Chapter 1
INTRODUCTION

Increased international competition has led to the worldwide adoption of quality systems standards and in particular the ISO 9000 series. The growing demand on the part of customers for mechanisms that facilitate supplier selection, both in domestic and international markets, has contributed to the possession of ISO 9000 certification becoming a *sine qua non* for the establishment and maintenance of commercial relationships. In this way, ISO 9000 certification has been a determining factor in the increasing concern for quality in organisations around the world and in all sectors of activity. Its importance for entry into new markets, the demand for a continuous revision of managerial processes and procedures for the system sustaining it, and the benefits of all types derived from its possession have converted it into an important source of competitive advantage (Osman, 1996; Ivancevich *et al.*, 1996) that should be taken advantage of immediately.

Research has confirmed the strategic benefits of ISO 9000 and better quality has been shown to contribute to greater market share and return on investment as well as lower manufacturing costs and improved productivity. There is a widespread consensus that ISO 9000 is a way of managing organisations to improve their customers' satisfaction but there is less agreement as to whether ISO 9000 can help organisations to improve their employees' job satisfaction. This study is aimed to explore the relationship between employees' job satisfaction and ISO 9000 implementation in Malaysia.
What is Job Satisfaction?

Job satisfaction refers to an individual’s positive emotional reactions to a particular job. It is an affective reaction to a job that results from the person’s comparison of actual outcomes with those that are desired, anticipated, or deserved.

People bring mental and physical abilities and time to their jobs. Many try to make a difference in their lives and in the lives of others through working. The reason for wanting a job is often considerably more than just a paycheck. Jobs can be looked at as the means used to achieve personal goals. When a job meets or exceeds an individual’s expectation, the individual often experiences positive emotions. These positive emotions represent job satisfaction. Job satisfaction in turn is a major contributor to life satisfaction (Smith, 1992), a personal goal that many find worth pursuing.

Job satisfaction may be compared to another source of life satisfaction—marriage. When people lack marriage satisfaction or experience dissatisfaction in their union, they often get a divorce. It is similar with the relationship between employee and employer. “Take this job and shove it!” is not only a recorded blue-collar anthem by Johnny Paycheck during the 1980s, but also an illustration of the sentiments and actions of many people who are dissatisfied with their jobs overall or with certain aspects of their jobs.

To grasp the meaning of a construct like job satisfaction, it seems logical to look at how it is defined in the literature. The search for a universal definition of job satisfaction is not a difficult one; it is an impossible one. Even though many researchers define job satisfaction, the definitions vary. The three definitions most commonly referred to among researchers are Hoppock’s, Locke’s, and Vroom’s. In the thirties, Hoppock’s (1935) response to the question ‘What is job satisfaction?’ was: “...any combination of psychological, physiological, and environmental circumstances that causes a person truthfully to say, ‘I am satisfied with my job’(p. 47). Locke’s (1976) answer to
the same question in the seventies was: "...a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (p. 1300). Vroom (1982), who used the terms "job satisfaction" and "job attitudes" interchangeably, defined job satisfaction as "...affective orientations on the part of individuals toward work roles which they are presently occupying" (p. 99). Even though the definitions vary, a commonality among them seems to be that job satisfaction is a job-related emotional reaction.

Extensive research has been conducted on the subject of job satisfaction over the last quarter century. Job satisfaction is perhaps one of the single most extensively researched topics in the field of organisational psychology. Cranny, Smith, and Stone (1992) estimated that more than 5,000 relevant job satisfaction studies have been published during the twentieth century. Many articles and dissertations credit Hoppock's (1935) study of job satisfaction as pioneering work, but his review of other job satisfaction investigations already included 32 studies. Employees from manufacturing, retailing, and service firms; local, state, and federal government agencies; and schools, colleges, and universities have been participants in job satisfaction research.

Why the strong interest in job satisfaction? Roznowski and Hulin (1992) believe that after an individual is hired, knowledge of his or her job satisfaction becomes the most important piece of data a manager or organizational psychologist can have. Robbins (1998) recently concluded that impressive evidence exists concerning the significance of job satisfaction. A satisfied workforce leads to higher productivity because of fewer disruptions such as absenteeism, departure of good employees, and incidences of destructive behavior. The presence of satisfied employees also translates into lower medical and life insurance costs. Society in general benefits too because satisfaction on the job contributes to satisfaction off the job. High job satisfaction as a goal can lead to saving dollars and cents as well as increasing social responsibility.
What is ISO 9000?

ISO is the International Organization for Standardization. It is made up of national standards institutes from countries large and small, industrialized and developing, in all regions of the world. ISO is a non-governmental organization established in 1947.

The mission of ISO is to promote the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services, and to developing cooperation in the spheres of intellectual, scientific, technological and economic activity. ISO develops voluntary technical standards which add value to all types of business operations. They contribute to making the development, manufacturing and supply of products and services more efficient, safer and cleaner. They make trade between countries easier and fairer.

ISO standards also serve to safeguard consumers and users in general, of products and services – as well as to making their lives simpler. ISO develops only those standards which are required by the market. This work is carried out by experts on loan from the industrial, technical and business sectors which have asked for the standards, and which subsequently put them to use. These experts may be joined by others with relevant knowledge, such as representatives of government agencies, consumer organizations, academia and testing laboratories. Published under the designation of Inter-national Standards, ISO standards represent an international consensus on the state of the art in the technology concerned. Currently, ISO consists of national standards bodies from some 140 countries, one from each country.

Since 1987, when the International Organisation for Standardisation first published the ISO 9000 series of quality standards, the world-wide take up of quality certification to the ISO 9000 standard has been increasing rapidly. At the end of 2000, more than 408,000 organisations in over 158 countries, are certified to the standard, an increase of almost 65,000 on the previous year (ISO, 2001).
Organisations in Malaysia are not left behind as already more than 2500 have been certified according to this standard. SIRIM being the national accreditation registrar for Malaysia has certified 2479 organisations as of January 8, 2002. Not taking into account the number of organisations that have been certified for the ISO 9000 by other accreditation bodies such as British Standards Institute (BSI) and Lloyds Register Quality Assurance Ltd. To-date, the total number of organisations in Malaysia which have been certified for the ISO 9000 would not be less than 3000 as estimated by SIRIM.

Over the last two decades, many studies have reported on the implementation of ISO 9000 principles and methods in organisations around the world. Many studies have been conducted to understand and assess the effectiveness of the ISO 9000 standards. The implementation of ISO 9000 has been found to improve customer satisfaction (Avery, 1994), gain competitive advantages (Vloebberghs and Bellens, 1996), increase profitability (Scotto, 1996) and improve product and service quality (Idris et al., 1996). Garvin (1991) investigated the impact of ISO 9000 on performance of 20 US companies that had performed well on the Malcolm Baldrige National Quality Award (MBNQA) in 1988/1989. He found a strong link between ISO 9000 practices and organisational performance measured in terms of productivity, profitability, customer satisfaction and employee relations. Therefore, there is a widespread consensus that ISO 9000 is a way of managing organisations to improve customers' satisfaction but there is less agreement as to whether ISO 9000 can help organisations to improve their employees' job satisfaction. It is therefore the aim of this study to explore the relationship between employees' job satisfaction and ISO 9000 implementation in Malaysia.
Objectives of the Study

This study examines the job satisfaction of employees in the IT organisations with and without ISO 9000. IT industry was chosen because it has become the fastest growing and the key industry in realising Malaysia's national goal to be a fully developed country by year 2020. This strong growth has resulted in the industry emerging as the foundation for a knowledge-based economy and society.

The primary objective of this study is to determine the effects that ISO 9000 certification and organisation size have on the overall job satisfaction as well as the level of satisfaction on each of the five job dimensions i.e. work, supervision, coworker, pay and promotion of these employees. The study also examines the impact that demographic variables have on the job satisfaction of these employees. Thus, the study tests the following hypotheses:

_Hypothesis 1:_
There is no significant difference in the overall job satisfaction between employees in the IT organisations with and without ISO 9000.

_Hypothesis 2:_
There is no significant difference in the overall job satisfaction between employees in the small & medium sized IT organisations with employees in the large sized IT organisations.
Significance of the study

Job satisfaction of employees has a strong influence on the effectiveness of an organisation. It is hoped that this study will provide some insights on the various dimensions of job satisfaction of employees in the IT industry that need to be improved.

Since the IT industry is the key industry in realising Malaysia's national goal to be a fully developed country by year 2020 thus, it is important to study the level of job satisfaction of these employees in order to assist the management of these organisations to enhance productivity and hence enable the industry to fulfil its promise as the cutting edge of the drive towards knowledge-based society.

The findings from this study too would enable IT organisations that aim to achieve the ISO 9000 certification to consider of any effects the ISO 9000 implementation has on employees' job satisfaction. By examining these effects, managers in these organisations would have a better insight and knowledge of implementation ISO 9000 successfully in their organisations.

Furthermore, in an attempt to improve job satisfaction amongst the Malaysian workforce, one cannot merely adopt the findings of studies done on job satisfaction elsewhere and directly apply these findings to the Malaysian context wholesale. It has been found that the factors affecting job satisfaction are situational. Thus these research findings will be beneficial in the field of organisational behaviour, in view of the fact that there is not much literature and research on this topic. In fact most of the past researches on job satisfaction in Malaysia are case studies in nature and therefore their findings cannot be generalised.
Scope of the Study

This study is confined to the IT industry in the Klang Valley. IT industry for this study comprise of companies involved in a whole spectrum of information technology products and services. These includes suppliers of equipment in computing, software developers and suppliers, providers of professionals and educational information technology services, network operators, and suppliers of value added services in information technology.

This study also attempts to relate employee job satisfaction to organisation size. The definition that is adopted for organisation size is the one used by the United Nations Industrial Development organisation (UNIDO) and the World Bank that define:

- Small-sized firms are those employing less than 50 full time employees
- Medium-sized firms are those employing between 50 to 199 full time employees.
- Large-sized firms are those employing 200 and more full time employees.

For the purpose of this study, the small and medium sized organisations have been grouped together and its categorised as small & medium sized organisations and large remains as large sized organisations.

Limitations of the Study

1. Confined to only employees from the IT industry in Klang Valley, the sample selected is inadequate to reflect the job satisfaction of employees throughout the IT industry in Malaysia. A sample size that is more representative of the geographical differences is required in order to generalise the findings.
2. The number of respondents surveyed was not sufficient in order to establish a conclusive trend on the topic in research. This was further compounded when the samples were stratified making the number of respondents smaller, exposing the results to distortion error.

3. This study was an exploratory in nature in establishing the general trend in terms of job satisfaction level among IT employees in Klang Valley. Therefore there are no existing job satisfaction scores under similar topics that this study can be compared with.

4. It is likely that job satisfaction would be influenced by intervening variables such as the technology used, and the various economic and social factors. However, due to the time and money constraints, these factors were not taken into consideration when conducting the study.

5. Differences in terms of organisation structure, management style, etc which all have an effect on job satisfaction, also were not taken into consideration when conducting this study for the same reason.

**Organisation of the study**

This study is organised into five chapters.

**Chapter 1:** Describes the objective and significance as well as the scope of the study.

**Chapter 2:** Outlines literature review of past studies.

**Chapter 3:** Describes the research methodologies employed, the measuring instruments and the statistical tools adopted for analysis.

**Chapter 4:** Analyses and discussed results of the study.

**Chapter 5:** Presents conclusion, its implications and limitations. Recommendations for future research are all suggested in this chapter.