CHAPTER 1

INTRODUCTION

1.1 Research Background

Since the year 1990, excellent economic performance in our country has led to higher demand on the constructed products (for example: houses, offices, factories, commercial complexes, bridges, school, hospital, etc.) from both the public and private sectors. This situation has led to the rapid growth in local property development and construction industry. This situation, however, has also attracted many international players from every corner of the world to compete for projects in our country.

As expected, local property development and construction companies are facing with very keen competition among themselves as well as the increasing competitive threat of giant multinational construction companies. Therefore, since competition has become the rule of the game, in order for property development and construction companies to survive and grow, they have no other alternative but to improve every aspect of their
organization performance. They have to work all their ways to eliminate existing inefficient and wasteful practices in order to reduce costs through a reduction in remedial work; they have to increase capability to provide a service which consistently conforms to clients and customers expectations; they have to establish clearer definitions of duties and responsibilities in order to improve efficiency and effectiveness of their organization; and they also have to provides tangible proof of their commitments to quality as requested by ever increasing numbers of clients.

Unfortunately, contradicting to the rapid growth rate, it is a fact that the quality of construction projects and constructed products is declining. In 1992, the collapse of buildings under construction at three different sites has cost two lives and sixteen badly injured. In 1993, a six storeys building under construction at Kolej Damansara Utama collapsed, killing six people and injured thirteen others. In the same year, ten factories under construction at Puchong collapsed where one construction worker was killed and two were injured. On 11th December 1993, the collapse of the Highland Tower Blok A in Kuala Lumpur has buried 48 victims and injured two. Another work site tragedy happened on 10th July 1995 where two were killed and two other were seriously injured when a section of a roof of a four-storey clubhouse under construction at Klang collapsed. There were also a number of accidents in Kuala Lumpur City Centre project site that have already claimed seven lives by the end of 1995.
Besides heavy casualties, the organizations involved in the tragedies also suffered huge monetary losses and severe damages to their image and reputation.

As a matter of fact, tragedies also happened in the Aerospace and Petrochemical industries where the attitude toward quality assurance is very positive. We have seen that in the Challenger Space Shuttle disaster in America and the Piper Alpha Oil Platform disaster in the North Seas. Therefore, if that sort of things can happen even when very stringent quality assurance systems were in place, imagine what can happen in a property development and construction industry that has not even thought about the concept.

The frequency and the fatality of the construction site tragedies mentioned above could be reduced substantially if not avoided totally should the safety precaution measure and works quality control were properly implemented through a well developed quality management system. For that reason, our government together with other organization in the public and private sectors are seriously moving toward the imposition of tight quality control and assurance requirement toward the constructed products that they are going to buy.

After considering all the above mentioned scenarios, we realize that in order to remain at the forefront and be competitive in business, property development and construction companies must ensure that the process of works and the end products satisfy their customers' quality expectations. Therefore, it is timely for the construction and property
development companies to develop and implement a suitable quality management system for their organization. It is for these reasons that this study is initiated.

1.2 Objectives and Significance of the Study

Basically, this study has three specific objectives; namely,

1. To introduce some basic elements and a general understanding of ISO 9000 Quality System;

2. To study how local property development and construction companies develop and implement their quality system based on the phenomenally popular ISO 9000; and

3. To provide some recommendations about the development and implementation of ISO 9000 Quality System for companies preparing for their ISO 9000 registration.

It is hoped that this study will be useful to local industries especially property developers and construction companies whoever interested and committed in the development as
well as implementation of the internationally recognized ISO 9000 quality system in their business operations.

This study can also be used as either a reference or rather, as a basic framework to develop a specific quality system suitable for each company’s operations environment especially in the property development and construction industry.

1.3 Research Methodology

The research methodology has been deliberately centred around exploratory studies type of research design. The major advantages of this exploratory studies is great amount of flexibility and ad hoc versatility where it allows a more in depth and precise formulation of specific techniques in achieving the intended research objectives.

Therefore, field studies with the combination of literature searches to gather secondary information and multiple case studies through interviews with personnel from local companies who are knowledgeable about the subject area being explored were adopted in this studies. After gathering enough data and information from the firms who have successfully developed and implemented the ISO 9000 Quality System, an examination of analogous situations is carried out to identify significant factors and variables and their relationships in the development and implementation of the ISO 9000 Quality System in construction and property development industry.
1.4 Data Collection Techniques

Data collection for this study can be divided into two major stages. The first stage is the collection of secondary data from various sources; and the second stage involves collecting primary data from original sources.

(a) Secondary Data Collection

Initially, secondary data search has been used to help plan the study design and provide information to write the research proposal. In fact, it is the constant monitoring of secondary data regarding the issue of quality in the property development and construction industry that prompted this research.

After specify secondary data needed, manual searches is carried out to collect information from various locations that include the Library of University Malaya, the National Library of Malaysia, the Library of Economy and Administration Centre Malaysia, the Library of the Institution of Engineers Malaysia and some private collections.

After going through the available literature and publications about ISO 9000 in construction and property development industry, it is found that although much has been
studied and written about how to develop and implement ISO 9000 Quality System in the
construction industry, none has mentioned about the real life situations actually faced by
those companies implementing the quality system; neither did they reveal any specific
problems that could have been inherent in the construction or property development
industry.

The findings from secondary data searches are presented in Chapter 2.

(b) Primary Data Collection

Primary data collection is initiated because secondary data is inadequate for the research
objectives. Active data collection method is used as the principal means of primary data
collection. This is because since real life and in depth information is desired, it has to
come from people themselves. Given this situation, in-depth personal interviewing
technique utilizing an unstructured, undisguised method has been used for active primary
data collection.

In order to facilitate the respondent to talk freely about the subject of interest, there are
no formalized questions being prepared in advance. However, some loosely structured
questions as shown in Appendix A and B are used to help guide the interviewer in the
quest for information whenever necessary.
1.5 Limitations of the Study

Since its release in 1987, the adoption of ISO 9000 in the property development and construction industry has been slow, specifically our country. As a result, there are not many references available for the study.

The lack of related references and literature in the Library of University Malaya has further dampened the writer’s effort in searching for secondary information.

Moreover, despite the difficulty in making appointments with the relevant personnel from selected companies for the unstructured personal interviews, the problem of confidentiality did not facilitate the in-depth discussion in certain areas, for example the formulation of quality manual and document, as originally planned.

1.6 Organization of the Research Report

Basically, this report is divided into five chapters.
The first chapter is an introduction to the research. It includes some information about the background of the research and also the objectives and significance of the study. The research methodology and data collection techniques are described here. Some of the limitations of this research are also given in this chapter.

Chapter two gives an overview of the quality in construction and property industry. Some findings from literature review together with the current issues on ISO 9000 in local and overseas construction and property development industry are also included.

Chapter three is designated for the definition of quality and some basic but essential concepts about ISO 9000 Quality System.

The findings and analysis of local experience in ISO 9000 quality system are covered by chapter four.

Chapter five concludes the research findings and provides some recommendations on how to develop and implement ISO 9000 Quality System successfully in the construction and property development industry. This chapter ended with some suggestions for additional research in this area of study.