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**AN INVESTIGATION INTO THE FACTORS AFFECTING ADOPTION OF NZS/ISO 9000
IN NEW ZEALAND AND THE BENEFITS GAINED BY CERTIFIED COMPANIES**

**A THESIS PRESENTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE OF
MASTERS OF TECHNOLOGY IN QUALITY SYSTEMS
AT
MASSEY UNIVERSITY**

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ABSTRACT

It was believed that there was a lack of knowledge of the real factors that hindered or helped ISO 9000 implementation and that many companies set out to gain certification without a clear understanding of what resources are required, the factors that may hinder the implementation of ISO 9000, or the actual benefits they may achieve.

This thesis investigates the factors that affect the implementation of ISO 9000 in New Zealand, and the actual benefits gained. It is the result of personal discussion and correspondence with currently practicing quality consultants, and a survey sent to every certified company whose listing was available and to a random selection of non-certified companies in New Zealand.

Two objectives formed the foundation of this research. The first was to identify the factors that actually affect ISO 9000 implementation in New Zealand companies. This included factors that help and factors that hinder ISO 9000 implementation. The second was to determine the benefits that companies claim to derive from ISO 9000 implementation and certification.

The research was conducted in eight steps:

- i) A literature search was conducted in order to gain an understanding of the types of issues surrounding quality systems implementation and the possible benefits gained.
- ii) Letters were sent to Quality consultants currently practicing in New Zealand asking for their perspective and experience of the factors that affect ISO 9000 implementation and benefits actually gained.
- iii) Development of a self-administered survey questionnaire.
- iv) A pilot trial of the first draft of the survey questionnaire was conducted with intended local certified and non-certified survey recipients.
- v) The survey administered as a mail-out questionnaire directed to company managers. A total of 190 questionnaires were sent to certified companies, and 809 to currently non-certified companies.
- vi) Information collation, tabulation, and storage stage.
- vii) A follow-up survey of one hundred and nineteen companies of a similar distribution throughout New Zealand as the original non-certified sample was conducted to determine the intentions of those companies with regards to ISO 9000 implementation in order to verify that the non-certified survey responses that were received were not biased towards companies with an interest in ISO 9000.
- viii) Analysis and collation of the research findings.

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The factors found that actually affect ISO 9000 implementation in New Zealand companies in order of incidence are:

- | | |
|----------------------------|---|
| 1. Company culture | 10. Degree of realisation of the benefits |
| 2. Management commitment | 11. Communication |
| 3. Existing systems | 12. Responsibility and authority definition |
| 4. Training | 13. Business barriers |
| 5. Complexity of operation | 14. Customer |
| 6. Resources | 15. Magnitude |
| 7. The facilitator | 16. Suppliers |
| 8. The market | 17. Planning |
| 9. Management practices | 18. Scope |

The benefits gained by companies certified to ISO 9000 in New Zealand in order of incidence are:

- | | |
|--|---|
| 1. Enhanced existing systems | 7. Communication |
| 2. Market improvements | 8. Definition of Responsibility/Authority |
| 3. Reduction in total costs | 9. Technology |
| 4. Training | 10. Resources |
| 5. Formalisation of procedures | 11. Continuous Improvement and TQM ¹ |
| 6. Employee Benefits and Company Culture | 12. Product and/or Service Quality |

Future benefits expected by certified companies (post-certification) as a result of ISO 9000 implementation and certification, in order of incidence are:

1. Market improvements
2. Continuous improvement and Total Quality Management
3. Reduced total costs
4. Improved management practices
5. Surveillance audits ensuring continued internal compliance to procedures
6. Employee benefits

This study was conducted with the sponsorship of KPMG Peat Marwick in an effort to address the growing need to understand the factors that affect the implementation of ISO 9000, and the benefits to be gained, and is aimed towards gaining better control of the implementation process.

Footnote

1. TQM is an abbreviation for Total Quality Management

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3	Age of Companies
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