Motivation for Adopting ISO 9000 Quality Management System and Firm Performance: A Case of Malaysian Construction Firms

Wang Hang Min¹, Kanagi Kanapathy²

¹ MITC Engineering Sdn. Bhd., Plaza Seri Setia, No.1 Jalan SS9/2, 47300 Petaling Jaya, Selangor D.E., Malaysia, hmwang@lbs.com.my
² Faculty of Accountancy and Business, University of Malaya, 50603 Kuala Lumpur, Malaysia, kanagik@um.edu.my

Abstract

This study was conducted to investigate the motivation for construction firms in adopting ISO 9000 Quality Management System (QMS) and to examine the impact of ISO 9000 QMS on the performance of construction firms. A questionnaire survey was used to collect data amongst 125 ISO 9000 certified construction firms in Malaysia. The findings revealed that the implementation of ISO 9000 QMS has a significant positive impact on the operational performance and business performance. It was found that both external motivation and internal motivation are of importance for Malaysian construction firms in adopting ISO 9000 system. However, internal motivation for certification was found to have a stronger positive effect on the implementation effort of ISO 9000 QMS, compared to external motivation such as regulatory requirement for certification from The Construction Industry Development Board (CIDB) Malaysia. The implementation effort of ISO 9000 QMS was found to have partial mediating effect on the relationship between the motivation for certification and the organizational performance of Malaysian construction firms. Managers need to recognize that the commitment and effort of employees in ISO 9000 implementation is crucial in gaining improvements in organizational performance.

Keyword(s):
construction, motivation, performance, quality management.

1. Introduction

In today's competitive business world, it is very important for an organisation to have a good quality management system to increase its market share, to improve business performance and to gain a competitive advantage (Sohail and Teo 2003; Vouzas 2007). ISO 9000 QMS standards is widely known as the international standard of quality management (Lee et al, 2009). Substantial research studies on ISO 9000 QMS have been conducted in the past two decades. However, mixed results were found on the relationship between organizational performance and the implementation of ISO 9000 QMS (Prajogo, 2011). Therefore, numerous studies further looked into the factors that can influence the implementation and benefits of ISO 9000 QMS (Prajogo, 2011). Motivation for certification is one of the major factors (Mallaket al, 1997; Sun, 2000; Singelset al, 2001; Williams, 2004; Mahmood et al, 2006; Terziovski and Power, 2007; Jang and Lin, 2008; Srivastav, 2010; Prajogo, 2011).

1.1. Background

Although many manufacturing and service