

Common Myths

Associated With the Use of Management System Standards

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Management system standards trace their beginnings to the use of simple preventive practices that were developed and used at the beginning of the industrial revolution. These preventive practices included responses to common problems, for example, 1) ensuring changes are communicated to everyone who needs to know about the change, and 2) attacking the cause of a problem, not just the symptom. Management systems evolved from these simple beginnings and eventually became the formally defined preventive methodologies that today contain a long list of universally accepted preventive practices.

From the time widely accepted management system standards (such as ISO 9001, ISO 14001, and others) came into common use in the late 1980s and early 1990s, many myths and misunderstandings related to their implementation and use have emerged. Belief in these myths is the most common barrier to the use of management system standards and, in addition, the greatest cause of frustration and diminished benefits on the part of users. Understanding these myths can help organizations choose to adopt a management system and ultimately achieve the intended benefits imbedded within all management system standards. This paper has been written to identify and debunk the most common myths.

Dispelling the Myths Related to Management System Certification

1. Management systems require excessive documentation and paperwork.

The most popular management system standard in the world, ISO 9001, requires only six documented procedures, enough to provide transparency, structure, and confidence to the organization, its customers, and its employees. Beyond this, the number of documented procedures depends upon the organization's size, types of activities, and operational needs. Excessive documentation will, in fact, reduce the management system's value to the organization and its customers and should be considered counterproductive.

Points to consider:

- An organization that adopts a management system standard should proceed with a focus on results and practicality, not documents. The intent should be to add bottom-line value to the organization and its customers. The implemented management system should become part of the day-to-day operation of the organization.
- Many management system failures come from organizations creating documents that do not add value. This is often because the organization incorrectly believes that the management system is all about documents and procedures.

2. Management systems don't add value but I have to have one because my customers want me to have one.

Management systems provide bottom-line cost savings and improved profitability and performance through embedded preventive practices.¹ Organizations of any size performing activities of any kind that are considering adopting a management system standard can expect to see increased value to customers and greater return on investment through appropriate discipline and communication.

Points to consider:

- Management systems help organizations avoid mistakes and save resources, time, and money.
- Organizations that are not achieving value from their management systems may not be clear on their true purpose and may be just going through the motions.

3. Management systems are a net cost to my organization.

Studies by Levine and Toffel², Schmeidler, et al.³, and Terlaak and King⁴ have shown that preventing a problem is less expensive – and in many cases *much* less expensive - than dealing with the consequences after a problem occurs. If an organization implements a management system standard and its net cost increases, the organization needs to examine and reconsider its approach to implementing the management system

Points to consider:

- Excessive costs associated with management systems often come from an organization's failure to take ownership of the completed management system. This is particularly true if there is a lack of ownership on the part of top management.
- If you create a system that you are unwilling to work with on a daily basis, it will provide little or no value, and, in fact, may be a net cost to the organization.

4. Management system standards do not allow my organization to be flexible and innovative.

During management system implementation, the organization will need to make decisions that allow it to remain flexible where flexibility is important, while at the same time providing enough structure to ensure good discipline where discipline is needed.

Points to consider:

- Management systems are written in a way that serves ANY organization. If an organization has an inflexible management system that ties the organizations hands, it is because the management system was created that way. Careful decisions are required to balance the need for discipline and structure on one hand and the need for flexibility on the other.

5. Management system certification is not required; therefore, my organization doesn't need it.

Management system standards contain a collection of best practices that have evolved over the last 200 years. Management systems provide a pragmatic, systematic methodology for organizations, helping them achieve results for themselves and their customers. Certification of a management system by an internationally recognized accreditation body (such as the ANSI-ASQ National Accreditation Board – ANAB) will verify the successful adoption of the imbedded preventive practices and will foster confidence in customers and stakeholders.

Points to consider:

- While it is unlikely that legal or regulatory requirements will mandate adoption or certification to a management system standard, certification provides compelling benefits. Management systems provide a clear path and associated transparency related to an organization's methods, measurements and results thus providing confidence in the organizations ability to meet both customer and legal requirements. It is likely that management system standards will become increasingly important in the future because they provide:
 - A proactive methodology for meeting legal, regulatory and other related obligations.

- Internal financial and other benefits associated with the preventive practices embedded in each management system standard.
- Benefits to customers, stakeholders, and the broader marketplace that is communicated when the certification is issued by a certification body accredited by an internationally recognized accreditation body such as ANAB.

6. Management systems don't help my business; in fact, they distract my organization from its core activities.

This myth will almost certainly come true for organizations that use a plug-and-play approach to implementing a management system, instead of making sure documents and practices fit their businesses.

Points to consider:

- Organizations can avoid this problem by adopting management system standards and implementing them in a manner that fulfills its needs and the needs of its customers and stakeholders. Organizations that recognize this and live by their management systems on a daily basis will achieve benefits that greatly exceed any cost or effort.

7. Management systems are a fad.

Organizations have been using management system standards and their precursors in one form or another for more than 200 years. If management system standards had never been developed, organizations would need to follow preventive practices anyway. The preventive practices embedded in management systems standards will always make sense.

Points to consider:

- Management systems contain universally accepted preventive practices that will not fade away.

8. Management system standards do not guarantee product quality.

Nothing can absolutely guarantee product quality. However, management systems can go a long way toward preventing problems from occurring in the first place, thus providing dramatic improvements in results while reducing costs.

Points to consider:

- While management systems do not assure absolute results, the preventive steps imbedded in management systems will dramatically increase the likelihood of consistent product and overall business success.

9. My customer is already inspecting and auditing my organization and our products , so I shouldn't need to adopt a management system and have it certified.

Certification bodies are accredited to audit the full range of an organization's activities. These audits are undertaken by personnel fully qualified to perform these audits, thus providing confidence to the organization, its stakeholders, and its customers. Your customer may be equally qualified to conduct these audits - or perhaps not.

Accredited certification bodies are themselves audited by an independent third party such as ANAB. This is unlikely to be true of your customer's auditors.

Points to consider:

- Use of and certification to management systems standards ensures the successful implementation of preventive steps throughout the organization. Success is then confirmed by a disciplined and consistent audit program that is often more consistent and rigorous than customer audits.
- An audit by one customer does not necessarily convey the same confidence as does the formal process associated with management system use and certification.

10. I already have other certifications (FDA, UL, GLP, GMP), so I don't need to adopt a management system and have it certified.

None of these certifications represent full management systems that are verified by accredited certification bodies. In fact, many of these deal only with product attributes and inspections. They are often narrowly related to production and do not touch on the full range of preventive practices imbedded in true management systems.

Points to consider:

- Many of the certifications that organizations receive are not associated with how their organizations are managed. Certification to internationally accepted management system standards by an accredited certification body ensures organizations are managed and that preventive practices are embedded throughout the entire organization.

Avoiding Common Mistakes

Many of the myths discussed above result from mistakes commonly made during the implementation of the management system. The secret to successful implementation is to allow flexibility where flexibility is important and provide structure where structure is needed. Mistakes in deciding how much flexibility will be allowed within the management system can dramatically reduce positive results and can inflict significant negative consequences for an organization that does not fully understand the customer satisfaction and cost benefits that can be achieved from successful implementation.

One of the more common mistakes is delegating implementation to subject-matter experts - for example, ISO 9001 implementation to quality professionals or ISO 14001 implementation to environmental professionals. Inputs from these personnel will be key to your success but should not provide the sole basis of the implementation. A management system describes the way an organization intends to manage itself to target and achieve benefits, reduce costs, and meet objectives set by top management. All personnel, especially top management, need to be involved (along with internal experts and practitioners) from the beginning of the project. A clear understanding that the end result may be a fundamental change in how the business operates will help organizations make the transition from reactive management to preventive management.

What Your Organization Should NOT Do

- Your organization should not turn the project over to outside experts. Overuse of outside experts can dramatically reduce the organization's ownership of the completed management system. It can result in top management and employees not understanding what is happening or why changes are being made. A knowledgeable external consultant may be able to provide valuable insight and can help streamline your project, but day-to-day ownership on the part of your organization is the single most important attribute of successful implementation.
- Your organization should not implement a management system and associated procedures

just because they have been developed and successfully used by another organization. No two organizations do things in exactly the same manner. What works for one organization will not achieve the same success for another. The worst-case scenario is that you implement a management system that another organization has used to become certified, but they have only received the certification and not all of the corollary benefits embedded within the management system.

Conclusion

Put simply, management systems prevent problems. They work efficiently and effectively whenever organizations can get past the myths addressed in this article. Use of management systems standards and the associated accredited certification process should reduce costs, improve results, and provide confidence to customers, stakeholders, and organizations.

Footnotes:

- ¹ Mark Ames, Reg Blake, Michael J. Caruso, and Phil Heinle, "Evidence That Sets the Record Straight – How Management System Standards Add Value to Any Organization," Aug 2011 Quality Digest.
- ² David I. Levine, and Michael W. Toffel, "Quality Management and Job Quality: How the ISO 9001 Standard for Quality Management Systems Affects Employees and Employers," Harvard Business School, 2008.
- ³ Peter Schmeidler, Robert King, and Paul Scicchitano, "Study of the Value of ISO 14001 Certification," Wharton Risk Management and Decision Processes Center in cooperation with the ANSI-ASQ National Accreditation Board and QSU Publishing Co., 2007.
- ⁴ Ann Terlaak and Andrew A. King, "The Effect of Certification with the ISO 9000 Quality Management Standard: A Signaling Approach," UW-Madison Tuck School of Business, 2006.

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