

Chapter 8

The Human Factor in Quality: Examining the ISO 9000 and Business Excellence Frameworks in Selected Greek Organizations

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ABSTRACT

The aim of this chapter is to theoretically investigate the implications of ISO 9000:2000 and EQA on HR issues in selected Greek industrial organizations in their road to quality improvement. The study sample consists of two selected industrial organizations that were judged as normal, ordinary, and representative. The data gathering was carried out through extensive and in-depth interviews in the two organizations asking several multiple informants. The study shows that organizations approach to quality is of great influence to effective human resource utilization. There is a tendency to avoid the involvement of HR department on either certification or the EQA and also it is clear that HR department status and role is still very traditional. The small sample does not allow making any generalizations for the majority of Greek organizations in all sectors of the economy. This is the first step towards an understanding of the current context and content of HRM in organizations moving towards total quality management implementing ISO 9000:2000 or EQA model. However, further studies needed to investigate similarities and differences in an international basis. The chapter provides a basis for understanding the present status of HRM implementation under ISO 9000 implementation and EQA model of selected Hellenic organizations and the results can be helpful for academics and practitioners. The author suggests that in order to have a reliable and objective depiction of the effect and influence of ISO 9000:2000 and EQA to the context and content of HRM, a thorough examination and analysis of relevant studies should be conducted which will include all the various approaches, practices and perceptions recorded so far in the literature -some of them based on empirical data and some deriving from rhetoric and “good-stories” or “how things ought to be” perspective.

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INTRODUCTION

The word quality in recent year is becoming very popular among organizations and academics and it is widely used in annual reports, in advertisement and even in government initiatives all over the world. However, although the true meaning and the value of quality is gaining ground in all over the world, the figures said a different story. Organizations are facing enormous quality problems in production (defects, scrap), in marketing (customer satisfaction), in logistics (response time, reliability), in finance (quality costs) and in most of their functions, even though the “Quality Revolution” has started according to many authors long time ago.

Having that in mind it is obvious that there is an oxymoron in the quality literature. Some authors argue that quality is about rhetoric and good stories in order for organizations to promote sales and create a “customer-orientation” profile. In United States and in Europe awards were established to promote awareness and provide a basis and a model for TQM implementation. However, the organizations both in US and in Europe were not so enthusiastic about the awards and the numbers are very small in all categories. On the other hand the certification with the new ISO 9000:2000 series of standards is gaining ground and especially in Asia the increase in certified organizations is beyond expectations. But still, many authors state that ISO 9000 is not equal to Total Quality Management but is just a third part quality audit that is not related to final product quality mainly used by organizations as a commercial tool. So what is “right path” to quality improvement and to customer satisfaction? Why quality is so desirable but very few organizations are willing to be involved in the quality journey?

In Greece, according to Dervitsiotis (1999) quality “had been of paramount importance in Greek culture since antiquity often mentioned as “*areti* (virtue) by Aristotelians and was at the center of all cultural and political activities in the

ancient Greek civilization. Over the last twenty years the efforts of Greek industrial organizations for quality improvement were simply focused in the use of statistical methods in the production area and the introduction of quality assurance systems certified by third party (ISO 9000 series). However, the “technical” and “process-oriented” approach seems that does not provide the basis for the establishment of company-wide quality culture that covers all functions of the organization and focus on internal and external customer satisfaction. (IPM, 1993 Blackburn&Rosen, 1992).

On the contrary, moving from a traditional quality assurance system to a new philosophy of continuous improvement in which responsibility for quality is at the hands not of quality professional but all people within the organization is a challenge for Greek Industrial organizations that external and internal conditions will force them to implement.

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 seemed to provide a basis for the implementation of a TQM philosophy, which provides a unique way of improving organizational performance and attaining competitive advantage. The TQM rhetoric calls for a cultural shift, emphasises self-control, autonomy and have a significant effect in the way people are managed. In the context of these awards and the new ISO 9000:2000, new realities and perspectives emerge for the effective utilization of the organization’s human resources. In the literature, aligning Quality Improvement programmes and initiatives with human resources effective utilization requires radical changes in the way the organizations perceive their “human capital” and the way the organizations’ HR function operate (Hart&Schlesinger, 1991; Blackburn&Rosen, 1993). In the quality literature the importance of the “human or people element” in the quality improvement efforts are often been overlooked

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