

The Impacts of ISO9001:2008 Implementation on Employees Job Satisfaction

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Abstract

The main objective of this study is to examine the impacts of implementing ISO9001:2008 practice towards employee's job satisfaction in Dire tannery located in Addis Abeba Kolfe Keranyo sub city. The paper proposed main hypothesis and 4 sub-hypotheses and tests on the relationship between ISO9001:2008 practices and job satisfaction. The data for this study were collected using self-administered questioners from a total of 167 respondents in representative from seven departments of the tannery. Stratified sampling technique was used to draw samples out of the population. Out of this 167 questionnaires distributed 136 was collected back. The data was analyzed using descriptive statistics, correlation analysis and regressions. The result revealed that, customer focus; training and education, empowerment and team work and continues improvement are all positively associated with employee's job satisfaction. It is also found that "empowerment and teamwork" and "continuous improvement" explains 46.5 percent of job satisfaction variance which is significant.

Index terms— ISO 9001, job satisfaction, total quality management.

1 Introduction

In recent years, ISO 9000 has gained significant acceptance in many organizations in Ethiopia. Most of these organizations believe that ISO 9000 can assist them in surviving the unstable business environment and achieving competitive advantage over their competitors. The main motive behind this adoption is that the quality has become increasingly central features that the customers value. Customers are now more aware and looking for quality products and services than they were in previous years. Satisfaction is the focal point for the shift in their behavior. Because of this, some companies use ISO 9000 certification as a way to show their customers that they are quality concern and looking forward to providing only quality products or services (Othman, 2001).

The stress on quality has also led to a demand by organizations for outsider quality recognition, which has in turn provided the drive for the International Organization for Standardization's (ISO) development of the ISO 9000 series of international quality management standards for quality assurance of products and services in 1987. These standards have now been used by many countries globally, including the European Union (EU) Curkovic and Handfield, (1996). while the ISO 9000 is not mandatory by all EU directives, many EU consumers need conformity to the ISO standards such that a firm planning to export to the EU is likely to have to obtain ISO 9000 qualifications Handfield and Curkovic (1996).

Under the ISO standards, quality management includes quality control and quality assurance, and incorporates the additional concepts of quality guidelines, quality plan and quality progress (Standards Australia and Standards New Zealand, 1994). The ISO standards include 20 items which cover three aspects of quality; management of the quality system, tactic of the system, and repairs of the system (Brooks, 1995). Brooks

(1995) recognized external and internal payback of ISO certification. External payback relate to client perceptions about quality, better customer satisfaction, improved core competencies, and reduced customer quality audits.

Internal benefits include enhanced documentation, better quality consciousness, and improved effectiveness and efficiency.

ISO 9001 Registrars make bold claims for the business benefits of quality management system award, for example in the USA, ANAB the leading ISO 9001 Registrar in the USA (2008) claim sixteen opportunities from quality management system award including increased operational efficiency, cost reduction from less rework and scrap, customer satisfaction, competitive edge, perceived improved quality and bigger market share. In Europe similar claims are made by leading national registrars as being supported by academic research (Gavin, 2009). But what about employees and job satisfaction?

In ISO quality standards and other quality initiatives, employees are believed to be satisfied and committed with their job as a result of increase employee participation and involvement in decision making process (Wilkinson et al, 1998; Agerman & Hackman, 1995). Also, the reward system under ISO 9000 series is said to increase their level of satisfaction and commitment as employees will be rewarded based on the team performance not on individual basis. These believes need to be proven, as people are the important elements of the organization that have to be taken care of. Shikawa (1985) has mentioned that an organization whose members are not happy and cannot be happy does not deserve to exist.

ISO 9000 involves adjustment to the organizations. When change is on a large scale, and involves many individuals and divisions, there are problems (Harvey and Brown, 1996; Ferguson & Cheyne, 1995). When ISO 9000 is adopted, employees are assigned with different job and with increased workload and paperwork, change in working environment, change in management style and organization culture.

Mainly, these changes can be grouped into four main categories namely, job-related characteristics (skill variety, task importance, task uniqueness, autonomy and feedback from the job), organization characteristics or work relationships (with supervisors and relationship with co-workers) and employment contract (job security, pay and growth). These factors are the providers to the decrease in job satisfaction and commitment if change is implemented without proper change interventions and this as a result will affect the employees' performance (Nisi and Schweiger (1991). Now a day's many firms operating in Ethiopia are in hurry to get the award of ISO9001 certification and to expand their market destination externally. But the researcher did not find any study that deals with impact that ISO9001 implementation have on employees in the context of Ethiopian industry. The researcher also did not find any theoretical literature associated with this issue. Because of the above two major reasons the researcher become highly motivated to conduct this study with the aim of analyzing the impact of ISO 9001 on job satisfaction of employees in Ethiopian manufacturing industry in the case of Dire Tannery which is certified with ISO9001:2008.

2 II.

3 Materials and Methods

This study aims to evaluate the impacts of ISO9001:2008 implementations on employee's job satisfaction in the case of Dire tannery, Addis Ababa Ethiopia. The sample size of the Study has been calculated as follows, $n = \frac{Z^2 pq}{e^2}$ Where n = sample size e = margin of error p = probability of success q = probability of failure N = population Z = the value of the standard variate at a given confidence level to be worked out from table showing area under Normal Curve. After the sample size determined this sample of 167 were divided proportionally for each strata (department) according to its percentage as follows:- Primary data and secondary Data collection are the ways used for collecting information. This study mainly relied on primary data. Such types of data are firsthand information collected for the first time directly from the respondents. The collection of primary data involves the use of research instruments, such as questionnaires and interview schedules that have been constructed exclusively for the purposes of a specific study. For the purposes of this research, primary data were collected by self-administered questionnaire and unstructured interviews.

For the purpose of this study the questionnaires were adopted with a little modification from Valmohammadi and Khodapanahi (2011), Ooi et al (2008) and Akashah (2010) who conduct a survey in the same area before. Basically the questionnaire is divided into two major parts. The questionnaire is in dual language, Amharic and English to make it easily understandable for the targeted respondents. Part one keeps track on the general information of respondents on their demographic information. In this section, the background aspects of respondents such as gender, marital status, years of working experience with current company, positional level in the organization and educational level.

Respondents were asked to rate each statement on the bases of five point likert scale. This scale used in this study to generate statistical measurement of employee's job satisfaction. Respondent were asked how strongly she or he agrees or disagrees with a statement or series of statements, usually on a four, five, six or seven-point rating scale (Saunders et al 2009). In this study five point likert scale were used as indicated below:- $Y_i = b_0 + b_1 X_{i1} + b_2 X_{i2} + b_3 X_{i3} + b_4 X_{i4} + \dots + b_k X_{ik}$

4 Result and Discussion

5 a) Hypothesis Testing -Correlation Analysis

These correlation analyses are on the independent variables and dependent variable consists of customer focus, empowerment and team work, training and education, continues improvement. The dependent variable for this study is employee job satisfaction. The correlation is done on dimensions of independent variable on dependent variable.

The SPSS output for Pearsons correlation coefficient show the relationship between two variables, which are independent variables and dependent variables. The measure of goodness between the variables should fall within the range of 1 to -1. If $r = +1$, there is a perfect linear (positive) relationship between the two variables. On the other hand, if $r = -1$, the inverse (negative) relationship between variables.

Hypotheses that postulate a significant positive or negative relationship between two variables can be tested by examining the correlation between the two. (Customer focus has a positive effect on employee's job satisfaction) Table 4.12, shows the Pearson correlation test for hypothesis 1. There is a significant positive correlation between customer focus principles with employee's job satisfaction with a significant value of 0.000. Hence accept alternative hypothesis (H_a) and reject the null hypothesis (H_0). In other words customer focus and job satisfaction have a positive moderate relationship ($r = 0.405$). From this it can be understood that customer focus practice of the tannery has a positive impact on employee's job satisfaction. In other word, an increase in customer focus practice of the tannery will also result in an increased job satisfaction among employees. 4.13, shows that there is a significant positive correlation between training and education and job satisfaction with a significant value of 0.000. Hence accept the alternative hypothesis (H_a) and reject the null hypothesis (H_0). In other word training and education and job satisfaction has a positive moderate relationship ($r = 0.565$). It means the two variables have positive relationship when independent variable increase and the dependent variable also increase. Training and education considered as a factor to affect the employees job satisfaction in the study. (Continuous improvement has a positive effect on employees' job satisfaction) Table 4.15, shows there is a significant positive correlation between Continuous improvement and job satisfaction with a significant value of 0.000. Hence accept the alternative hypothesis (H_a) and reject the null hypothesis (H_0). In other word Continuous improvement and job satisfaction has a positive moderate relationship ($r = 0.605$). Accordingly this implies that continues improvement has a positive impact on employee's job satisfaction. Increase in continues improvement practice of the company will also result increased employees job satisfaction. After entered the four variables into the regression model R is 0.682 with the dependent variable. Inter correlation among four (4) independent variable taken into account, the R square value is 0.465. Thus our model explains only 46.5 percent influence that our four (4) independent variables have on the dependent variable.

The ANOVA, as shown in table 4.17 below implied that the F value of 28.499 is significant at the 0.000 level and the model summary. This result reflects that the 46.5 percent of the variance (R square) in job satisfaction has been significantly explained by the four (4) independent variables. The Durbin-Watson of 1.587, falls between acceptable range ($1.5 < D < 2.5$) indicating no autocorrelation problem in the data. Therefore, it indicates that the error term is independent. $Y (JS) = 1.158 + 0.1(X_3) + 0.223(X_4) + ?$

Where: (X_1 = customer focus, X_2 = training and education, X_3 = empowerment and teamwork, X_4 = continuous improvement and problem prevention)

The results indicate no multicollinearity problems (the multicollinearity statistics shows that the tolerance indicator for customer focus, training and education, empowerment and teamwork, and continuous improvement and problem prevention are all greater than 0.1, and Variation Indication Factor (VIF) are all lesser than 10). This shows that there is no multicollinearity problem between the four independent variables.

6 IV.

7 Discussion

The main objective of this study is investigating the impact of ISO9001:2008 practices on employees' job satisfaction. This study was conducted in Dire tannery processing facility located in Addis Abeba. Demographic factors such as gender, marital status, working experience, levels in the organization position and educational level achieved have been used to describe the characteristics of the respondents.

On the basis of the correlation analysis customer focus, training and education, empowerment and teamwork and continuous improvement have a significant positive correlation with employee's job satisfaction. Further results of regression analysis revealed that the four construct of independent variables was a relevant ISO 9001:2008 factors, there was a strong association with job satisfaction. The result implied that continues improvement was perceived as a dominant factor for ISO9001 practice; there was a strong association with job satisfaction.

The results also provided supporting evidence for the view of ??aria. et.al (2006) affirmed that Continuous improvement and problem prevention", which is an essential is shown to have a positive effect on "job satisfaction" and "organizational commitment" and Valmohammadi et.al (2011) states "Continuous improvement and problem prevention", which is an essential aspect of ISO9001, is shown to have a positive effect on "employees' job satisfaction". As Asaari et.al ??2003), states continuous improvement and problem prevention practices are

significantly positive correlated to job involvement, job satisfaction, career satisfaction, and organizational commitment. Therefore, job involvement, job satisfaction, career satisfaction, and organizational commitment increase as continuous improvement and problem prevention practices increase. Empowerment and team work which is an essential aspect of ISO9001 is shown to have a positive effect on employee's job satisfaction next to continues improvement. As Assari et.al (2006) states, Empowerment and teamwork is the most important in enhancing employee's job satisfaction, organizational commitment, career satisfaction, and job involvement. The greater the extent of empowerment and teamwork, the greater the enhancement of these job-related attitudes. Also, Valmohammadi et.al (2011) affirmed that ISO9001 recognize and emphasize the importance of "empowerment and teamwork" to facilitate employees' ability to work together to get a job done.

However, customer focus practice of the firm is not significant in determine employees job satisfaction. This indicates that customer focus practice of the firm required motivating effects on employees at work, thus aspects of emphasis on customer focus practice, such as reward employees when there is positive customer satisfaction is needed. The present study results are equivalent with the findings of previous study conducted by Valmohammadi et.al (2011) and Ooi et.al (2008) in which found that Customer focus was discovered to be insignificant to job satisfaction. The results suggest that it is possible that employees' effort were not taken into consideration when it comes to customer satisfaction; for example, employees were not rewarded or motivated by, when there is positive customer satisfactions. Karia et.al (2006) also states that Customer focus does not contribute to employees' work-related attitudes. This suggests that management has failed to communicate its commitment to this important practice. This might be due to the lack of an established support relationship between employees and customers.

Finally training and education also found to be insignificant towards employees job satisfaction. The result is consistent with the findings of Ooi et. Further, the results of multiple regression analysis confirmed that the job satisfaction variable was significantly related to the perceptions of ISO9001: 2008 practices and thus practice of ISO9001 principles come up with positive payoff.

Finally, the present study support previously conducted studies by Valmohammadi et.al (2011), and Ooi et.al (2008) which found that both continues improvement and empowerment and team work as significant factor in determine employees job satisfaction. Similarly they found training and education and customer focus practice of ISO9001 practice no significant effect towards employee's job satisfaction. However this study does not support the finding from previous studies conducted by Karia et.al (2006) which concluded that the greater the extent of ongoing training and education in an organization, the greater the employees' job satisfaction. And Yusuf and Ali (2000), which state that education and training was found to have positive influence on employee's job satisfaction.

V.

8 Conclusion

The (2003)) quality management systems play a vital role in shaping (influencing) the attitudes of employees towards their job and organization. Based on the result of Pearson correlation analysis, which is used for determining the relationship between the four independent variables (customer focus, training and education, empowerment and team work and continues improvement) and the dependent variable (job satisfaction) shows that there is a significant positive correlation. Therefore, job satisfaction increases as customer focus, training and education, empowerment and team work and continues improvement increased.

Based up on the multiple regression analysis the finding identify two of the independent variables namely continues improvement and empowerment and team work are more significantly associated with improvements of employees job satisfaction than the other two variables namely customer focus and training and education. The implication is that the organization should focus firstly on continues improvement and then for empowerment and team work. On the other hand the other two elements namely training and education and customer focus are inputs of long term infrastructural benefits which is useful for continues improvement in the future, but with less significant relationship with employees job satisfaction.



Figure 1:

1

	Pearson Correla- tion	Significant
Value	0.405**	0.000
** Correlation is significant at the 0.01 level (2 tailed)		
c) Test of Hypothesis 2 (Training and education has a positive effect on employees job satisfaction)		
Table		

Figure 2: Table 1 :

2

	Pearson Correlation	Significant
Value	0.565**	0.000

[Note: ** Correlation is significant at the 0.01 level (2 tailed) d) Test of Hypothesis 3 (Empowerment and teamwork has a positive effect on employees job satisfaction) As presented in Table no. 4.14, shows there is a significant positive correlation between Empowerment]

Figure 3: Table 2 :

3

	Pearson Corre- lation	Significant
Value	0.623**	0.000
** Correlation is significant at the 0.01 level (2 tailed)		
e) Test of Hypothesis 4		

Figure 4: Table 3 :

4

	Pearson Correlation	Significant
Value	0.605**	0.000
** Correlation is significant at the 0.01 level (2 tailed)		

[Note: f) Regression AnalysisA result for regression analysis summary for the four (4) independent variables versus the job satisfaction is depicted in table 4.16.]

Figure 5: Table 4 :

5

Model	R	R square
1	0.682	0.465

Figure 6: Table 5 :

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