Malaysian Construction Firms: Motivation for ISO 9000 Certification, Implementation Effort and Firm Performance

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MALAYSIAN CONSTRUCTION FIRMS: MOTIVATION FOR ISO 9000 CERTIFICATION, IMPLEMENTATION EFFORT AND FIRM PERFORMANCE

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ABSTRACT

The mandatory requirement of ISO 9000 certification by the Construction Industry Development Board (CIDB) Malaysia has forced Malaysian Grade G7 contractors to adopt the ISO 9000 Quality Management System (ISO 9000 QMS). CIDB Malaysia contended that ISO 9000 certification can enhance the quality initiative in the construction industry and the organizational performance of construction firms. For a better understanding on the impact of ISO 9000 certification, this study examines the relationship between motivation for certification (internal and external motivation), implementation effort of ISO 9000 QMS and organizational performance (operational and business performance).

This study used a questionnaire survey to collect quantitative data from the Malaysian ISO 9000 certified construction firms. A total of 125 valid questionnaires were received. A causal analysis was used to examine the proposed theoretical framework.

Both internal and external motivations for certification were found to have a positive driving effect on the implementation effort of ISO 9000 QMS. The implementation effort of ISO 9000 QMS was also found to have a positive effect on the improvement of both operational and business performance. Implementation effort of ISO 9000 QMS was also found to have a partial mediating effect on the relationship between motivation for certification and organizational performance.
In conclusion, due to having a high level of internal and external motivations for certification, Malaysian ISO 9000 certified construction firms generally put in high effort to implement the ISO 9000 QMS which in turn improves both operational and business performance of the firms.
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