessary to demonstrate conformity to the requirements of its environmental management system and of this International Standard, and the results achieved.

The organization shall establish, implement and maintain a procedure(s) for the identification, storage, protection, retrieval, retention and disposal of records.

Records shall be and remain legible, identifiable and traceable.

4.5.5 Internal audit

The organization shall ensure that internal audits of the environmental management system are conducted at planned intervals to

a) determine whether the environmental management system

   1) conforms to planned arrangements for environmental management including the requirements of this International Standard, and

   2) has been properly implemented and is maintained, and

b) provide information on the results of audits to management.

Audit programme(s) shall be planned, established, implemented and maintained by the organization, taking into consideration the environmental importance of the operation(s) concerned and the results of previous audits.

Audit procedure(s) shall be established, implemented and maintained that address

— the responsibilities and requirements for planning and conducting audits, reporting results and retaining associated records,

— the determination of audit criteria, scope, frequency and methods.

Selection of auditors and conduct of audits shall ensure objectivity and the impartiality of the audit process.
4.6 Management review

Top management shall review the organization's environmental management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. Reviews shall include assessing opportunities for improvement and the need for changes to the environmental management system, including the environmental policy and environmental objectives and targets. Records of the management reviews shall be retained.

Input to management reviews shall include:

a) results of internal audits and evaluations of compliance with legal requirements and with other requirements to which the organization subscribes,

b) communication(s) from external interested parties, including complaints,

c) the environmental performance of the organization,

d) the extent to which objectives and targets have been met,

e) status of corrective and preventive actions,

f) follow-up actions from previous management reviews,

g) changing circumstances, including developments in legal and other requirements related to its environmental aspects, and

h) recommendations for improvement.

The outputs from management reviews shall include any decisions and actions related to possible changes to environmental policy, objectives, targets and other elements of the environmental management system, consistent with the commitment to continual improvement.
Annex A
(informative)

Guidance on the use of this International Standard

A.1 General requirements

The additional text given in this annex is strictly informative and is intended to prevent misinterpretation of the requirements contained in Clause 4 of this International Standard. While this information addresses and is consistent with the requirements of Clause 4, it is not intended to add to, subtract from, or in any way modify these requirements.

The implementation of an environmental management system specified by this International Standard is intended to result in improved environmental performance. Therefore this International Standard is based on the premise that the organization will periodically review and evaluate its environmental management system to identify opportunities for improvement and their implementation. The rate, extent and timescale of this continual improvement process are determined by the organization in the light of economic and other circumstances. Improvements in its environmental management system are intended to result in further improvements in environmental performance.

This International Standard requires an organization to

a) establish an appropriate environmental policy,
b) identify the environmental aspects arising from the organization's past, existing or planned activities, products and services, in order to determine the environmental impacts of significance,
c) identify applicable legal requirements and other requirements to which the organization subscribes,
d) identify priorities and set appropriate environmental objectives and targets,
e) establish a structure and a programme(s) to implement the policy and achieve objectives and meet targets,
f) facilitate planning, control, monitoring, preventive and corrective actions, auditing and review activities to ensure both that the policy is complied with and that the environmental management system remains appropriate, and
g) be capable of adapting to changing circumstances.

An organization with no existing environmental management system should, initially, establish its current position with regard to the environment by means of a review. The aim of this review should be to consider all environmental aspects of the organization as a basis for establishing the environmental management system.

The review should cover four key areas:

- identification of environmental aspects, including those associated with normal operating conditions, abnormal conditions including start-up and shut-down, and emergency situations and accidents;
- identification of applicable legal requirements and other requirements to which the organization subscribes;
- examination of existing environmental management practices and procedures, including those associated with procurement and contracting activities;
- evaluation of previous emergency situations and accidents.

Tools and methods for undertaking a review might include checklists, conducting interviews, direct inspection and measurement, results of previous audits or other reviews, depending on the nature of the activities.

An organization has the freedom and flexibility to define its boundaries and may choose to implement this International Standard with respect to the entire organization or to specific operating units of the organization. The organization should define and document the scope of its environmental management system. Defining the
A.2 Environmental policy

The environmental policy is the driver for implementing and improving an organization’s environmental management system so that it can maintain and potentially improve its environmental performance. This policy should therefore reflect the commitment of top management to comply with applicable legal requirements and other requirements, to prevent pollution and to continually improve. The environmental policy forms the basis upon which the organization sets its objectives and targets. The environmental policy should be sufficiently clear to be able to be understood by internal and external interested parties, and should be periodically reviewed and revised to reflect changing conditions and information. Its area of application (i.e. scope) should be clearly identifiable and should reflect the unique nature, scale and environmental impacts of the activities, products and services within the defined scope of the environmental management system.

The environmental policy should be communicated to all persons who work for, or on behalf of, the organization, including contractors working at an organization’s facility. Communication to contractors can be in alternative forms to the policy statement itself, such as rules, directives and procedures, and may therefore only include pertinent sections of the policy. The organization’s environmental policy should be defined and documented by its top management within the context of the environmental policy of any broader corporate body of which it is a part, and with the endorsement of that body.

NOTE Top management usually consists of a person or group of people who direct and control an organization at the highest level.

A.3 Planning

A.3.1 Environmental aspects

Subclause 4.3.1 is intended to provide a process for an organization to identify environmental aspects, and to determine those that are significant which should be addressed as a priority by the organization’s environmental management system.

An organization should identify the environmental aspects within the scope of its environmental management system, taking into account the inputs and outputs (both intended and unintended) associated with its current and relevant-past activities, products and services, planned or new developments, or new or modified activities, products and services. This process should consider normal and abnormal operating conditions, shut-down and start-up conditions, as well as reasonably foreseeable emergency situations.

Organizations do not have to consider each product, component or raw material input individually. They may select categories of activities, products and services to identify their environmental aspects.

Although there is no single approach for identifying environmental aspects, the approach selected could for example consider

a) emissions to air,
b) releases to water,
c) releases to land,
d) use of raw materials and natural resources,
ISO 14001:2004(E)

e) use of energy,
f) energy emitted, e.g. heat, radiation, vibration,
g) waste and by-products, and
h) physical attributes, e.g. size, shape, colour, appearance.

In addition to those environmental aspects an organization can control directly, an organization should also consider aspects that it can influence, e.g. those related to goods and services used by the organization and those related to products and services that it provides. Some guidance to evaluate control and influence is provided below. However, in all circumstances it is the organization that determines the degree of control and also the aspects it can influence.

Consideration should be given to aspects related to the organization's activities, products and services, such as
- design and development,
- manufacturing processes,
- packaging and transportation,
- environmental performance and practices of contractors and suppliers,
- waste management,
- extraction and distribution of raw materials and natural resources,
- distribution, use and end-of-life of products, and
- wildlife and biodiversity.

The control and influence over the environmental aspects of a product supplied to an organization can vary significantly, depending on the organization's market situation and its suppliers. An organization that is responsible for its own product design can influence such aspects significantly by changing, for example, a single input material, while an organization that needs to supply in accordance with externally determined product specifications may have little choice.

With respect to products provided, it is recognized that organizations may have limited control over the use and disposal of their products, e.g. by users, but they can consider, where practicable, communication of proper handling and disposal mechanisms to these users in order to exert influence.

Changes to the environment, either adverse or beneficial, that result wholly or partially from environmental aspects are called environmental impacts. The relationship between environmental aspects and impacts is one of cause and effect.

In some locations cultural heritage can be an important element of the surroundings in which an organization operates, and therefore should be taken into account in the understanding of its environmental impacts.

Since an organization might have many environmental aspects and associated impacts, it should establish criteria and a method to determine those that it considers significant. There is no single method for determining significant environmental aspects. However, the method used should provide consistent results and include the establishment and application of evaluation criteria, such as those related to environmental matters, legal issues and the concerns of internal and external interested parties.

When developing information relating to its significant environmental aspects, the organization should consider the need to retain the information for historical purposes as well as how to use it in designing and implementing its environmental management system.

The process of identification and evaluation of environmental aspects should take into account the location of activities, cost and time to undertake the analysis, and the availability of reliable data. The identification of environmental aspects does not require a detailed life-cycle assessment. Information already developed for regulatory or other purposes may be used in this process.
This process of identifying and evaluating environmental aspects is not intended to change or increase an organization’s legal obligations.

A.3.2 Legal and other requirements

The organization needs to identify the legal requirements that are applicable to its environmental aspects. These may include:

- national and international legal requirements,
- state/provincial/departmental legal requirements,
- local governmental legal requirements.

Examples of other requirements to which the organization may subscribe include, if applicable:
- agreements with public authorities,
- agreements with customers,
- non-regulatory guidelines,
- voluntary principles or codes of practice,
- voluntary environmental labelling or product stewardship commitments,
- requirements of trade associations,
- agreements with community groups or non-governmental organizations,
- public commitments of the organization or its parent organization,
- corporate/company requirements.

The determination of how legal and other requirements apply to an organization’s environmental aspects is usually accomplished in the process of identifying these requirements. It may not be necessary, therefore, to have a separate or additional procedure in order to make this determination.

A.3.3 Objectives, targets and programme(s)

The objectives and targets should be specific and measurable wherever practicable. They should cover short- and long-term issues.

When considering its technological options, an organization should consider the use of best-available techniques where economically viable, cost-effective and judged appropriate.

The reference to the financial requirements of the organization is not intended to imply that organizations are obliged to use environmental cost-accounting methodologies.

The creation and use of one or more programmes is important to the successful implementation of an environmental management system. Each programme should describe how the organization’s objectives and targets will be achieved, including timescales, necessary resources and personnel responsible for implementing the programme(s). This (these) programme(s) may be subdivided to address specific elements of the organization’s operations.

The programme should include, where appropriate and practical, consideration of planning, design, production, marketing and disposal stages. This may be undertaken for both current and new activities, products or services. For products, this can address design, materials, production processes, use and ultimate disposal. For installations or significant modifications of processes, this can address planning, design, construction, commissioning, operation and, at the appropriate time determined by the organization, decommissioning.
A.4 Implementation and operation

A.4.1 Resources, roles, responsibility and authority

The successful implementation of an environmental management system calls for a commitment from all persons working for the organization or on its behalf. Environmental roles and responsibilities therefore should not be seen as confined to the environmental management function, but can also cover other areas of an organization, such as operational management or staff functions other than environmental.

This commitment should begin at the highest levels of management. Accordingly, top management should establish the organization's environmental policy and ensure that the environmental management system is implemented. As part of this commitment, top management should designate a specific management representative(s) with defined responsibility and authority for implementing the environmental management system. In large or complex organizations, there may be more than one designated representative. In small or medium-sized enterprises, these responsibilities may be undertaken by one individual. Management should also ensure that appropriate resources, such as organizational infrastructure, are provided to ensure that the environmental management system is established, implemented and maintained. Examples of organizational infrastructure include buildings, communication lines, underground tanks, drainage, etc.

It is also important that the key environmental management system roles and responsibilities are well defined and communicated to all persons working for or on behalf of the organization.

A.4.2 Competence, training and awareness

The organization should identify the awareness, knowledge, understanding and skills needed by any person with the responsibility and authority to perform tasks on its behalf.

This International Standard requires that

a) those persons whose work could cause significant environmental impact(s) identified by the organization are competent to perform the tasks to which they are assigned,

b) training needs are identified and actions are taken to ensure the provision of training,

c) all persons are aware of the organization's environmental policy and environmental management system and the environmental aspects of the organization's activities, products and services that could be affected by their work.

Awareness, knowledge, understanding and competence may be obtained or improved through training, education or work experience.

The organization should require that contractors working on its behalf are able to demonstrate that their employees have the requisite competence and/or appropriate training.

Management should determine the level of experience, competence and training necessary to ensure the capability of personnel, especially those carrying out specialized environmental management functions.

A.4.3 Communication

Internal communication is important to ensure the effective implementation of the environmental management systems. Methods of internal communication may include regular work group meetings, newsletters, bulletin boards and intranet sites.

Organizations should implement a procedure for receiving, documenting and responding to relevant communications from interested parties. This procedure may include a dialogue with interested parties and consideration of their relevant concerns. In some circumstances, responses to interested parties' concerns may include relevant information about the environmental aspects and impacts associated with the organization's operations. These procedures should also address necessary communication with public authorities regarding emergency planning and other relevant issues.
The organization may wish to plan its communication taking into account the decisions made on relevant target groups, the appropriate messages and subjects, and the choice of means.

When considering external communication about environmental aspects, organizations should take into consideration the views and information needs of all interested parties. If the organization decides to communicate externally on its environmental aspects, the organization may establish a procedure to do so. This procedure could change depending on several factors including the type of information to be communicated, the target group and the individual circumstances of the organization. Methods for external communication can include annual reports, newsletters, websites and community meetings.

A.4.4 Documentation

The level of detail of the documentation should be sufficient to describe the environmental management system and how its parts work together, and to provide direction on where to obtain more detailed information on the operation of specific parts of the environmental management system. This documentation may be integrated with documentation of other systems implemented by the organization. It does not have to be in the form of a manual.

The extent of the environmental management system documentation may differ from one organization to another, depending on

a) the size and type of organization and its activities, products or services,

b) the complexity of processes and their interactions, and

c) the competence of personnel.

Examples of documents include

- statements of policy, objectives and targets,
- information on significant environmental aspects,
- procedures,
- process information,
- organizational charts,
- Internal and external standards,
- site emergency plans, and
- records.

Any decision to document procedure(s) should be based on issues such as

- the consequences, including those to the environment, of not doing so,
- the need to demonstrate compliance with legal and with other requirements to which the organization subscribes,
- the need to ensure that the activity is undertaken consistently,
- the advantages of doing so, which can include easier implementation through communication and training, easier maintenance and revision, less risk of ambiguity and deviations, and demonstrability and visibility,
- the requirements of this International Standard.

Documents originally created for purposes other than the environmental management system may be used as part of this system and, if so used, need to be referenced in the system.
A.4.5 Control of documents

The intent of 4.4.5 is to ensure that organizations create and maintain documents in a manner sufficient to implement the environmental management system. However, the primary focus of organizations should be on effective implementation of the environmental management system and on environmental performance, not on a complex document control system.

A.4.6 Operational control

An organization should evaluate those of its operations that are associated with its identified significant environmental aspects and ensure that they are conducted in a way that will control or reduce the adverse impacts associated with them, in order to fulfill the requirements of its environmental policy and meet its objectives and targets. This should include all parts of its operations, including maintenance activities.

As this part of the environmental management system provides direction on how to take the system requirements into day-to-day operations, 4.4.6 a) requires the use of documented procedure(s) to control situations where the absence of documented procedures could lead to deviations from the environmental policy and the objectives and targets.

A.4.7 Emergency preparedness and response

It is the responsibility of each organization to develop emergency preparedness and response procedure(s) that suit its own particular needs. In developing its procedure(s), the organization should include consideration of

a) the nature of on-site hazards, e.g., flammable liquids, storage tanks and compressed gases, and measures to be taken in the event of spillages or accidental releases,
b) the most likely type and scale of an emergency situation or accident,
c) the most appropriate method(s) for responding to an accident or emergency situation,
d) internal and external communication plans,
e) the action(s) required to minimize environmental damage,
f) mitigation and response action(s) to be taken for different types of accident or emergency situation,
g) the need for a process(es) for post-accident evaluation to establish and implement corrective and preventive actions,
h) periodic testing of emergency response procedure(s),
i) training of emergency response personnel,
j) a list of key personnel and aid agencies, including contact details (e.g., fire department, spillage clean-up services),
k) evacuation routes and assembly points,
l) the potential for an emergency situation(s) or accident(s) at a nearby facility (e.g., plant, road, railway line), and
m) the possibility of mutual assistance from neighbouring organizations.

A.5 Checking

A.5.1 Monitoring and measurement

The operations of an organization can have a variety of characteristics. For example, characteristics related to monitoring and measurement of wastewater discharge may include biological and chemical oxygen demand, temperature and acidity.
Data collected from monitoring and measurement can be analysed to identify patterns and obtain information. Knowledge gained from this information can be used to implement corrective and preventive action.

Key characteristics are those that the organization needs to consider to determine how it is managing its significant environmental aspects, achieving objectives and targets, and improving environmental performance.

When necessary to ensure valid results, measuring equipment should be calibrated or verified at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards. If no such standards exist, the basis used for calibration should be recorded.

**A.5.2 Evaluation of compliance**

The organization should be able to demonstrate that it has evaluated compliance with the legal requirements identified, including applicable permits or licences.

The organization should be able to demonstrate that it has evaluated compliance with the other identified requirements to which it has subscribed.

**A.5.3 Nonconformity, corrective action and preventive action**

Depending on the nature of the nonconformity, by establishing procedures to deal with these requirements, organizations may be able to accomplish them with a minimum of formal planning, or it may be a more complex and long-term activity. Any documentation should be appropriate to the level of action.

**A.5.4 Control of records**

Environmental records can include, among others,

a) complaint records,

b) training records,

c) process monitoring records,

d) inspection, maintenance and calibration records,

e) pertinent contractor and supplier records,

f) incident reports,

g) records of tests for emergency preparedness,

h) audit results,

i) management review results,

j) external communications decision,

k) records of applicable legal requirements,

l) records of significant environmental aspects,

m) records of environmental meetings,

n) environmental performance information,

o) legal compliance records, and

p) communications with interested parties.

Proper account should be taken of confidential information.

**NOTE** Records are not the sole source of evidence to demonstrate conformity to this International Standard.
A.5.5 Internal audit

Internal audits of an environmental management system can be performed by personnel from within the organization or by external persons selected by the organization, working on its behalf. In either case, the persons conducting the audit should be competent and in a position to do so impartially and objectively. In smaller organizations, auditor independence can be demonstrated by an auditor being free from responsibility for the activity being audited.

NOTE 1 If an organization wishes to combine audits of its environmental management system with environmental compliance audits, the intent and scope of each should be clearly defined. Environmental compliance audits are not covered by this International Standard.

NOTE 2 Guidance on auditing of environmental management systems is given in ISO 19011.

A.6 Management review

The management review should cover the scope of the environmental management system, although not all elements of the environmental management system need to be reviewed at once and the review process may take place over a period of time.
**Annex B**
*(informative)*

**Correspondence between ISO 14001:2004 and ISO 9001:2000**

Table B.1 and Table B.2 identify broad technical correspondences between ISO 14001:2004 and ISO 9001:2000 and *vice versa*.

The objective of the comparison is to demonstrate that both systems can be used together for those organizations that already operate one of these International Standards and wish to operate both.

A direct correspondence between subclauses of the two International Standards has only been established if the two subclauses are largely congruent in requirements. Beyond that, many detailed cross-connections of minor relevance exist which could not be shown here.

**Table B.1 — Correspondence between ISO 14001:2004 and ISO 9001:2000**

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ISO 14001:2004(E)

**Table B.1 — Correspondence between ISO 14001:2004 and ISO 9001:2000 (continued)**

|----------------|--------------|
| **Operational control** | 4.4.6 | 7.1 Planning of product realization  
| | | 7.2.1 Determination of requirements related to the product  
| | | 7.2.2 Review of requirements related to the product  
| | | 7.3.1 Design and development planning  
| | | 7.3.2 Design and development inputs  
| | | 7.3.3 Design and development outputs  
| | | 7.3.4 Design and development review  
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| | | 7.3.7 Control of design and development changes  
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| | | 7.5.1 Control of production and service provision  
| | | 7.5.2 Validation of processes for production and service provision  
| | | 7.5.5 Preservation of product  
| **Emergency preparedness and response** | 4.4.7 | 8.3 Control of nonconforming product  
| **Checking (title only)** | 4.5 | 8 Measurement, analysis and improvement (title only)  
| **Monitoring and measurement** | 4.5.1 | 7.6 Control of monitoring and measuring devices  
| | | 8.1 (measurement, analysis and improvement) General  
| | | 8.2.3 Monitoring and measurement of processes  
| | | 8.2.4 Monitoring and measurement of product  
| | | 8.4 Analysis of data  
| **Evaluation of compliance** | 4.5.2 | 8.2.3 Monitoring and measurement of processes  
| | | 8.2.4 Monitoring and measurement of product  
| **Nonconformity, corrective action and preventive action** | 4.5.3 | 8.3 Control of nonconforming product  
| | | 8.4 Analysis of data  
| | | 8.5.2 Corrective action  
| | | 8.5.3 Preventive action  
| **Control of records** | 4.5.4 | 4.2.4 Control of records  
| **Internal audit** | 4.5.5 | 8.2.2 Internal audit  
| **Management review** | 4.6 | 5.1 Management commitment  
| | | 5.6 Management review (title only)  
| | | 5.6.1 General  
| | | 5.6.2 Review input  
| | | 5.6.3 Review output  
| | | 8.5.1 Continual improvement  

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Table B.2 — Correspondence between ISO 9001:2000 and ISO 14001:2004

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Table B.2 — Correspondence between ISO 9001:2000 and ISO 14001:2004 (continued)

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The interview schedule has three components, a pre-EMS implementation, Implementation and Implementation outcome process section to the questionnaire. All the participants could not and did not complete the third section of the questionnaire as the implementation of the EMS has not yet had an impact on the gains and benefits of service delivery.

**Pre-EMS implementation:**

1. At what point was a decision made to implement an Environmental Management System?

2. Was this based on other models or examples at other municipalities local, national and international? Which examples were these?

3. What were the intended outcomes of implementing the EMS?

4. Who would benefit? In which ways would they benefit?

5. What were the actions taken?

6. Which departments were identified to participate in the implementation process? What were the assigned roles and responsibilities of various key role players and staff?

7. How were the decisions made communicated and to whom?

8. What about prospective costs of implementation? Would the implementation of the EMS be expensive to implement?

9. Were there additional work loads? How did staff respond? Were they accepting or not accepting of the possible implementation of the EMS?

10. Was management supportive of this process?
11. Did people know anything about the EMS before implementation?

**Implementation process:**

1. When did implementation start?

2. What did the implementation process consist of? How was it implemented?

3. What delivery methods were used? How many sessions were identified? How were sessions conducted? What were the main purposes of the sessions?

4. Who actually carried out the process and how well did he/she do?

5. Was the environment conducive to learning?

6. Was communication of the requirements effective during the implementation process? *If no*, what do you think was lacking or needed to be added or addressed?

7. In the process of communicating the EMS, were you able to understand the EMS, were different viewpoints adequately accommodated within the training process.

8. Who participated in activities and which activities were implemented? Did everyone have particular responsibilities?

9. What was participation of staff like? Did staff members/role players regularly participate in sessions? How did they participate?

10. What were the reactions of participants? What were their interests and feelings towards the EMS? In which manner were negative feelings addressed?

11. Were the financial and staff resources adequate?
12. Were there any deviations from the expected direction of the EMS?

13. What were the reasons for and effects of these deviations?

14. Were there any obstacles or barriers to implementation or unexpected opportunities that may have arisen?

**Implementation outcomes/impacts:**

PARTICIPANTS WERE NOT ABLE TO ANSWER AT THE TIME OF THE STUDY....

1. What do people do differently as a result of the EMS? Gains and benefits/ effects on organizational culture, personnel, structures and procedures?

2. Who benefits and how?

3. How has the EMS impacted on service delivery?

4. Are participants/stakeholders satisfied with what they gained from the EMS?

5. Are the EMS accomplishments worth the resources invested?

6. What are the positive social, economic, environmental impacts on people, communities and the environment?

7. What are the negative social, economic, environmental impacts on people, communities and the environment?

8. What are the strengths and weaknesses of the EMS?
9. Which activities contribute the most?

10. Which activities contribute the least?

11. What, if any, are unintended secondary or negative effects?

12. How well does the EMS respond to the initiating need?

13. How efficiently are resources being used?

14. What is the most significant change due the EMS?

15. How could the EMS be better implemented within a developmental local government context?
A Nursing Sister who was initially enthusiastic about the implementation of the QMS stated:

“Due to political infighting and disagreements amongst councillors, various municipal programmes and projects, such as the QMS, could not be implemented as envisaged because the politicians failed to provide the necessary support and oversight over the administration. There was constant political interference in the administration, which resulted in officials being afraid of „not toeing the line” and were concerned with their job security. Some officials, who had political agendas, deliberately tried to frustrate the implementation of the QMS, and reported directly to councillors instead of their respective administrative managers”.

In this regard, a Finance Officer stated:

“How do you expect us to implement these „nice-to-have” frameworks and models which talks about world-class service delivery, when the councillors who are supposed to be our leaders are at each other’s throats all the time. Furthermore, they do not understand the distinction between playing their oversight role as politicians over the administration and leaving officials to be administrators. Councillors are constantly interfering in our work, which is making the work environment intolerable”.

A Finance Manager stated:

“I now understand why benchmarking and self-assessment is important. It will assist councillors and officials in obtaining a holistic overview of the
challenges facing the municipality. However, what really bothers me is that only a minority of councillors have a clue as to these quality and excellence concepts, despite the fact that Council resolved to adopt and implement them in the municipality. Councillors are attacking us as officials in meetings, but they do not realise the immense pressures that we are faced with to deliver decent services to the community. If only they could support us as officials, then it would be a real pleasure to „row the boat together” and enthusiastically embrace and champion the quality and excellence frameworks”.

The Consultant in his Report (29\textsuperscript{th} October 2004) stated:

\begin{quote}
It is noted with regret that the organisational culture at the present moment is rigid and bureaucratic with Officials „set in their ways and thinking” and are simply not open to new methods and ideas of working. What is also disturbing is the culture of fear in the administration as Officials are afraid of the politicians. In my numerous interactions with Officials, they have privately expressed to me how certain councillors are using some Officials to deliberately undermine their superiors. This type of organisational climate breeds fear, mistrust, animosity and is certainly not conducive and healthy for sound professional working relationships.

I might also add, that after conducting an „environmental scan” of the Makana Municipality, it is my respectful submission that the fundamentals of sound management and leadership need to be in place first, before the ISO 9001 QMS is fully implemented. If this is not done, I believe that failure would be inevitable with huge losses in terms of human and financial resources. With the prevailing negative political climate impacting on the Makana Municipality and the administrative instability, I do not foresee the ISO 9001 QMS will be a success. However, all is not lost. The Municipal Manager and his management team together with the councillors can rescue the situation by start working as a team
to ensure that sound management and governance systems are in place to give effect to effective, efficient and accountable service delivery”.

A Finance Manager stated:

“These performance excellence frameworks will work well in the private sector where there is stability and professionalism. Staff in companies are goal orientated and are profit driven. Resources are also given to these staff so that the implementation of these frameworks are successful, as the very survival of the company depends on it having a competitive edge of their rivals in their particular industry. I really cannot see for the dear life of me how this is going to work in local government given the political instability, personal agendas of councillors and the corrupt tendencies of certain councillors and officials. It is all well and good to have these noble concepts in local government as the resident or ratepayer must obtain value for money in terms of the services rendered, however if the leaders of this institution act contrary to the values espoused in the South African Excellence Model, then the entire exercise is a farce and will simply lead to nothing”.

A Human Resources Official further stated:

“These concepts of benchmarking, performance management and excellence are new to us. We do not need these „New Age” concepts. What we need is staff, equipment and finance to do our jobs in an excellent way. All this jargon will not address the core problem that we are faced with on a daily basis. It is simply a time-waster. However, we will have to comply because it is an instruction from management but I cannot see how this is going to turn around things in the municipality. The Councillors and management must address the real and core issues first before instructing us to sit in endless workshops”.
Fourteen steps of SQMS implementation:

1. Define corporate values and mission
2. Establish Steering Committee
3. Develop objectives and identify critical processes
4. Promote quality culture and team-building
5. Provide training of tools and methods
6. Deploy and empower staff capabilities
7. Manage critical processes and performance
8. Suggest improvement and breakthrough actions
9. Execute planned actions and recommend positive changes
10. Measure results and benchmark achievements
11. Standardise improved procedures and practices
12. Promote good practices and reinforce achievement
13. Recognise quality efforts with rewards and motivation
   - Quality development
   - Quality maintenance
   - Quality improvement

Stage I: Establishment
Stage II: Promotion
Stage III: Investigation
Stage IV: Execution
Stage V: Audit
Stage VI: Recognition
Stage VII: Improvement/Breakthrough

ISO 9000 and ISO 14000 Standards

Quality, Environmental and Safety Requirements
A Self-Assessed Quality Management System (SQMS) Based on Integration of MBNQA/ISO 9000/ISO 14000

(Pun et al., 1999: 606)

Logic flow of SQMS building and development
1. Senior Executive Leadership (110 points)

2. Senior Planning and Alignment (90 points)

3. Self-assessed Quality Management System
   - Quality Assurance Requirements
   - Environmental Protection Requirements
   - Safety and Health Requirements

4. Senior Information and Analysis (80 points)

5. Human Resource Focus (100 points)

6. Process Analysis and Management (100 points)

7. Customer Value and Market Focus (80 points)

8. Operations and Business Result (270 points)

9. Employee Satisfaction (70 points)

10. Supplier Quality and Relationship (60 points)

11. Waste Reduction and Elimination

12. Environmental Impact on Society (50 points)

Core Values
- Customer Satisfaction
- Customer Retention
- Market Share Gain
- Financial and Productivity Improvement
- Waste Reduction and Elimination
- Safety and Environmental Performance

Driver

System

Measures of Progress

Goal

Current perspective of SQMS
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<td>7. Business results</td>
</tr>
<tr>
<td>7.1 Customer satisfaction results</td>
<td>7.1 Customer satisfaction results</td>
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<tr>
<td>7.2 Financial and market results</td>
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<tr>
<td>7.3 Competitive benchmark</td>
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<tr>
<td>7.4 Review of company performance</td>
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<tr>
<td>7.5 Company-specific results</td>
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<tr>
<td>8. Employee satisfaction</td>
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<tr>
<td>8.1 Human resource results</td>
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<tr>
<td>8.2 Recognition and measurement</td>
<td>8.2 Recognition and measurement</td>
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<tr>
<td>8.3 Involvement, well-being and morale</td>
<td>8.3 Involvement, well-being and morale</td>
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<tr>
<td>8.4 Safety and hygiene</td>
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<tr>
<td>9.1 Supplier and partner results</td>
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<tr>
<td>9.2 Supplier relationship enhancement</td>
<td>9.2 Supplier relationship enhancement</td>
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<tr>
<td>9.3 Supplier service standards</td>
<td>9.3 Supplier service standards</td>
</tr>
<tr>
<td>10. Environmental impact on society</td>
<td>10. Environmental impact on society</td>
</tr>
<tr>
<td>10.1 Public and social responsibilities</td>
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</tr>
<tr>
<td>10.2 Environment protection</td>
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Comparison between SQMS criteria and MBNQA criteria

<table>
<thead>
<tr>
<th>Total: 1000</th>
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<tbody>
<tr>
<td>Source: Pun (1998) and NIST (1998)</td>
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