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# Certification; a helpful tool or a necessary evil?

-A study of the external pressures on the implementation of the ISO 9000 certification and its effects on collaboration

Bachelor thesis in Industrial and Financial Management  
School of Business, Economics and Law, Gothenburg University

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## ABSTRACT

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**Bachelor thesis in Industrial and Financial Management, Spring 2011**

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**Title:** Certification; a helpful tool or a necessary evil?

**Key words:** ISO 9000, collaboration, standard, external pressure

**Background and problem:** As trade has become more globalized, the need for good affiliates has grown. As a reference point, large organizations therefore have started to require their suppliers to implement quality management standards. One of the standards most frequently used today is ISO 9000, leading to the problem formulation: “*Why* do buyers require that their suppliers to be certified with ISO 9001 and *how* does this standard affect the collaboration between the parties?”

**Aim:** The aim of this study is to gain deeper knowledge and understanding of why businesses choose to require their suppliers to be certified with ISO 9001 and how this certification affects the collaboration between the parties involved.

**Delimitations:** The empirical studies were limited to two organizations, one supplier and one buyer. Furthermore the organizations were to have ISO 9000 implemented where one had implemented ISO 9000 due to customer requirements and one required their affiliates to be certified with the quality management standards.

**Method:** A qualitative study was made, using an abductive and hermeneutic approach, investigating the questions of the problem formulation. Interviews with two companies on each end of the collaboration process were found most suitable.

**Conclusion:** There is no evidence that ISO 9000 guarantees an affiliate to be a better collaborator, since the result of the implementation is dependent upon the attitude in the implementing organization, which cannot be controlled. However, when implemented the right way, ISO 9000 is useful due to a mutual platform and mutual language that facilitates communication, enhancing the collaboration process which might be reason enough to require the standard.

**Suggestions for future research:** This question should be investigated with more participating companies, in order to receive a broader and more generalizable answer. It would be interesting to compare ISO 9000 with other quality management standards, such as Six Sigma, to see differences and understand how other standards affect the collaboration.



## **PREFACE AND ACKNOWLEDGEMENTS**

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After a long and intense writing process this thesis in Industrial and Financial Management is completed. It has been an educational period where the ability of both being an initiator and an analyzer in the writing process has been put to the test. Many thanks are expressed to the interview respondents at Göteborg Energi and Witre, without You this thesis wouldn't have been possible to write. The time taken from Your busy agendas is appreciated and has contributed strength to the paper by the insightful responses and thoughts given. Furthermore, thanks to Jon Williamsson, the advisor who acted as a support in this period. Last but not least, special thanks are conveyed to Annika Darland for the linguistic support.

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## 1. INTRODUCTION

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*This chapter aims to describe the background of the thesis as well as give a presentation of the problem and aim of the thesis. Furthermore, the chapter also describes the delimitations made.*

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### 1.1 Background

As trade has become more globalized, the level of competition and the pursuit of competitive advantages have become more crucial for business survival (Hill, 2010). The increasingly hectic market conditions emphasizes the value of being active in the search for the right supplier, which leads to the importance of having a basis of comparison between companies; a standard. This standard creates a basis of evaluation in the choice of a supplier (sis.se, 2011).

Together with globalization, the integration among businesses is a central factor in the growing importance of standardization. Previously companies have been more involved in a larger part of the value chain, but today companies are more integrated with each other and are more familiar with the concept of outsourcing and specialization. The trade of components and the use of semi-manufactures between businesses has become more common now than producing everything yourself. In this context relationships between companies are becoming more important which creates a need for standardization between them (Lumsden, 2006).

The need for a reference point has prompted the emergence of different standards that businesses may choose to be certified in. A certification communicates that certain requirements are fulfilled. One of the world's largest developer and publisher of standards is the International Organization for Standardization, ISO (Poksinska, 2006a).

The most commonly published standards from this body are the ISO 9000 focusing on quality management and the ISO 14000 standard focusing on environmental issues. This study will focus on the ISO 9000 standards which have become one of the most widely used management tools in the world today with almost a million certified organizations worldwide (SWEDAC, 2008).

The public opinion about the effectiveness of the ISO 9000 varies; some say that the certificate is a waste of time and others believe that it is a good foundation for quality management. Recent research has shown that a large part of the companies using the standard chose to implement it due to external reasons such as customer requirements (Offerman, 2010).

Bozena Poksinska (2006b) concluded in her study that the benefits of the standard differ based on whether the reasons for certification were internal or external. If businesses only implement ISO 9000 due to external reasons such as customer requirements, the only benefits achieved with the certification will be the possibility to show the certificate to others.

In another study made by Poksinska (2003), she found that because of today's business climate the ISO 9000 standard is a must if one wants to keep up with competitors. Because the implementation has become almost obligatory, it no longer gives a competitive advantage. However it is a disadvantage not to have it.

## **1.2 Problem discussion**

ISO 9000 has become so widely used that corporations such as ABB, Volvo and SAAB state the certification as a criteria for doing business with them (SWEDAC, 2008). As the popularity of the ISO certification has grown, the field of certifications has received a lot more attention in the media. Due to this, an increased awareness of the ISO 9000 standards and its importance in today's trading is acknowledged in this study. With a deepened knowledge of the subject, an interest to investigate the questions and problems with the certification process emerged.

Research has shown that it is beneficial for a company to become certified with ISO 9001 if the certification process is carried out for internal reasons. These benefits include better internal structure and better information system etc. However the same research also shows that there is no evidence that a company is automatically beneficial from an ISO 9001 certification if the certification is done for external reasons such as customer requirements (Poksinska, 2006b). This is an important distinction to make as a majority of businesses are being certified for external reasons, which in turn implies that a number of these businesses have not benefitted from the certification.

If companies use the certification requirement due to mere conventions or due to a belief that it is a mark of quality this notion must be questioned. Since there is no support that the certification automatically improves the quality of a company when implemented for external reasons, the requirement of it might be seen as superfluous or meaningless.

Previous research has largely focused on the reasons why a company should become certified and whether or not this certification makes the company more efficient within their organization. There has however, been a gap in the research about the collaboration between corporations who have implemented the standards of ISO 9000. This gap will be the focus of this thesis. When companies choose to require certifications from their business partners, the relationship between the companies becomes relevant for this thesis since one can assume that an improved collaboration is a possible explanation for the requirement. However, no research indicates that a company would really improve collaboration.

The title of the thesis; “certification; a helpful tool or a necessary evil?” concretizes this problem discussion that hopefully can be answered by focusing on the two major questions how and why, which are substantiated through the following problem formulation:

“*Why* do buyers require that their suppliers to be certified with ISO 9001 and *how* does this standard affect the collaboration between the parties?”

### **1.3 Aim**

The aim of this study is to gain deeper knowledge and understanding of why businesses choose to require their suppliers to be certified with ISO 9001 and how this certification affects the collaboration between the parties involved.

### **1.4 Clarifications**

The collaboration mentioned in the problem discussion is narrowed to the interaction between the organizations. When two organizations are in business with one another, the interaction creates a relationship. It is this relationship that is intended when mentioning collaboration in this thesis.

Throughout this thesis, the terms company, corporation, organization and business are regarded as synonymous. Furthermore, the phrase ISO 9000 in this thesis refers to the ISO 9000 family with the four primary standards: ISO 9000, ISO 9001, ISO 9004, and ISO 19011. When mentioning ISO 9001 specifically, the authors refer to the certification itself.





## 2. METHOD

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*This chapter describes the methodological choices for data collection and the research approach of the thesis. A discussion and explanation is presented regarding the respondents and interview. The chapter ends with a discussion of the credibility of the thesis.*

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### 2.1 Scientific approach

In a thesis, a central part is the scientific approach which is carried out throughout the process. The different scientific theories and approaches describe how one relates to the surrounding based on previous experiences and values. Three major approaches here are hermeneutics, positivism and pragmatism which are described below (Fischman, 1999).

In order to fulfill the aim of the study the hermeneutic approach is used; which describes that reality is a social construction, and focuses on understanding and interpreting the results rather than describing them. The Positivistic approach is objective and says that knowledge is derived from empirical studies which are obtained by emphasizing systematic tests rather than speculations. The pragmatic approach is positioned between positivism and hermeneutics and focuses on contextualizing knowledge (Arbnor & Bjerke, 1994).

### 2.2 Research approach

Two questions were formulated in order to fulfill the aim: why and how. The first question was investigated through an explanative study and the second by making a descriptive study. An explanative study is used when seeking a deeper knowledge about a problem by describing and explaining the reality. The descriptive study focuses on describing rather than explaining a situation where there already exists basic knowledge and understanding of the matter at hand (Arbnor & Bjerke, 1994; Björklund & Paulsson, 2003).

Because this study was based on information from both theory and empiricism, an abductive approach was chosen to address the problem formulation of this thesis. The abductive approach is a mix of deduction and induction and is used when oscillating between theory and empiricism (Björklund & Paulsson, 2003). Deduction is an approach where the data is based on existing theory which later on is tested by falsifying or verifying hypotheses about the problem. Induction, on the other hand, begins in the empirical world without any reviews on existing theories before the case study, hence the oscillating occurs from empiricism to theory (Arbnor & Bjerke, 1994).

### 2.3 Research method

A qualitative method was chosen to investigate the problem of this study. Due to the fact that the problem discussion was formed on a subjective approach with the aim of seeking a deeper knowledge, it would be more favorable to make a study based on less data analyzed from a more

qualitative and subjective approach where time resources can be used to deeply assess the few companies analyzed. Furthermore, the problem is investigated by analyzing two companies from each side of the collaboration process where interviews were found most suitable because it enabled the possibility to get to know organizations from within. Through a literary study and through interviews, this study aims to shed light on the question of whether a certified organization by default is more competent than a non certified company and if the collaboration between the companies really is improved due to the ISO 9001 certification.

## **2.4 Selection of respondents**

In a market, large corporations often require their business partners to be certified with a quality management system (SWEDAC, 2008), where ISO 9000 is one of the most common (Poksinska, 2006a). The empirical data has been limited to two companies which were certified with ISO 9001. One of the companies was to be certified in ISO 9001 due to customer requirements and the other was to require their business partners are certified with ISO 9001. Because the question at issue partly focuses on the collaboration process, the respondents were chosen on the basis that they were on opposite sides of the collaboration process, one supplier and one buyer. Furthermore, the criteria for the supplier chosen were that it had to be a small company that had implemented ISO 9000 due to requirements from big and important customers. The criteria for the customer were the opposite; a big company that requires ISO 9000 from their business partners and that the company itself had implemented ISO 9000 in their business.

When choosing the company that had implemented it due to requirements, the supplier Witre was chosen. This company was also chosen because it is a smaller company and therefore perhaps did not have the option to ignore the requirements of the certification. When choosing the company that requires the certification, Göteborg Energi was chosen. This organization is a large buyer in its market and is therefore able to put pressure on smaller suppliers, making them a good respondent.

### **2.4.1 Göteborg Energi**

Göteborg Energi is a wholly-owned subsidiary of Göteborgs Kommunala Förvaltnings AB. With its 1198 employees it is one of Sweden's largest energy companies providing electricity, gas, district heating and other services (Goteborgenergi.se a, 2011). The company strives to work according to its four core values of vision, stability, expertise and focus on the environment. Göteborg Energi annually purchases goods and services from their suppliers to a value of a billion SEK. The company has, for cost-saving purposes, chosen to have their procurements, purchases and suppliers covered by the framework agreement (Goteborgenergi.se b, 2011). A framework agreement means that one or more contracting authorities lay down conditions regarding future contracts and agreements with

a supplier. Once a framework agreement is written, there are rules regarding allocations of the contracts, and how the conditions of an individual call-off may not be waived significantly from the framework agreement (kkv.se, 2011).

Göteborg Energi began the process of quality management in the mid 90s and is currently certified with ISO 9001 and 14001 (GE1, 2011). On the company's website, Göteborg Energi notes that they value quality and says that *"the certification guarantees our customers that we have structured routines for key approaches, that we are working to increase customer satisfaction and that the work is regularly audited by third parties"* (Goteborgenergi.se c, 2011).

Furthermore, Göteborg Energi has chosen to almost exclusively work with suppliers who are also ISO certified. When procurement arrangements for the framework agreement are made, a selection process with a point-based ranking system is used (GE2, 2011). ISO certification, price and past experiences are some key components in the rankings. If a possible supplier doesn't meet one of these components in a satisfactory manner this leads to a lower score and a possible early lapse in the procurement process, when the score is not high enough.

#### **2.4.2 Witre**

Witre is a business to business company that was founded 1981 in Strömstad and currently operates in all of the Nordic countries (witre.se a). The company that is located in Mölndal offer office supplies and equipment through distance selling via catalogs and web-shops on the Internet (witre.se b). With its 80 employees Witre works with both small and large customers where ABB, Volvo, DHL and Statoil are a few of the larger ones. The company offers over 15 000 different products and has more than 400 orders per day in Sweden, Denmark, Norway and Finland (W4, 2011).

Witre has worked with quality management since they first got certified with ISO 9001 in 2003; however Witre didn't consider the implementation as successful until they redid the certification process in 2008. The first try in 2003 wasn't successful because the system was implemented in a far too complicated way but in 2008 in was simplified and more tangible making the implementation more successful (W2, 2011). Today, the company is certified with both ISO 9001 and 14001 and works actively with quality and environmental issues (witre.se c).

The quality policy of Witre describes how important the quality management is for them and that all the employees should work with it on a daily basis in order to improve the quality in the organization. Further the policy describes that *"a sustainable work of improvement [in quality] results in customer satisfaction, increased productivity, efficiency and sustained profitability"* (witre.se d).

## **2.5 Data collection**

When collecting data a distinction can be made between primary and secondary data. In this thesis, primary data was primarily used and collected through qualitative interviews. A collection of secondary data was made as a through a literary study as a background to help explain the nature and basis of the problem formulation.

At each company an interview was performed with a person highly involved in the implementation of ISO 9000 to understand the reasons for implementing, the results of it and their general thoughts on the process. To be able to see how it actually affects the collaboration process, interviews was made with people in the organizations working with tasks involving outside companies.

### **2.5.1 Interviews**

The interviews were semi-structured in order to get more deeply assessed answers. Furthermore the interviews were constructed more as a dialog rather than a “question-answer situation”, to make the respondents more comfortable. The interviews were held after the framework of the thesis was completed to be able to ask well informed questions. The interviews were recorded to give the conversation a flow and not miss any details when taking notes. The interviews were performed by both authors, one asking the questions and the other writing down the answers and possibly ask complementary questions. Open and objective questions were asked to receive answers in accordance with reality.

The main questions related to the thesis (see Appendix) and the problem formulation, were sent to the respondents before the interview, giving the respondent the opportunity to answer the questions as thoroughly as possible and feel prepared for the interview. Further the authors chose to explain the thesis in an early stage in the interview in order to receive answers that actually touch the problem formulation. To make the respondents more comfortable, they were informed that the answers would be anonymous and that he or she was to be assigned alias. The number of respondents was chosen on grounds that the input would be sufficient, which the authors felt was achieved. After the empirical work was completed, a draft was emailed to each of the respondents and thereby providing them the opportunity to make comments and corrections to ensure that every answer was interpreted correctly by the authors.

## 2.5.2 Respondents

### Göteborg Energi

**GE1** is a person at Göteborg Energi who has been involved in the company's implementation process of ISO 9001 since day one. The respondent has worked at the company for many years and currently works with large corporate customers. Furthermore, the respondent is actively involved with activities around ISO and has been so since the company was certified in the 90s. Thus, the respondent is well versed in the procedures around certification and its results and effects.

**GE2** works as a buyer at Göteborg Energi and is relatively new in the company. The person has through this current position much contact with buyers and suppliers and is involved with the interaction between Göteborg Energi and its affiliates. As a newer employee, GE2 may be a good counterweight to GE1 as GE2 can point out how the certification is actually implemented in the company.

### Witre

**W1** has a high leading position at Witre and may give a leader perspective of the ISO 9000 standards. The respondent has worked at Witre since 2008 and has a past as a management consultant working to secure and improve failed projects.

**W2** works with business development and is responsible for the Sales department of Witre with focus on key account customers in the Nordic countries. The respondent has been working at Witre for many years and is familiar with the history of the implementation of the ISO 9000 standards in the company. Due to this, the respondent may give a complete picture regarding the implementation of the ISO 9000 standards. Moreover, the respondent may describe the interaction or cooperation between Witre and their key customers in a well informed way.

**W3** is greatly involved with the activities around ISO 9000 and how the standard should be handled in the day to day work. The respondent is familiar with the benefits and drawbacks of the standard and may have good insight in how the implementation of the standards progresses within the company.

**W4** works with the Key Accounts in the Nordic countries as well as being involved with the internal audits of the standard twice a year together with external auditors from an auditing company. Because of the involvement in these, the respondent may give a good view over how the certification works and how the revisions made are working.

### **2.5.3 Interpretation and analysis of the empirical data**

The presentation of the analysis and empirical data were divided into two separate chapters in order to present the material in a more objective way, giving the reader the possibility to form their own opinion about the answers in the interviews. Since a qualitative method with few interviews was chosen, sufficient time could be focused on the analysis and interpretation of the material together with time to follow-up the answers.

## **2.6 Discussion of credibility**

This qualitative study has been based on the empirical data from only two companies. However the authors feel that the answers have been honest and sufficient. The respondents have been helpful and haven't in any way tried to hinder the working process; this could be due to the anonymity of the respondents. After each interview the respondents were given the possibility to review, comment and approve the empirical findings, giving the thesis credibility since the interpretations of the empirical data could be considered correct. Because the same main questions were sent in advance to all respondents the credibility was heightened in the sense that the answers were somewhat prepared and comparable. However, prepared answers are more likely to be distorted because they are not spontaneous, therefore the answers may be analyzed with some distance (Patel & Davidson, 2003).

The conclusions made in this thesis were based on two companies but can however be generalized, under the same circumstances, since they represent two sides of a collaboration process. Because the companies are so different in size, structure and organization they make a good foundation for equivalent conclusions for companies under the similar conditions. However the scope of this is narrow and to make a wider generalization more research has to be conducted (Patel & Davidson, 2003).



### 3. THE FRAMEWORK OF THE THESIS

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*This chapter presents the different theories relevant to the topic. Firstly, a presentation of ISO 9000 will be made together with relevant research in the matter. This chapter also aims to explain the theories used from which the problem can be interpreted.*

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#### 3.1 ISO 9000

The ISO 9000 is a family of standards with which companies can be certified to display that certain requirements are fulfilled and that the quality of the products and/or services meets the general demands. Further the certificate is a way of facilitating and unifying companies within fields by working after the same set of standards. In other words, the aim of the standard is systematic quality assurance and control (Dale et al, 2007).

The standard is published by ISO (International Organization for Standardization) which is one of the world's largest developers and publishers of international standards. ISO, which is a non-governmental organization, is located in 160 countries (iso.org a, 2011) but doesn't certify companies or organizations itself. This is done by national organizations and businesses that perform the certification as well as the regular audits (iso.org b, 2011). In Sweden the standards are controlled by SIS, Swedish Standards Institute but the certification can be done by certification companies.

ISO currently has over 18500 different types of international standards ranging from more product specific standards focusing on for example agriculture, mechanics and transport to mechanical engineering (iso.org c, 2011). However, ISO has developed two more "generic management system standards", ISO 9000 and ISO 14000 meaning they can be applied to all types of organizations regardless of what type of ownership is applied, if it is product or service orientated or if it's a large or small organization. ISO 9000 focuses on quality management by implementing a generic set of requirements which shall be explained further below. A similar set of generic requirements are used to implement ISO 14000 but is focused on environmental quality management (iso.org d, 2011).

As previously mentioned the ISO 9000 family is a generic system and within this family there are different types of standards. At the moment the ISO 9000 family is divided into four different subcategories which cover specific aspects such as fundamentals, regulations, implementation and economics. The ISO 9000 is the first and describes the principles and the terminology of it all. The second subcategory is a requirement standard named ISO 9001 and is what companies may certify their organization with. It is based on eight principles, ranging from leadership to continuous improvement. If all eight principles are achieved a company may be certified. If certified, an annual revision will be conducted to monitor that continuous work is in accordance with the standard. To give guidance in the implementation and use of these standards a third category has been

developed, ISO 9004. To help organize how the revisions of the certification and standards shall be planned, implemented and handled the fourth category, ISO 19011, has also been added to the family (iso.org b, 2011).

### **3.2 Previous research of ISO 9000**

A lot of studies have been made around ISO 9000 where Bozena Poksinska is one of the most mentioned Swedish experts within the field. She and many other authors in the subject have focused on the implementation of the standard itself and its efficiency.

The reasons for implementation can be divided into two different categories; external and internal. The external reasons are for example customer requirements, corporate image and marketing purposes while the internal reasons focus on efficiency and improvements of the organization (Poksinska, 2006b). These factors, both external and internal, may influence the motivation for the implementation affecting the outcome (Dale et al, 2007).

Poksinska (2003) argues that when implementing for internal reasons, the ISO 9000 standards might very well make an organization more efficient internally. However, if the implementation occurs solely for external reasons such as demands from large customers the benefits will only occur internally. In other words if a business implement an ISO standard only because of customer requirements the only benefit reached with the certification may be the possibility to show the certificate to others.

The benefits of certification, if implemented for internal reasons, are for example more control over organizational processes. Hence, implementations for internal reasons are connected with internal benefits of the organization while implementations for external reasons are connected with external benefits such as corporate image. A commonly mentioned disadvantage with the implementation of the ISO 9000 certificate is the immense paperwork and the bureaucracy problem. The control of the fulfillment of the requirements may be perceived as a waste of time and merely a way to accomplish the mandatory requirements agreed on (Poksinska, 2006b; Dale et al. 2007).

As a result of the standard showing what to do but not how to do it, Poksinska (2006b) states that there are many ways of adopting the standard which may lead to different results among businesses. Therefore it can be argued that there is no certainty of good quality just because of the certification. Furthermore the maturity level of a company is an indicator of whether companies go through a radical change or practice their business as usual when implementing ISO 9000. Hence, there is no proof that a company has to change anything as a direct effect of the standard certification.



### **3.3 Theories**

Since the problem discussion in this thesis is focused on the relationship between companies and the reasons for standardization, the theories used are focused on explaining processes in this matter. Three important theories are presented: institutionalism, isomorphism and a collaboration theory. Institutionalism is described below as an explanation of why companies behave the way they do and may here give an explanation for why the requirement of ISO 9001 exists. Further, a branch of institutionalism, referred to as isomorphism, is presented and is more focused around the fact that corporations imitate each other in order to appear legitimate which may explain why ISO 9000 has become so widely used. Lastly, a brief explanation of what collaboration means and how it can be analyzed from a general business perspective is presented which explains whether or not certification is helpful or not in the aspect of collaboration.

#### **3.3 1 Institutionalism**

Institutional theories have during recent years become popular as a way to explain the behavior of organizations. An example of institutionalism is when an organization adapts to the norms due to market pressures. These pressures are often external, but they may also come from within the organization or from the top management. One way for a company to adapt to these market pressures has become to certify and standardize their business to get market approval (Zucker, 1987). In other words, institutionalism illustrates the impact of following formal as well as informal rules instead of acting rationally in the decision making process. Furthermore, this theory describes how a corporation affects their surroundings and is influenced by others (Eriksson-Zetterquist, 2009).

The development of Institutional theories, leading subsequently to different branches of specialization, is rooted in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries where Veblen and Selznick are prominent names. The early institutional theory, emerged as a reaction to the classical way of viewing organizations in the economic and political scientific approaches, and emphasizes the importance of change including the surrounding's influences on the occurring transformations of the organizations (Eriksson-Zetterquist, 2009).

Veblen and Polanyi, who were of great importance to the early institutionalism, were among the first to describe institutions in a more developed and concrete way. In their work the illustration of the appearance and emergence of institutions are emphasized (Eriksson-Zetterquist, 2009). Veblen (1899/1994) argues that the leisure class, or upper class, participate in a sort of game where they compete to appear the best, most successful or most beautiful by acquiring possessions. This kind of game is deeply rooted in the leisure class' mind where the competition is based on habits, rather than rational behavior.

Philip Selznick contributed early to the discussion regarding organizations with his article *Foundations of the theory of organization* (Eriksson-Zetterberg, 2009). The article introduced the concept of cooptation, which refers to “the process of absorbing new elements into the leadership or policy-determining structure of an organization as a means of averting threats to its stability or existence” (Selznick, 1948). Selznick had this term as basis for his upcoming study, the TVA-project. Cooptation, in more concrete terms aims to describe the process of influence by the members or the surrounding in an institutional environment, leading to adjustments in the leadership or the structure of the organization. Further Selznick (1949) analyzed the conflicts of an organization’s every-day-life in the TVA-project, where he came to the conclusion that all organizations must adjust to the institutional environment where they operate.

From the early institutionalism the new institutionalism was developed, where two central works are emphasized; *Institutional organizations: formal structure as myth and ceremony* by Meyer and Rowan in 1977 and *The iron cage revisited: institutional isomorphism and collective rationality in organizational fields* by DiMaggio and Powell in 1983. (Eriksson-Zetterquist, 2009)

Meyer and Rowan (1977) present that the formal structures of an organization may act as myth and ceremony, which, in order to maintain legitimacy by isomorphism (imitation) with the myths, would subsequently lead to a decrease in internal coordination and control. Further, they claim that it has become more popular for organizations to arise in highly institutionalized environments where prevailing concepts (or myths) are followed to enhance legitimacy and survival prospects.

It is important to distinguish formal structures in an organization from the day-to-day work in the company. The formal structures in a corporation consist of parts that are linked together with clear policies and objectives of the firm. These formal structures don’t function as control or coordination of the firm, they only contribute to legitimacy. The parts of the formal structure in a business are often institutionalized and may many times be called myths. Hence, the formal structure in a company is often a myth, where efficiency isn’t necessarily the primary goal; it rather serves to make an organization appear rational and appropriate (Eriksson-Zetterquist, 2009; Meyer & Rowan, 1977).

In sum, Meyer and Rowan (1977) claim that the formal structure of an organization doesn’t make the company successful, it is rather the legitimacy derived from the structure that creates the success.

### **3.3.2 Isomorphism**

From the new institutional perspective in organizational research, the notion of a new organizational field has emerged; isomorphism. An organization often feel the need or desire to legitimize itself amongst others within the field and therefore tend to mimic organizations that they see as successful

or legitimate. If a company is to be successful it has to gain the acceptance and legitimacy of other actors in their field of business, which is often achieved through mimicking and institutionalization. As more and more organizations with corresponding characteristics are drawn towards each other, a bigger resemblance in the organizational fields is created (DiMaggio & Powell, 1983).

This process of homogenization is often referred to as organizational isomorphism and was first mentioned by Amos Hawley (1968) who described this isomorphic process as a “*constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions*”. The fact that a field is influenced by the same set of institutions doesn’t necessarily make it more efficient, but is rather a natural response when lacking inspiration or an effective management (DiMaggio & Powell, 1991). Meyer and Rowan (1977) argue that this response from a company, to base their formal structure on the institutional myths rather than their own needs and yields to the institutional forces, is part of the isomorphic process. There are three different kinds of isomorphic processes: coercive, mimetic and normative.

*Coercive isomorphism* is based on political influence and appears when the process of homogenization is forced upon an organization. This process could be created for external reasons such as political interventions including new laws, constitutions and guidelines. Another example of coercive isomorphism is when weaker companies are forced to obey the rules, formal or informal, set by larger corporations that they are in some form dependent upon (DiMaggio & Powell, 1983).

*Mimetic isomorphism* arises when a company feels insecure and mimics another organization they perceive as successful. This process is consequently not derived from coercion but from insecurity which as well can be seen as a powerful force to encourage imitation. When organizations are faced with an uncertainty of some sort a common response and reaction is to glance at other companies to seek an answer. This way of adapting to uncertainty, intentionally or unintentionally, may be convenient both economically and practically as the information can be easily accessible (DiMaggio & Powell, 1983).

*Normative isomorphism* is, unlike the previous processes, created from the wish of professionalization. This means that organizations strive to adapt in an attempt to define the conditions and methods of their field of work and to establish a base and legitimacy of their profession or field. The isomorphism here can be seen when organizations employ the same type of people, with the same background, who read the same books, who have been educated at the same type of specialized school (DiMaggio & Powell, 1983).

DiMaggio and Powell (1983) mention that neither of these isomorphic processes guarantees an increase in internal organizational efficiency nor is there any evidence to ensure that the organizations adapting through isomorphic processes do what they do better than the companies in their field, which have not undergone any isomorphic changes. Furthermore, DiMaggio and Powell (1983) conclude that as organizations become more homogenous due to isomorphism; their ability to change after the homogenization will be constrained due to the similarities created between them.

### 3.3.3 A theory of collaboration or cooperation

Cooperation or collaboration exists everywhere in the environment, leading to difficulties to define a general theory of this wide and broad concept. Researchers have tried to define a more concrete and general theory of collaboration or cooperation, but a widely accepted general theory has not yet been formulated. In the Dictionary of Economics cooperation is defined as an *“Agreement by two or more individuals, firms, or governments to work together”*. This formulation or definition is a very simplified explanation of a complex topic and issues can appear from this formulation. A person who is often quoted on the subject of cooperation and its definition is Barbara Gray (1989, p.5) who defines cooperation as:

*“A process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited version of what is possible”*

This formulation has been used and modified by different researchers who have tried to gain a better understanding of the concept. Two of these are Donna J. Wood and Barbara Gray in their article *Toward a comprehensive theory of collaboration* (1991) where they tried to create a more concise theory of collaboration with the help of existing theories. Wood and Gray argue that the existing interpretations of collaboration have some common denominators. Through these similarities, they have developed a modified version of Gray's definition from 1989:

*“Collaboration occurs when a group of autonomous stakeholders of a problem domain engage in an interactive process, using shared rules, norms, and structures, to act or decide on issues related to that domain.”*

Wood and Gray also describe the different parts of the definition above that may be unclear. For example, in the formulation they refer to “stakeholders of a problem domain” as the parties that either have common or different interests in the problem domain. Moreover Wood and Gray state that; these parties may have both common and different interests in the beginning of a cooperation process, but they will be redefined as the process progresses. In other words two parties may begin

in different places but through the growth of the cooperation they will develop more common interests. The term autonomous is described in this article as important to the cooperation process because it formulates whether stakeholders are acting in an autonomous way, or if you leave the governance to the cooperative alliance.

Wood and Gray (1991) explain that the rules, norms and structures in a cooperation or collaboration may either be implied or formulated explicitly. Finally, cooperation may either be "*intended to act or decide*" which describes that a cooperation can only occur or progress if the parties either decide or act on something.

The environmental complexity and control is affected by the new definition of cooperation in the article by Gray and Wood from 1991. They suggest that certain companies cooperate to be able to reduce the complexity and control in the surroundings. Cohen and Makin (2002) state that the traditional definition of cooperation and collaboration isn't enough to survive in the increasingly hectic market conditions, companies must do something more. They must adapt to the complexities of globalization that affect the cooperation process. In order to develop successful collaborations between two parties or more, the partners in this type of complex environment should for instance develop shared values and norms between them. Hence, shared value and norms may be translated into a standard such as ISO 9000. This standard may be referred to as a reference point that shows the fulfillment of certain mutual requirements (Poksinska, 2006b).



## 4. EMPIRICAL FINDINGS

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*This chapter includes a presentation of the empirical findings in the form of a brief summary of the points of interest from the interviews. The statements made are the opinions of the respondents and not the companies.*

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### 4.1 Interviews

In the following section some key elements from the interviews are presented. Due to limitations in scope, only relevant parts of the interviews are portrayed and presented. The authors refer to the recorded material of all the interviews for further study.

#### 4.1.1 Göteborg Energi

As mentioned previously GE1 works with large corporate customers and is actively involved with activities around ISO and has been so since the respondent played a central role in the certification process when the company was certified in the 90s. GE2 works as a buyer and is relatively new in the company.

#### Reasons for ISO certification

GE1 explains how the company during the mid 90's had many requests about the ISO 9001 certification. Because of these requests, a process of quality control was started and eventually led the company to be certified with ISO 9001. GE1 furthermore believes that the decision of implementing the standards was a good decision because the respondent considers that it had a positive impact on their internal structure. GE1 explains that due to the circumstances prevailing in the market, a company must be able to identify how they work with quality and the ISO 9001 certification was helpful to identify the processes that were already implemented in the organization. Furthermore GE1 believes that the reason why Göteborg Energi preferably works with suppliers that are certified is:

*“Certification is a mutual platform that facilitates communication and describes how a company works with quality assurance”*

Moreover, GE1 says that the interaction is facilitated if one partner can describe and substantiate its procedures through certification, standards etc. GE1 points out that while the ISO 9001 certification is not explicitly required by Göteborg Energi, it is however most desirable for mentioned reasons.

GE2 thinks that the reason for Göteborg Energi choosing to preferably work with ISO certified companies is that the certification is somewhat of a proof that a supplier is fair. Furthermore GE2 believes that the decision of introducing a ranking system that rewards certified organizations has increased the quality of their suppliers. In addition, GE2 states:

*“The ranking system does not disadvantage those who are not certified with ISO 9001, but we do however reward those who are. I don’t think that any good suppliers will be overlooked through this policy. As mentioned before, we don’t disadvantage those who aren’t certified”*

### **Useful system?**

Both GE1 and GE2 agrees that ISO 9000 is a useful system, although they present their answers in different ways. GE1 believes that through the standard, a company has a better understanding of quality and that the standard gives an insight and shows how a company can be steered to certain quality objectives. Further GE1 explains that Göteborg Energi didn’t change so much when implementing ISO 9000; they only substantiated the processes and work around quality in the company nor did they change their way of working. GE1 explains that everything just got more structured with the certification and states:

*“ It is a very useful tool because it provides guidance on running a business. If you interpret it with some common sense its nothing strange at all, it only gives a good structure to the company”*

Furthermore GE1 doesn’t think that the quality of Göteborg Energi’s services has increased due to ISO 9000, but agrees that this is very hard to measure. GE1 believes that the popularity of the ISO 9000 standards have much to do with the certification being an international standard as well as it provides support under procurements as the standards help to ensure a functioning quality system. Hence, the standards provide a mutual language between the certified organizations. GE1 states that:

*“The standard doesn’t say anything about the quality itself in the company; it only says that the ones certified have an ability to manage their company in a good way”*

Further, GE1 describes that it would be easier to be certified in ISO 9001 than not have the standard implemented at all:

*“If you are able to implement the ISO 9000 standards in your business you are in the club, if not it will be harder to compete in the market and you have to prove your company quality in a different way. ISO 9000 can be the easiest way out”*

In addition GE2 states that the benefit of ISO 9000 is mainly that the buyers within the organization are able to identify the good companies with the help of the standard. Towards the end of the

interview GE1 mentioned that Göteborg Energi have thought of what would happen if they left the standard. GE1 believes that in a short-term period it wouldn't affect the company at all, but in the long run the pressure of the maintenance of the system would fall. This also applies if the yearly revisions were to stop:

*“Every time we took out the vacuum cleaner at home my daughter asked who were coming over. The ISO 9000 standard is the kind of system that needs the pressure from an external part in order to work; just like when a guest is coming to visit. So it is better to vacuum once than not do it at all. Therefore it must be better to have an updated system every eighteen months with help of revisions than not update it at all.”*

### **Collaboration**

Both GE1 and GE2 state that it is very hard to specify how the cooperation is affected between two parties due to the ISO 9000 standard. GE1 mentions that it is hard to say if external benefits are derived from the ISO 9000 standards. GE1 doesn't believe that there are any differences in the quality as collaborators due to the standard. On the other hand, GE1 states:

*“What the standard does is that it facilitates cooperation between the companies. Whether it affects the quality or not, depends on if you have a good foundation for your quality work within the company. The standard can't automatically describe the quality in a company; it only makes the cooperation easier through a mutual language between those who are certified.”*

Furthermore GE1 says that the effect of a standard on cooperation may be hard to measure:

*“It may have a bigger impact than you think, or it may not. This is very hard to tell. But the standard should reasonably make the exploratory work around procurements more cheaply than otherwise would be the case. And it also facilitates communication between a buyer and seller”*

Unlike GE1, GE2 doesn't believe that the cooperation or interactions between the buyer and the seller is affected at all due to the ISO 9000 standards:

*“When the supplier has entered the system, it is probably not as important with the ISO certification anymore. At that time you will*



*experience whether the cooperation works or not. The supplier has to prove that the cooperation works and personally I don't believe that the ISO 9001 certification has anything to do with the cooperation between the parties in this phase"*

#### **4.1.2 Witre**

As mentioned previously W1 is a person with a high leading position at Witre. W2 works with business development and is responsible of the Sales department of the company with focus on key account customers in the Nordic countries. W3 is responsible of the activities around the ISO 9001 certification and instructs the employees how the standard should be handled in the day to day work. W4 works as Key Account assistant for the Nordic countries and also is an internal auditor for the ISO 9001 system.

#### **Reasons for ISO certification**

W4 explains that the implementation of ISO 9001 mainly was a result of customer demands, but the respondent also describes that the company believed that this system of standards was something that Witre needed in order to structure the business. Why the implementation process took place at the time that it did however, was very much due to the demand from a major customer who wanted Witre to be certified within two years. W2 explains that for Witre, the decision was in a major way based on the economic factor:

*"When the decision of implementation was made, the decision was based on the fact that if an implementation wasn't made, the company would lose 30-40% of its business. Thus, it was an economic issue and got Witre to define which kind of company they wanted to be and which customers they wanted to work with"*

However, W4 says that even without the customer requirements at the time, Witre probably would have introduced ISO 9000 eventually. "Especially now, given the current management team at Witre, which are very keen on structure" says W4 and refers to the new management team which was established in 2008. W1 who is part of this new management team describes:

*"When the new management team took over in 2008, Witre suffered from growing pains, was non-strategic and unorganized. The discussion of ISO 9000 came up immediately when it became clear that the implementation of the standards didn't work as it should. This meant we had to completely restart the process and develop a new strategy from scratch. The advantage of this was that we could attack from below in*

*the processes and give a new structure, quality assurance and remove so-called inefficiencies."*

Despite that customer demands were one of the major reasons for Witre to be certified with ISO 9001, it was not the only one, says W2. In the following excerpt W2 illustrates how a certification considerably facilitates the first steps in a new customer relationship, as this means that one automatically passes a number of administrative obstacles.

*"If you have the ISO certification you can check the box in the initial forms and automatically jump to page 3, without further information. If you are not certified, you will have to fill in and explain what you have instead. "*

Furthermore W2 says that the company saw a need for a competitive advantage because their goods don't stand out significantly against competitors and this was a "soft value" to take advantage of. With soft values, W2 means the services around the goods which can be considered quality improvement, such as delivery accuracy and good service. Furthermore, W2 says that Witre saw a potential in better internal systems that they felt that the ISO 9000 could convey.

To some extent, many companies may have implemented ISO 9000 because competitors have it, says W3. Nevertheless W3 believes that the reason for implementing the standard in the first place is primarily due to demands directly from customers. However, W3 says:

*"Some companies may notice that the market environment requires the standard and then they follow suit. It has become like a ripple effect"*

W4 believes that a few years ago, many may have implemented ISO 9001 just to have the certificate on the wall or to check the box in the forms, and it is possible that to some extent Witre did as well. Perhaps it depends on what company you are and where it is located, but W4 believes that a majority of companies perhaps somewhere down the road realize that the standard might be helpful.

### **Useful system?**

W1 finds ISO 9000 a very useful system because a company can structure their organization, make quality assurances and remove so-called inefficiencies. However, W1 believes that leadership plays a very important part in whether the implementation process is to be successful or not. If management isn't in on it, the process will falter. W2 agrees with this and declares that:

*"It requires maturity in an organization as well as commitment from management. If the management isn't in on the process, then it will have no effect because it must allow time and resources. Then you can forget about the whole thing because it will only lead to a paper exercise for show."*

Further W1 says that Witre has spent a great deal of money on the implementation process to be successful and believes that it truly has been worth it. "By conducting a thorough review and upgrade of the structure of the company through ISO 9000, we have handled the financial crisis better", says W1. However, W1 points out that it is the continuous work on improving that is the key to success. Therefore, the importance of the audits has grown, W1 says:

*"Just because you have ISO 9001, it doesn't automatically mean that you seek the right goals. Therefore large companies often send their auditors to their suppliers. Accountants often have too low standards and therefore this has become fundamental for the larger corporations."*

W1 believes that it is important to demand these requirements on auditors to ensure the quality of the certification. In order to be able to make demands on the company and its employees, one must be able to have demands on the auditors, W1 says:

*"If a company improves processes and the individuals as well as tries to combine the company's financial objectives with the ISO objective you can go far."*

W3 thinks that Witre has benefited greatly from the ISO 9000 as there are now work instructions written down in the system. Thanks to this, staff works correctly right from the start when all processes are visualized.

W2 says that for Witre, the certification has been very useful from a purely economic point of view as well. If an organization wants to be involved in the larger markets with the larger companies and the public sector, it is a requirement to have an ISO certification now in the code of conduct.

*"The larger market is like a chessboard regarding the certification requirements, it is black and white. So it is clear there is an advantage for us to be certified. If we weren't we wouldn't even be in that market."*

W2 understands that the requirements exist because companies want serious partners, which are organized and have a well-functioning system of internal staff and finance. W2 believes that a compliant system based on the same principles lowers Witre's risk elements among its more than 100 suppliers. W3 agrees, but also believes that there are internal benefits. For example, Witre now has more measurable goals such as: profit margin, turnover, staff, etc. that are monitored in an entirely different way today.

W2 also points out that there have been internal improvements regarding both structure and routines, leading to a system that is successful due to continuous improvements. W2 says:

*"That's the whole point. It isn't the system itself but the improvements, potential and effectiveness of it that you want"*

However, W2 continues, it doesn't mean that a company has a perfect quality just because they have the certificate. W2 explains that you can't know anything specific about a company's quality because every company determines how the standard should be implemented. W2 continues:

*"ISO is just an entry ticket to the negotiation table. After that it is up to you to prove yourself. It isn't a certainty that you are good just because you are certified. If you believe that, you overestimate the certification."*

W2 says that a company can't be too bureaucratic when implementing ISO. Witre implemented ISO 9000 in early 2000 but were too detailed in their description leading the standard to falter. The second time around the company used what W2 calls a bird's eye and focused more on the internal knowledge of ISO. This led it to be more alive and used on a daily basis. W2 says that Witre today ask themselves "why do we do this" and "what can we do to improve this" in a way they didn't previously.

*"A lot of what we do know, we did previously as well, but because of ISO it has been manifested which simplifies the improvement process."*

### **Collaboration**

Because Witre has been able to assure their quality, it has resulted in a more conscientious staff, believes W1. This helps create better dynamics with companies around, the respondent continues. By setting minimum requirements, the company can secure working relationships with suppliers. W3 says that ISO 9000 certainly gave a better structure internally and externally.

*"Our jobs with suppliers have improved considerably, because we now have specific supplier agreements that require them to follow certain rules and all agreements are similar. Furthermore, we have become a better supplier because we have looked through our claims systems and renewed them. ISO 9000 requires certain handling of customer views and opinions, which led to a better customer management. "*

Direct improvements can be seen in return, defect and error management. Further improvements can be seen in the collaboration process, when easily understood structures help new employees. Because of this, there is little disruption in the collaboration process even when we have major staff turnover, says W1.

Through W2's connections to other companies W2 have seen major improvements in the collaboration process with other companies thanks to ISO 9000. Even though W2 doesn't perceive the certification as a system that automatically solves all problems, the respondent sees it as a sort of quality measure that facilitates the communication between companies. W4 explains that:

*"One should not assume that any company is good just because they are certified. But as I said before; one can find some security in the mutual items you must have in accordance with the ISO 9001 certification."*

W2 believes that an ISO 9000 certification is required because it shows that organizations are on the same wavelength but also because a certified company may be able to provide a better administrative service:

*"The larger companies may sometimes have quite specific reports, requirements, etc. and if you are certified with ISO these are already implemented in your organization. It is easier to answer questions they have and thus it improves communication between organizations. The closer you work with one another, the more important it becomes to have a mutual language so to speak."*

Today Witre prefers that its partners are certified with ISO 9001 or have an equivalent system. W2 doesn't believe that Witre lose on ensuring that their suppliers are compliant with their standards. Rather, the interactions improve says W2 and continues:

*“To be able to be the best, you have to have the best partners in collaboration with you. In order for us to be at the top we need to have the best possible suppliers.”*

W2 says that if you have a compliant system, you can through key figures easily communicate objectives, current status and customer satisfaction index for example. It facilitates a dialogue, rather than a monologue, says W2. Further, W2 believes that it creates an overview of how other companies work internally and indicates what norms they have. W3 says that thanks to the regulations that exist around the ISO 9000, it creates structure and simplifies the understanding of each other in creating a stable and common ground to stand on. W3 continues:

*“If you know that your supplier is certified you know what rules and structure they have, at least in the broad outline.”*

W4 believes that the collaborative process has been influenced in a positive sense, as they now have the same foundation as their suppliers, hence the same mindset facilitating the collaboration. The company now have common ground and therefore perhaps have the same base says W4. Furthermore, the respondent says that each company decides the majority of its standard rules but some things need to be according to ISO and that’s where you can find one another collaboratively. However, W4 does not believe that the collaboration process has been significantly affected apart from that.

Finally W4 believes that a company’s mindset changes when you have this certification and gives the example of thinking in the terms of processes. This is important to do in order to simplify the flow between buyer and supplier, W4 says and concludes:

*“We have become a better supplier thanks to ISO. There is plenty to work on of course, but I absolutely believe that Witre has become a better supplier because of it.”*



## 5. ANALYSIS

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*This chapter presents the connections of the empirical studies with the frame of reference presented in chapter 3. By analyzing the empirical findings from a basis of the chosen framework of the thesis the authors hope to fulfill the aim of the thesis and answer the question presented in the problem discussion.*

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### 5.1 Why do requirements of the ISO 9000 certification exist?

In order to give an explanation as to why the requirements of the ISO 9001 certification exist, the empirical data have been divided into two different headlines, respectively focusing on reasons for ISO certification and whether or not it is a useful system.

#### 5.1.1 Reasons for certification

The respondents from both companies explained that the companies were certified due to customer requirements or due to pressures from the surroundings. Therefore a form of external pressure is a common reason for commencing an implementation process of a standard. However this external pressure is formed due to norms that have been founded from the wish to receive market approval, in line with what the institutionalism illustrates. As Zucker explains the requirement of the standardization is a way to find market approval. The ISO 9000 certification can be seen as a way to receive market approval.

A company that requires ISO 9000 from their business partners may have been pressured externally as well to set in motion their own implementation process. The success of Göteborg Energi's implementation of ISO 9000 may be discussed, however the standard may be perceived as successful in the sense that the company has chosen to continue working with it a step further; demanding it from their suppliers. For Witre, the certification was performed because they didn't want to lose a large customer, while Göteborg Energi didn't have any direct requirements but became aware of the standard when more and more requests arose from their business partners. Both of the companies' reasons for certification with ISO 9001 were external pressures, which institutionalism emphasizes. In order to receive market approval, organizations might respond to the external pressures. The certification of ISO 9001 is thereby a way to respond to the external pressures in a market.

The reasons for implementation of the ISO 9000 standards may be connected to the institutionalism and isomorphism. As previously mentioned the institutionalism focuses on when a company standardizes or adapts to the norms due to internal or external pressures in order to receive market approval. This is exactly what the two companies have done. They have implemented the standards due to requirements or pressures to be perceived as good companies. The respondents from both companies explain that it is easier to implement the standards than to prove or explain their quality work. These reasons for certification, such as pressures or the desire to mimic each other may be an

explanation of why certain suppliers require the standard. The external pressures are an example of institutionalism and the mimicking an example of isomorphism.

Further, respondents from both Witre and Göteborg Energi explained that the certification of their companies had much to do with acquiring a mutual language in order to communicate better with each other together with the structure factor of the standards. As Selznick came to the conclusion via his TVA project, the authors also believe that a company has to adapt to its surroundings in order to survive.

The connections to isomorphism and the reasons why a company certifies its business are crucial. The authors believe that Witre's implementation of the standards can most easily be described by coercive isomorphism, where it is told that a company is forced to follow the rules or norms set by a larger company. All this is the small company is dependent on larger customers in order to survive. This is of course not the only reason for certification. As Witre have pointed out, the benefit of receiving a better structure is also a reason. The process of certification set up by Göteborg Energi may also be described by isomorphism, as the company chose to mimic others and introduce a homogenization process in order to gain legitimacy among their business partners.

The reasons for certification, as previously shown, are often based on external pressures, but in order to succeed, a homogenous view of the implementation is necessary in a company. In the empirical findings both differences and similarities can be seen in the responses from the two companies. The respondents from Witre have more substantiated answers, maybe depending on a more successful implementation process, which has pervaded the entire organization. It may also be due to the differences in size, company culture and attitude between the companies.

### **5.1.2 A useful system**

Whether the standard is useful or not is an important question that concerns both companies. The respondents from Göteborg Energi both believed that the standards are useful, but they explained it in different ways. The respondent GE1 who was more involved in the work with ISO praised the standards more than the one working in the purchasing department. This may be an indicator that the company hasn't been very successful in the implementation of the ISO 9000 standard, in the respect that not everyone has been involved in the process or understands why the standards are useful.

The respondents on Witre, on the other hand, were in agreement that the standard was useful and helped them in their daily work one way or another. This said, Witre may have come farther in their implementation process and work actively with the certificate. The authors believe that the



differences between the diverse responses from the two companies are related to how mature a company is in the implementation process, together with the management's attitude towards ISO 9000. Without support from the top management the standard possibly wouldn't be implemented in a good, well-functioning manner.

An interesting point of view mentioned by all respondents was that neither of them believed that there have been any major changes within the organizations. Instead they feel that the companies have rather, thanks to the standards, described processes that were already used. These concretizations haven't necessarily made them better companies on the whole but have however given the organizations a more defined structure, helping them in their everyday work. These answers reflect that they have been quite mature as organizations when implementing the standards as mentioned by Bozena Poksinska when discussing whether the implementation process leads to radical changes or business as usual.

As Veblen described the leisure class acting on appearance or in a sort of game where the actors compete to appear to be the best, the authors believe that a comparison can be made regarding organizations in a market appearing to be the best through certifications. Having a certification is an equivalent of owning an expensive object or having a title. Many organizations may implement these standards in order to be able to check the boxes in the initial stages of a business relationship or to score high in the sort of grading system used by Göteborg Energi.

GE2 mentioned that the certification does not affect the everyday work, a statement that can be connected to what Meyer and Rowan said about formal structure acting as a myth. GE2's statement may reflect how the company has implemented the standard but it can also be a factor of the respondent being quite new in the organization. Furthermore, the authors believe that Meyer and Rowan might have used a too narrow scope when looking at the formal structure being a myth. As seen from the empirical findings there are organizations where the implementation has enhanced the structure in the company even though implementations were made for external reasons.

Moreover, Meyer and Rowan state that the formal structure of an organization doesn't make the company successful, it is rather the legitimacy derived from the structure that creates the success. This statement is too strict, although legitimacy is an advantage derived from formal structure, the formal structure may also lead to success. Many organizations implement ISO 9000 to legitimize their business as Meyer and Rowan explain. However, unlike Meyer and Rowan conclude, some organizations derive actual success when structuring their business in accordance with ISO 9000.

## 5.2 How do the requirements affect the collaboration?

As mentioned earlier a general theory describing collaboration has been complex to define. Gray, however made an effort defining the word collaboration in 1989 and explained that collaboration occurs when autonomous stakeholders of a problem domain interact. This definition gives a good foundation to stand on when understanding organizations implementing ISO 9000. By using the same set of rules, structures and norms, the organizations within a field find common ground. By being more autonomous, the collaboration is facilitated.

When interviewing the respondents, the responses are similar to one another, describing how the companies haven't made any major changes in their day to day work. The structure in the organizations has increased but mainly due to substantiation of their previous routines, rather than applying new ones. The implementation process has merely substantiated what the organizations were doing before and added some smaller changes enhancing the structure. However, the majority of the respondents explain that the ISO 9000 facilitates communication because organizations have a mutual language and equal norms regardless of the organizations' origin. A mutual language makes the organizations more autonomous.

On the same note DiMaggio and Powell, in their explanation of isomorphism, describe how resemblances in a field are created when organizations with corresponding characteristics are drawn towards each other. This isomorphic process occurs along with the broadening of ISO 9000's popularity. Organizations with corresponding characteristics have an easier time communicating when the basic norms are similar. Moreover, DiMaggio and Powell explain that the same set of institutions doesn't necessarily make the organizations more internally efficient nor does it ensure that the quality of their service or product is an evident improvement, but they do however conclude that the homogenization increases. This homogenization through ISO 9000 is an example of what Hawley stated; organizations are forced to resemble one another due to similar environmental conditions.

As mentioned in the background; trading becomes more globalized, making business environments more complex. In order to reduce this complexity and to enable control in an organization's environment, Cohen and Mankin state that an organization has to adapt to these complexities. The more traditional definition of collaboration is no longer sufficient and ISO 9000 might be a way to adapt. Selznick also came to the conclusion that all organizations must adjust to the institutional environment where they operate. This enforcement might not make each actor a better collaborator with more efficient and better systems or structure. It might however make collaborations better.



## 6. CONCLUSION AND FUTURE RESEARCH

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*In this ending chapter conclusions drawn from the analysis are presented. Furthermore, a discussion is made about relevant findings along with a few suggestions for further research.*

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The first part of the problem formulation “why do the requirements exist”, may be described through two related questions; what are the reasons for a company’s certification requirements and do the companies believe that the standard is useful?

Due to the hectic and global market conditions, a company needs to adapt to its surroundings in order to survive. By using the certification, the companies gain legitimacy from their business partners through mimicking. However, in order to begin the certification process, a sort of external pressure has to exist for the companies to receive market approval.

Whether or not the standard is useful depends on from what perspective one investigates. Looking from a strictly internal perspective, it has been shown that these two companies think the standard is useful because it brings more structure to the company. However, looking from the perspective of collaboration, the standard does not necessarily make you a better collaborator but it gives a mutual platform where companies can interact with each other, facilitating collaboration. Another perspective to consider is the legitimization a company receives when implementing the standard. These benefits may vary depending on the size of an organization, company culture and the attitude from the entire organization towards the standard.

All in all, a conclusion can be made that this standard may be both a useful tool and a necessary evil, depending on how a company chooses to implement it in their organization and the attitude towards it. Sometimes companies may implement the standard only for show, but this rarely becomes successful because an implementation needs complete engagement from an organization to be successful. A company that has been pressured to implement the standard hasn’t necessarily a bad attitude towards it, but in order to succeed the entire company must want to implement ISO 9000. Not only implement it to receive market approval.

Since collaboration has increased between companies in this global and complex business environment, the question how this standard affects the collaboration becomes relevant. As both of the interviewed organizations described, they receive a mutual platform through the ISO 9000. Furthermore, different organizations become more autonomous when receiving similar structures and a mutual language, which facilitates collaboration.

The investigated question could be investigated with more participating companies, in order to receive a broader and more generalizable description of this question. It would be interesting to

compare ISO 9000 with other quality management standards, such as Six Sigma, to see differences and understand how other standards affect the collaboration. From this, a wider generalization of standards as a whole would be interesting to make.

In the selection process of the respondent companies, the authors wanted to investigate on each side on the collaboration process. Therefore certain criteria were set regarding one supplier and one buyer. The supplier should have implemented the standard due to requirements from affiliates and the buyer should require their suppliers to be certified with ISO 9000. As the project proceeded the authors quickly understood that both companies were on both ends of these criteria. This sheds light on the complexity of describing the marketplace in black or white.

In sum, a conclusion can be made that there is no evidence ISO 9000 guarantees a better collaborator, since the result of the implementation is dependent upon the attitude in the implementing organization, which cannot be controlled. However, when implemented the right way, ISO 9000 is useful due to a mutual platform and mutual language that facilitates communication, enhancing the collaboration process which might be reason enough to require the standard.



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## Interviews

### Göteborg energi, 2011-04-26:

**GE1-** works with large corporate customers and is actively involved with activities around ISO and has been so since the company was certified in the 90s.

**GE2-** works as a buyer and is relatively new in the company.

### Witre, 2011-04-29:

**W1-** is a person with a high leading position at Witre

**W2-** works with business development and is responsible for the Sales department of Witre with focus on key account customers in the Nordic countries.

**W3-** is the one person at Witre that is responsible for the activities around the ISO 9001 certification and instructs the employees how the standard should be handled in the day-to-day work.

**W4-** works as Key Account assistant for the Nordic countries and also is an internal auditor for the ISO 9001 system.



## APPENDIX

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Main interview questions presented to respondents. The number of questions was limited because the authors chose a semi-structured interview where follow-up questions were based on the answers.

1. Presentation av respondentent
2. Varför certifierade ni er i ISO -9001?
3. Upplever Du systemet som användbart, på vilket sätt/varför?
4. Har samarbetet med era kunder/leverantörer ändrats av certifieringen, hur?
5. Finns det en märkbar skillnad i hur ni arbetar idag jämfört med innan införandet av ISO-9000?
6. Varför tror Du att ISO 9000 certifieringen har blivit så viktig?
7. Har du något mer att tillägga?