

CHAPTER ONE

INTRODUCTION

1.1 General frame of study:

A quality management system (QMS) Helps direct and control an organization's activities, which are related either directly or indirectly to meet customer requirements. Broadly, it consists of the organizational structure together with the planning, processes, resources and documentation which are used to achieve the quality objectives, meet the customers' requirements and to provide improvement of the (QMS) and thus eventually improvement of products.

(QMS) standards should not be confused with product standards. Most organizations which are new to the concepts of (QMS), and in particular the ISO 9000 family of standards, are confused between product quality and the concept of quality management.

ISO 9001:2008 specifies requirements for a (QMS) where an organization:

- Needs to demonstrate its ability to consistently provide product that meets customer, applicable statutory and regulatory requirements.
- Aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement and the assurance of conformity to customer and applicable statutory and regulatory requirements.

All requirements of ISO 9001:2008 are generic and are intended to be applicable to all organizations, regardless of type, size and product provided.

What is an ISO 9001?

An ISO 9001 quality management system is one which is built on the current version of the requirements standard, i.e. ISO 9001:2008.

The current key documents from the ISO 9000 family of standards consist of (ISO 9000, ISO 9001, ISO 9004 and ISO 9011), ISO (2008).

Why ISO 9001?

Some customers in both the private and public sectors are looking for the confidence that can be provided by an organization with an effective (QMS).

While meeting these expectations is one reason for having a quality management system, there are other reasons and some of these are listed below.

- Improvement of the organization's performance and productivity.
- Greater focus on the organization's objectives and your customers' expectations
- Achievement and maintenance of the quality of products (including services) to meet the customers' requirements and implied needs.
- Enhancement of customer's satisfaction.
- Confidence that the intended quality is being achieved and maintained.
- Providing evidence to customers and potential customers of what the organization can do for them.
- Opening up a new market opportunities or maintaining market share.
- Obtaining certification/registration.

1.2 Statement of the problem:

Implementation of ISO 9001:2008 managing a process to achieve maximum customer satisfaction at the lowest overall cost to the organization while continuing to improve the process.

The issue of the relationship between successful quality management systems implementation and financial performance is important, when considering the incentives for the large organizational change. The main incitement for change is to improve, whether it is an improved management system or an improved customer satisfaction. Most organizations implement QMS in order to respond to changes in the competitive context that surrounds them. In banks and all other financial institutions up to date and quick service quality is highly demanded by customers. Now a day, more than 90% of the banks, buildings and insurance companies are adopting some form of quality improvement tool. quality management system can be implemented in all over the service industry especially in banking sector where the customer is treated

as a king. In service sector, as compared to manufacturing industry, customer is more sensitive about the quality of service and delivery of service because customer is directly connected with service provider . There is positive relationship between quality of internal services and organizational performance of commercial banks .Customer satisfaction is highly linked with quality of service in banking sector .Nowadays banks are aware about the reality that their success and existence in globalized and highly competitive circumstances is only through providing best quality service for their customers .

Nevertheless, there are some organizations have not applied ISO 9001:2008 (QMS).

The Central Bank of Sudan has not implemented ISO 9001:2008 Quality Management system , So the study focus on identifying the causes of this non-implementation.

1.3 Importance of the research:

The importance of this research is that:

- To know the extent of the bank practice of this concept, to obtain data showing the extent of the bank's eagerness to apply (QMS) and the impact of this trend on the bank performance
- This study will help in developing and improving the bank's image by achieving the methods used in this study
- It can help the researchers to take benefit of this study in several aspects, get more data to identify the nature of the study and the method used.

1.4 Research objectives:

The research aims to achieve the following:

- 1- To identify the causes of non-Implementation of ISO 9001:2008 Quality Management system in most of banks.
- 2- To identify if the causes of non-Implementation of ISO 9001:2008 Quality Management system related to quality concept.
- 3- To identify if the causes of non-Implementation of ISO 9001:2008 Quality Management system related to human thinking.

- 4- To identify if the causes of non-Implementation of ISO 9001:2008 Quality Management system related to financial issue.
- 5- To identify if the causes of non-Implementation of ISO 9001:2008 Quality Management system related to continues improvement..

1.5 Research questions:

- **Main question:**

Are there any Causes of non-Implementation of ISO 9001:2008 (QMS) in Central Bank of Sudan (CBOS)?

- **Sub questions:**

1. Is the community of CBOS aware of the ISO 9001:2008 Quality Management System?
2. Are the Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan related to human thinking?
3. Are the Causes of non-Implementation of ISO 9001:2008 related to financial reasons?
4. Are the Causes of non-Implementation of ISO 9001:2008 related to continues improvement?

1.6 Research hypotheses:

- **Main hypothesis:**

There are no Causes of non-Implementation of ISO 9001:2008 Quality Management system in Sudanese banks.

- **Sub hypotheses:**

1. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to Quality concept.
2. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to human thinking.
3. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to financial issue.
4. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to continues improvement.

1.7 Research Methodology:

In this study I will use the descriptive analysis approach was use; because it fits the subject nature.

1.7.1 Information Sources:

- **Primary sources:**

Questionnaire as a key tool to search, designed specifically for this purpose.

- **Secondary sources:**

- Papers.
- Researches and academic studies and references.
- Reports and records of the institutions and relevant authorities.
- Specialized studies in the field.
- Web sites relevant.

1.7.2 Study limits:

- **Time limits:**

2015 to- 2016.

- **Place limits:**

Central Bank of Sudan (HQ).

1.7.3 Study Terms:

- ***Quality Management System:***

Quality management system (QMS) is a collection of business processes focused on achieving quality policy and quality objectives to meet customer requirements. It is expressed as the organizational structure, policies, procedures, processes and resources needed to implement quality management. ISO: 9001:2008 QMS

- ***ISO 9001:2008 QMS:***

ISO 9001:2008 is the world's foremost quality management standard for a practical and effective quality management system (QMS).

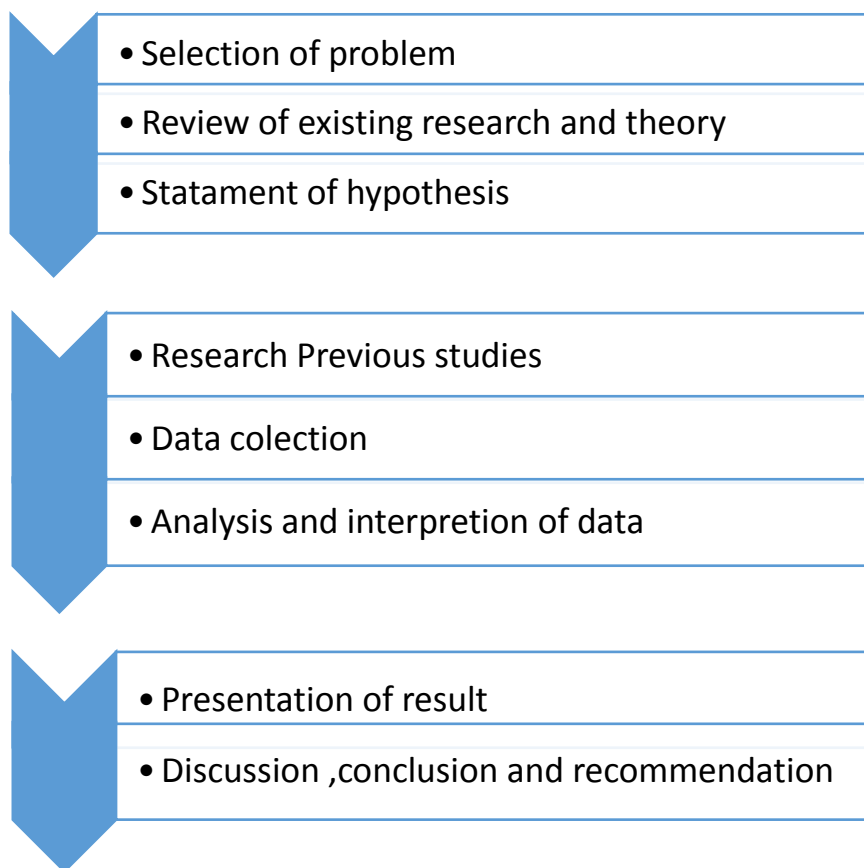
- ***Central Bank of Sudan - Sudan:***

Central Bank of Sudan is the central bank of Sudan. The bank was formed in 1960, four years after Sudan's independence. It is located in Khartoum (CBOS website).

1.7.4 Study population:

Sample of Central Bank of Sudan employee.

1.8 Research approach:



1.9 Previous studies:

Study No.1:

Milena Alic,(2013),The ISO 9001 standard was developed to yield consistent processes and satisfied customers. Several benefits of its implementation, including better business and financial performance, are expected and reported through the research. However, the standard is often used simply for a marketing advantage. In such a case, the implementation does not provide an efficient quality management system and causes some side effects such as bureaucracy, etc.

This paper deals with this issue and shows some of its drivers, through an analysis of the standard requirements , misunderstanding of these requirements and their improper implementation in the companies. Unfortunately, there has not yet been much empirical research available on this issue.

The analysis shows that the roots of the problem do not lie in the standard itself but rather in its implementation. The standard says nothing about making business more complex or adding a great deal of unnecessary paperwork. Companies should consider it when implementing their quality management systems. They should develop and adjust their system documentation to suit the company's needs instead of merely taking available common templates of 'ISO documentation'. The system documentation and its management should give full support to the business processes. Companies should have internal motives and staff commitment to reach this goal. Moreover, understanding the standard requirements is vital to fight the problem of bureaucracy. The integration of some other compatible lean approaches (such as lean office) might also help.

Study No.2:

Luca Cagnazzo. Paolo.(2010).total quality management is from a decade an important and useful organizational system for increasing companies' competitiveness, by optimizing processes with a particular focus on the customer.

Among all the methodologies, ISO 9000 certification is one of the most common and recognized approaches for the benefits of the companies that decide to implement it. Several studies have been conducted in literature,

presenting some important impacts of the ISO 9000 on the companies' performances. Due to the vast number of works, a classification of the main impacts of ISO 9000 on the principle business performances is needed. The findings coming from the literature review analysis are therefore validated through a survey extended at 366 companies. The resulting information of the investigation are coherent with those studied in literature, even if some key aspects are extremely focused on a restricted set of impact areas.

The investigation allows the author to identify the main impacting dimensions of ISO 9000 on the performances of the companies. Moreover the barriers and pitfalls for a successful ISO 9000 certification are presented, furnishing details for overcome these issues.

Study No.3:

Sabah M. Al-Najjar, (2011) despite the widespread use of ISO 9001 and the many certified organizations in the Arab countries, only five Iraqi organizations were ISO certified at the end of 2008. The purpose of this empirical study is to examine the various barriers and misconceptions that impede ISO 9001 implementation in the service and manufacturing sectors in Iraq. In order to identify these factors a structured survey was conducted using a random sample of 50 directors in service and manufacturing organizations in Baghdad. The analysis of the survey revealed nine important factors that hinder the implementation of the standards; lack of top management commitment heads the list. In addition, ten misconceptions were identified by this study, including the top ranked belief that ISO 9001 uncovers job security. The study suggested the need to formulate a national strategy to meet the emerging ISO requirements which will enable Iraqi organizations to achieve superior quality of goods and services. This study contributes to the body of knowledge in the area of quality management systems with particular interest on Iraq. The findings of this work are limited by the sample surveyed and the geographical limits, however, the findings reached carry many implications for policy-makers in Iraq.

Study No.4:

Salah Alolayan.(2014),The purpose of this research is to assess the performance of quality management systems in the Kuwaiti work organizations as per ISO 9001:2008 from the customers' perspectives (end users) based on the auditing practices and quality implementations.

The research has taken a long path of research methodology starting with the development and customizations of two different survey questionnaires and ending up with a data analysis using several statistical software packages such as SPSS and Minitab. Most of the data analysis has used the method of non-parametric statistical techniques except for the modeling part where advanced statistical techniques have been used. One survey was directed to all business types and the other was only directed to manufacturing organizations. The target respondents for both surveys were provided in the form of listed names of ISO 9001 certified work organizations by a government agency for the state of Kuwait, public authority for industry (PAFI). Reliability and validity of both surveys were statistically justifiable enough to make the author to proceed with: (1) comparison against Swedish certified work organizations, and (2)building up a statistical model from each survey. The comparison between the Kuwaiti and Swedish work organizations has shown many significant differences in the auditing practices and quality implementations. Moreover, the resulted differences between the two culturally work environments (Kuwaiti and Swedish), shed the lights about the existing gaps of ISO implementations and auditing practices in the two countries and help the author analyze these gaps for suggesting any prospect of quality improvements.

Aside from descriptive and inferential analysis on the surveyed data, a model building was the final objective of this research. The main model was built up based on 10interrelated factors, extracted from the survey questionnaire using LISREL software as a structural equation modeling technique. Furthermore, the model has shown the capability of predicting the total and direct effects from one factor to another. From modeling, it was statistically shown that the ISO certified manufacturing organizations outperformed the ISO certified services organizations in Kuwait.

Study No.5:

SELİM COŞKUN.(2002).Total Quality Management (TQM) has become a popular management approach and system since the 1980s. While it has been adopted by thousands of organizations, the debate on its originality in theory and its relationship with management theory still continues. It can be defined as a management system and approach that has a set of core principles, assumptions, practices, tools and techniques which are systemized into a coherent framework. The studies suggest that TQM theory and practices can be, to a great extent, considered under the scope of management theory. In addition, it makes unique contributions to the management practice.

This dissertation examines the practices, constraints and potential problems for adoption of the quality management in the public sector in the international and the Turkish public sector context. Public sector organizations in many developed countries widely implemented the quality management as a management approach and utilized it as a tool for reforming public sector. TQM became an important part of comprehensive public sector reform efforts. Some Turkish public organizations have also adopted the quality management. However, unlike some developed countries, it has been implemented at the organizational level rather than being systematic and being part of comprehensive reform efforts. Although various scholars have been discussing the feasibility and problems related to adoption of TQM in the Turkish public sector, there is very limited empirical research on the practices and problems of the quality management. Thus, a survey is conducted in two pioneering public organizations for adopting the quality management in order to explore the views of the workforce. The literature proposes that the positive attitude of the employees is one of factors for the success of the quality management initiatives. The findings reveal that the workforce has generally positive views towards the quality management and public sector reforms. The findings also signify that the success and future of the quality management cannot be isolated from the organizational context and approaches to quality managements well as the problems of Turkish political and public administration system.

Study No.6:

Salman D. Al-Shobaki a, Rami H. Fouad , Adnan Al-Bashir.(2010).Total Quality Management (TQM) was applied outside the industrial sectors to service organizations, such as banks. This paper investigates the application of TQM to a service organizations using Jordanian banking sector as a model example. Banking is an important sector in Jordan. The government has introduced several laws and constitutions aimed to further develop this sector, improve its ability to compete within a global market and encourage investment in the country. However, little work has been done to measure and control quality in this sector. The work will show that the use of TQM can be of great benefit to the Jordanian banks, as it will lead to an increase in the organization customer orientation and competitive edge. The paper will also investigate the relation between the application of TQM and the increase in the organization performance and efficiency. The results show that the application of TQM in the Jordanian banking sector lead to increased productivity and ability to compete in the global markets.

Deferent studies have represented the quality management in two ways; implementation of quality management system and non-implementation, some of these studies have describe the implementation of QMS such as the study of Milena Alic,(2013) show that roots of the problem (issue of 9001implementation) do not lie in the standard itself but rather in its implementation. also The system documentation and its management should give full support to the business processes.

In addition; SELİM COŞKUN.(2002), Found that Public sector organizations in many developed countries widely implemented the quality management as a management approach and utilized it as a tool for reforming public sector. Also in Salman (2010) The results show that the application of TQM in the Jordanian banking sector lead to increased productivity and ability to compete in the global markets.

Another example of implementation is the study of Salah Alolayan.(2014), which has statistically shown that the ISO certified manufacturing organizations outperformed the ISO certified services organizations in Kuwait.

On the other hand, the following two studies have shown the non-implementation of QMS .

The first one Luca Cagnazzo .Paolo.(2010). Study which has explain several studies have been conducted in literature, presenting some important impacts of the ISO 9000 on the companies' performance. The second, which was written by Sabah M. Al-Najjar, (2011), found the analysis of the survey revealed nine important factors that hinder the implementation of the standards; lack of top management commitment heads the list.

Comparing with previous studies the study shows that non-implementation of 9001:2008 is caused by lack of understanding quality concept and poor care to human factor .

CHAPTER TWO

Literature Review

The effective implementation of ISO 9001 quality management system (QMS) had been internationally recognized in the last two decades as a competitive advantage for various types and sizes of organizational work. Therefore, ISO 9001 standard is a document that consists of a set of criteria purposely made for small, medium, and large enterprises to demonstrate their abilities to achieve a basic level of quality by formalization and documentation of their quality management systems (Beattie et al., 1999).

2.1 Definition of Quality:

There are several definitions for quality shown below:

- Fitness for use. Juran, (1974).
- Quality should be aimed at the needs of the consumer in present, and future. Deming, (1986).
- There are eight dimensions of quality as defined from the customer's view point namely, performance, features, reliability, conformance, durability, serviceability, aesthetics, and perceived quality, Garvin,(1987).
- To practice quality control is to develop, design, produce and service a quality product which is most economical, most useful, and always satisfactory to the customer .Ishikawa,(1989).
- The total composite product and service characteristics of marketing, engineering manufacture, and maintenance through which the product and services in use will meet the expectations of the customers, Feigenbaum,(1991).
- Quality is the ability to satisfy the needs and expectations of the customers, Bregman and Klesfsjo,(1994).
- Conformance to specifications, Crosby,(1996).
- Quality is meeting the customer requirements, Oakland,(2003).
- The organization through individual and collections focuses on meeting customer needs, recognizing that customer perception identities quality. Jyotirmoy Dash (2008),
- Quality is the harmonization of the use "(Haddad: 2009).

- Quality denotes an excellence in goods and services, especially to the degree they conform to requirements and satisfy customers (Islam. A. and Haque, A. F. M.2012).

2.2 ISO Standards Background:

In general there are two approaches to manage the quality of a product or a service. Product quality deals with the quality of the final product, while process quality deals with the quality of the processes required to producing goods and/or services. According to Heizer and Render (2009) quality has become so important that the world is uniting around a single quality standard which is the ISO 9000. Poksinska et al. (2002) define ISO 9000 as a family of standards which relate to QMS and are designed to assist organizations in meeting their customers' and stakeholders' needs.

ISO 8402 defines the quality of a product or a service as "the totality of its features and characteristics that bear on its ability to satisfy stated or implied needs". The stated needs represent those needs that are described explicitly in the product or the service specifications. Implied needs are not explicitly declared by the customer since they exist implicitly by the product or service specifications. The International Organization for Standardization (ISO) was created at Geneva in 1947 to provide standardization of technical specifications for products traded in the international marketplace.

According to Sousa-Poza et al. (2009) the first family of standards was issued in 1987. The standards apply to QMS in any business: for profit, not for profit, government agencies or academic institutions..etc. In fact the standards do not apply to products, but rather they apply to management systems. The ISO 1987 issue consisted of five quality standards, ISO 9000 and ISO 9004 are guidelines which pertain to the development of quality systems within the organization.

ISO 9001, 9002, and 9003 are conformance standards for quality assurance systems that apply to supplier-customer relationships. These last three standards are referred to as contractual standards. The selection of each standard depends on the scope of activities of the organization. The 1987 standards were intended for quality assurance; i.e. it was more a means of verifying conformance with procedures rather than the overall process of management.

ISO 1987 was criticized for not encouraging business improvement, and for saying little about customer services. By 1994 a new series of ISO 9000 was issued, namely ISO 9000:1994. This issue contained five standards too (ISO9000, 9001, 9002, 9003, and 9004), and focused on quality assurance via preventive actions rather than checking the final product. Furthermore, the standards continued to require evidence of compliance with documented procedures.

The ISO 2000 revision contained the ISO 9000 and 9004 standards, and combined the three standards: 9001, 9002, and 9003 into one standard called the ISO 9001:2000. This family of standards brought new concepts such as: quality management system instead of quality assurance, focus on customer satisfaction through the application of a quality management system based on the process approach, and the necessity of continuous improvement. This set of standards stressed, strongly, the role and commitment of top management in the implementation of the standards. Mead (2011)

2.3 The ISO 9001:2008 (QMS):

The ISO 9001:2008 issue did not include major changes to the ISO 9001:2000. It introduced some classifications to the existing requirements of the previous issue to improve its consistency with ISO 14001:2004. No new requirements were imposed by this issue.

In general the ISO standards focus on managing core value-added processes to deliver quality. (2010) highlighted that many adopters of QMS reported several benefits such as: increased customer satisfaction and retention, realized more efficient and effective operations, enhanced marketing, increased profits, reduced waste and increased productivity, reduced the necessity for audits, promoted international trade, and improved employee motivation and moral. The global competition and the increased awareness of customers shall continue to make quality the determinant factor of customer satisfaction, and a key success factor to achieve competitive advantage. Sabah M. Al-Najjar.(2011)

2.3.1 The ISO 9001:2008 principles:

The ISO 9001:2008 standard is embedded with eight quality management principles. These principles, the fundamentals of any quality-oriented work organization, are the following:

1. Customer focus
2. Leadership
3. Involvement of people
4. Process approach
5. System approach to management
6. Continual improvement
7. Factual approach to decision making
8. Mutually beneficial supplier relationship

In the following textual paragraphs, quality principles are briefly explained for the purpose of understanding ISO 9001 main requirements.

Starting with **customer focus**, where the definition implies that work organization depend on their customers and therefore organizations shall understand the current and future customer needs, and to be able to meet customer requirements, and strive to exceed the customer expectations. Customers are the bloodstream of any organization. Organization shall start investing further and externally into their customers primarily ,rather than on their profit engine process. In other words, outward seeking focus is more important than inward seeking focus. The customer focus principle is addressed and reflected in the ISO 9001 standard requirements by: communication with customers; care for customer property; the determination of customer needs and expectation; appointment of a management or operations representative; and finally a top management commitment.

The second quality principle is **leadership** which implies that leaders should establish the unity of purpose and direction for the organization. This is where motivation should be enhanced by leaders of the organization. Leaders can be at different functions and levels within the work organizations. They are responsible for creating a work environment with employees motivated toward the achievement of business or operations objectives for the organization. Leaders shall encourage and motivate their subordinates rather than aggravate them. The concept of leadership is the cultural transition from aggravation to motivation within the work organization. This principle is reflected in the standard by setting up organization objectives, such as planning, internal communication, and creating and effective work environment

The third quality principle is concerned with the **involvement of people**. Involvement of people implies that all employees are essential and their full involvement enhances productivity and benefits to the organization. The concept behind this principle is the transition from operating to cooperating. This principle is reflected in the standard by reviewing designs, defining objectives at different functions of the organization, creating work environment in which people are motivated, having proper internal communication channels, and identifying competence needs.

The fourth quality principle is based on a **process approach**. This principle focuses on how an organization deals with its production and business operations regardless of the operations system complexity. Thus, the effectiveness and efficiency of any production or business operations can be measured with the implementation of this quality principle, a process approach. The process approach method suggests that traditional business organization transit from procedure approach to process approach. The procedure approach is subject to causing much waste with low efficiency and little productivity in business operations unlike a process approach with high efficiency and productivity. Indeed, not all implemented processes are effective and efficient unless they are well studied, developed, monitored, maintained and updated periodically. The update is necessary as it is a requirement in the standard as explicitly stated in clause 8 of the standard, a continual improvement requirement. This quality principle can be found from the standard and reflected by identifying processes, defining process inputs and outputs, and providing the infrastructure, information and resources for processes to function.

The fifth quality principle is a **system approach** to management. This principle implies that all processes are interrelated and interconnected to meet the organization's business goals. Goals are achieved effectively through full understanding of organization processes. The macroscopic view of the whole organization performance is simply behind the concept of the system approach to management. Understanding this principle makes the whole organization to transit from functional approach to system approach. This principle is reflected in the standard through: establishing, implementing, and maintaining the management system; interconnecting and interrelating processes; and establishing measurement processes.

The sixth quality principle is a **continual improvement**. The terminology intentionally used here by the standard is 'continual' not 'continuous'. 'Continuous' means without breaks or interruptions, while 'Continual' means repeated regularly and frequently. This definition of 'continual' brings the concept to the ISO 9001 users that a process shall be planned, developed, and implemented to encounter the changes that may occur in the QMS or at least to keep the customers satisfied. The transition needed in this principle is to have

organization move from error correction process to course correction process. The continual improvement principle is reflected in the standard through: improvement processes, identifying improvements, and reviewing documents and processes for opportunities of improvement.

The seventh quality principle is a **factual approach to decision making**. This principle basically drives the organization toward taking the appropriate corrective and preventive actions based on factual data analysis and not on emotions or self-opinions. Thus, an organization shall adopt a process for measurements to verify outputs against inputs and validate processes where necessary. Clause 7.0 from the standard addresses these verification and validation issues as processes that must be documented. Documented processes - according to the terminology used by the standard – means processes shall be planned, established, implemented and maintained. This principle is reflected in the standard through: management reviews; monitoring tools to obtain facts; control of measuring devices; analysis to obtain facts from information; records for documenting facts; and approval based on facts.

The last quality principle is **mutually beneficial supplier relationships**. This principle justifies that the final quality of a product delivered to the customer is also influenced by external processes rather than the organization's internal operation processes. For instance, some manufacturing firms take part of the manufacturing and production processes, in which they have to purchase raw materials from different suppliers. This is why the organization has to assure their customers with the quality of their finally delivered products and that is done by strengthening the relationships with their suppliers. Therefore, a quality control and assurance process has to be adopted by the work organization in relation to their suppliers. This principle requires organization to transit from the culture of adversarial approach to alliance approach. The principle is addressed in the standard through: control of suppliers; evaluation of suppliers; and analysis of the supplier data..(Salah Alolayan ,2006).

2.3.2 ISO 9001– It's Key Benefits:

- **Improves business performance and manages business risk**

ISO 9001 helps your managers to raise the organization's performance above and beyond competitors who aren't using management systems. Certification also makes it easier to measure performance and better manage business risk.

- **Attracts investment, enhances brand reputation and removes barriers to trade**

Certification to ISO 9001 will boost your organization's brand reputation and can be a useful promotional tool. It sends a clear message to all interested parties that this is a company committed to high standards and continual improvement.

- **Saves you money**

Evidence shows that the financial benefits for companies that have invested in and certified their quality management systems to ISO 9001 include operational efficiencies, increased sales, higher return on assets and greater profitability.

- **Streamlines operations and reduces waste**

The assessment of your quality management system focuses on operating processes. This encourages organizations to improve the quality of products and the service provided and helps to reduce waste and customer complaints.

- **Encourages internal communication and raises morale**

ISO 9001 ensures that employees feel more involved through improved communication. Continued Assessment visits can highlight any skills shortages sooner and uncover any teamwork issues.

- **Increases customer satisfaction**

The 'Plan, Do, Check, Act' structure of ISO 9001 ensures that the needs of the customer are being considered and met.

- **Competitive advantage**

ISO 9001 should be top-management led, which ensures that senior management take a strategic approach to their management systems. Our assessment and certification process ensures that the business objectives constantly feed into your processes and working practices to ensure you maximize your assets. iso.org (2015)

2.3.3 Quality management systems - Requirements:

- 1) Scope.
- 2) Normative references.
- 3) Terms and definitions.
- 4) Quality management system.
- 5) Management responsibility.
- 6) Resource management.
- 7) Product realization.
- 8) Measurement, analysis and improvement.

Source: ISO 9001:2008 Quality management system standard.

2.4 Implementation of ISO 9001:2008 in Sudanese Banks:

2.4.1 Sudanese banks:

Almost all Sudanese banks have focused, till recently, on certain categories of clients when presenting their products and departments, such as artificial persons (highly developed multinational and national societies with important turnovers), merely ignoring a wide category of potential clients needs, requirements and expectations, but we have been recently encountering a more expansive approach, sometimes even an aggressive one, of these categories of clients. Referring to our country situation, only some of the banking system operating banks have succeeded to implement and certify some quality management system. These ones have come to the conclusion that quality management means and methods can and will be successfully put in practice also for banking, having as an example the international banks which have entered their way into national market. It is thus proved that the quality management systems such as ISO 9001:2008 can be a successful way to face the more and more soliciting concurrence from the banking market.

The following chart shows the evolution of ISO 9001 certificates in Sudan and the case of Sudan as a whole on the ISO certificate compared to other countries.

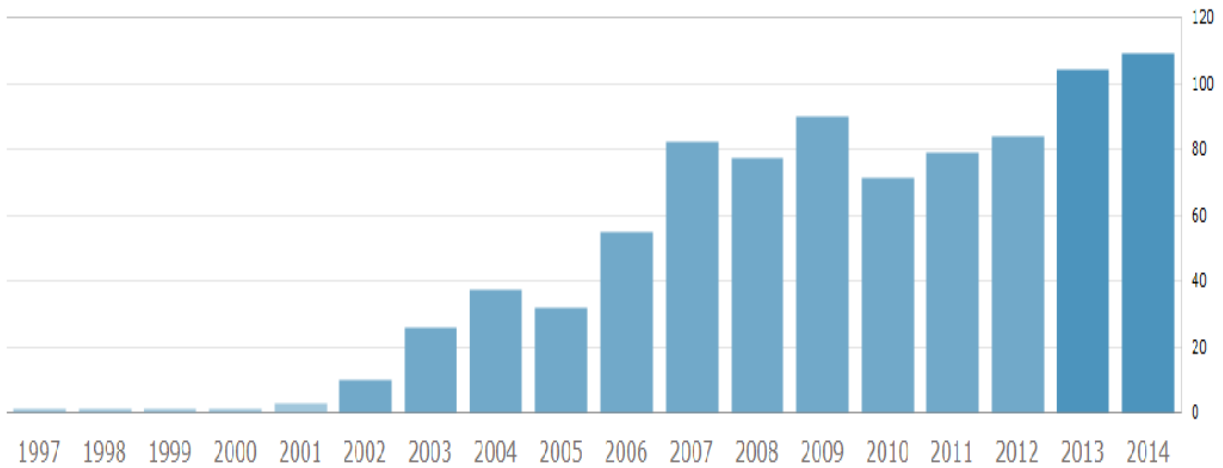


Fig (2.1): Evolution of ISO 9001 certificates in Sudan

Figure No(2.1)[source:iso.org]

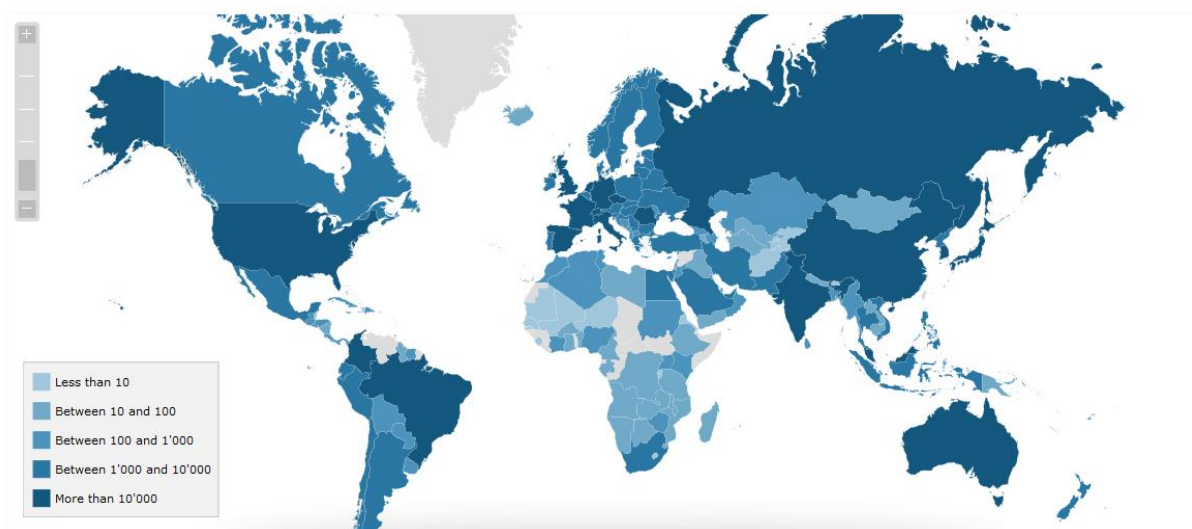


Fig (2.2): World distribution of ISO 9001 certificates in 2014

Figure No(2.2)[source:iso.org]

2.4.2 Central Bank of Sudan

Central Bank of Sudan (as the case study of the research). The bank was formed in 1960, four years after Sudan's independence. It is located in Khartoum, and its governor is currently Hazem Abd Al8ader .(CBOS website).

History:

When Sudan achieved independence in 1956, the creation of a central bank was a priority. A 3-man commission of experts from the United States's Federal Reserve, worked with Sudanese government and finance specialists to create the Law of the Bank of Sudan for 1959, and in 1960 the Bank of Sudan began operations. To establish the bank, the Sudanese government nationalized the National Bank of Egypt's operations in the Sudan (some seven branches), and combined them with the Sudanese currency board.

In addition to the normal duties of a central bank, which may include minting coins and issuing banknotes, managing a country's internal and external accounting, and setting monetary policy and interest rates, Sudan's central bank is also responsible for fostering Islamic banking.

After Sudan introduced Islamic law (Sharia) in 1984, the banking and financial industry changed its practices to conform with Sharia. In 1993 the government established the Sharia High Supervisory Board (SHSB) to ensure compatibility of financial practices with Islamic principles. In compliance with the SHSB, the government is no longer selling treasury bills and government bonds; instead, the Bank sells "Financial Certificates" that comply with Islamic financial principles..(CBOS website).

Banking history:

In 1965, Bank of Sudan and Crédit Lyonnais formed a joint-venture bank name Nilein Bank . Crédit Lyonnais contributed the two branches it had developed since it first entered Sudan in 1953. Bank of Sudan took 60 percent of the shares in Nilein Bank, and Crédit Lyonnais took 40 percent.

In 1970, the Sudanese government nationalized all the banks in the Sudan, changed the names of several, and put them under the Bank of Sudan. Barclays Bank, which had an extensive network of 24 branches, became the State Bank of Foreign Trade, and then Bank of Khartoum. The six branches of Egypt's Bank Misr became People's Cooperative Bank. The four branches of Jordan's Arab Bank became Red Sea Bank or Red Sea Commercial Bank (accounts differ). Commercial Bank of Ethiopia's one branch became Juba Commercial Bank. National and Grindlays Bank, which in 1969 had taken over the four branches that Ottoman Bank had established after it entered in 1949, became Omdurman Bank. In 1973 Red Sea Bank and People's Cooperative Bank were merged into Omdurman Bank. Then in 1984 Omdurman Bank merged with the Juba Commercial Bank to form Unity Bank.

In 1993, Al/An/El Nilein Bank merged with the Industrial Bank of Sudan to form Nilein Industrial Development Bank. In 2006, Dubai-based Emaar Properties and Amlak Finance acquired a 60% stake in Sudan's El Nilein Industrial Development Bank; the Bank of Sudan retained a 40% stake..(CBOS website).

Operations:

As far as the current state of the Sudanese banking and financial situation is concerned, the bank's "About Bank of Sudan" section states:

Since the beginning of the Three Year Economic Program (1990–1993), the Bank of Sudan has carried out policies that aim to revitalize the Sudanese economy, the last of which was the credit policy of 2000 which was based on the following:

1. Emphasizing supply side measures and monetary stability better to utilize banking resources by stressing financing of priority economic priority sectors, and continuation of streamlining general supply policies.
2. Continuation of the social support program for the benefit of the poor families in accordance with the national mobilization project for social security and for the improvement of productivity.
3. Continuation of financing public corporations through the banks without recourse to the Bank of Sudan for direct financing.
4. Allowing the commercial banks to offer financing in foreign exchange according to the regulations issued by the Bank of Sudan.

**. (CBOS website).

Policy, Vision, Mission & Core Values:

Policy:

- 1) Mobilization of National Savings Pillar.
- 2) Allocation of Resources Pillar.
- 3) Achievement of Economic Stability Pillar.
- 4) Banking, Supervisory, Development of Payment, and Financial and Banking Technology Systems.
- 5) Developing Currency Management Pillar.
- 6) Micro and Mini Finance Policies.

Vision:

To be one of the leading central banks at the regional and international levels in maintaining the financial and monetary stability in such a way as may contribute to the realization of sustained economic growth and reinforce the international confidence in our banking credibility.

Mission:

To maintain monetary and financial stability under the dual banking system consistent with the volume of economic activity in Sudan and to realize an attractive investment environment together with securing soundness and strength of the banking system by adopting effective financial and monetary


policies and exerting the required efforts to disseminate the financial and banking knowledge.

Core Values:

We commit ourselves to the following values for performing our work with integrity sincerity and attachment and to set the example for others:

1. Consolidation of the spirit of association.
2. Reinforcement of the principles of integrity, credibility and transparency.
3. Perform with high professionalism and excellence.
4. Effectiveness and efficiency.
5. Work with team spirit.

**.(CBOS website).

 So this study will focus on the causes of non- implementation of this ISO in Central bank of Sudan although, it is a way for improvement.

The non- implementation of this stander might be cause by different perspectives:

1. Quality concept perspective
2. Human perspective (leadership, customer, employee)
3. Financial perspective.
4. Improvement perspective.

CHAPTER THREE

Materials and Methods

This chapter contains description of and methods followed by the researcher for determining the study population and sample, the study tool, the verification steps of the accuracy and stability of the research tool, also description of the study design and statistical methods that used in data analysis.

3.1 Study methodology:

This study based on theoretical background of methodology and the quantities design using a hypothesis testing approach.

3.2 Study population:

The study population consisted from the Central Bank of Sudan employees.

3.3 Study sample:

The study sample consisted of **(60)** from Central Bank OF Sudan employees, they were selected by the stratified random method. The tables below show the distribution of the sample according to the variables.

Table 3.1: The sample distribution by gender variable

Gender	Frequencies	Percentage %
Male	34	56.7%
Female	26	43.3%
Sum	60	100%

Source: questionnaire data.

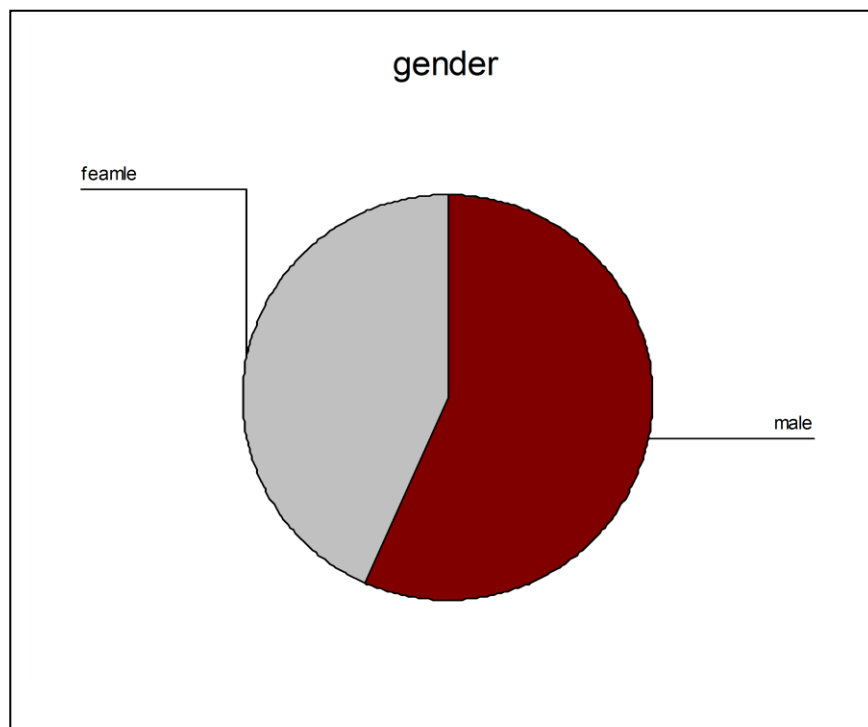


Fig (3.1): percentage of male and female

Source: questionnaire data, using SPSS, 2016

Seen from the table (3.1), the percentage of male (56.7%) and female (43.3%).

Table 3.2: The sample distribution by age variable.

Ages	Frequencies	Percentage %
Less than 30	13	21.7%
30 - 40	26	43.3%
More than 40	21	35.0%
Sum	60	100%

Source: questionnaire data

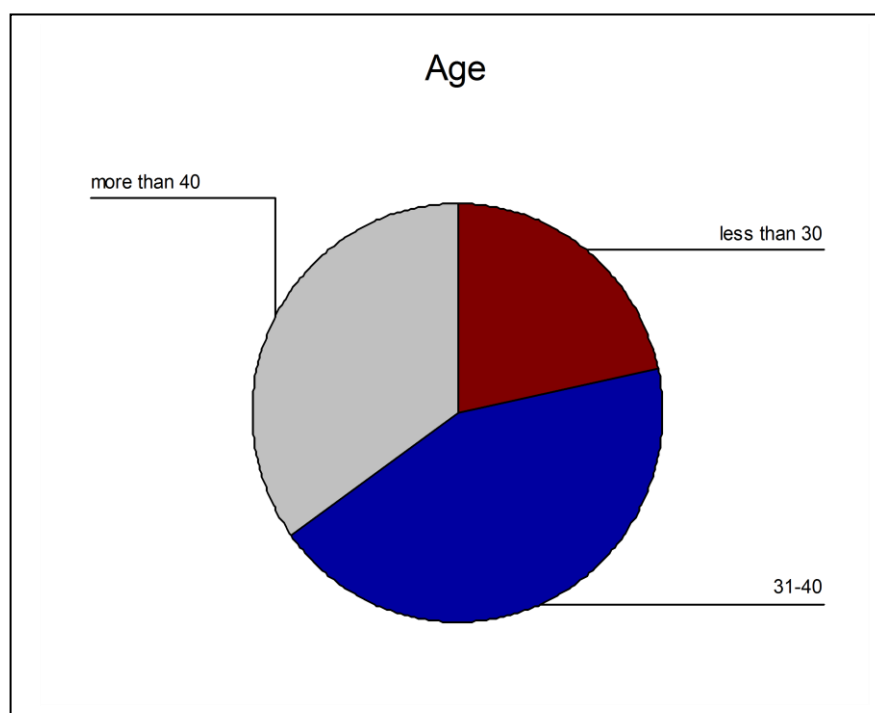


Fig (3.2): percentage of age (less than 30,31-40, more than 40)

Source: questionnaire data, using SPSS, 2016

Seen from the table (3.2), **the percentage of age (30-40) (43.3%) is close with the age (more than 40) (35.0%).**

Table 3.3:The sample distribution by qualification variable

Qualification	Frequencies	Percentage %
Diploma & less	3	5.0%
Bachelor	16	26.7%
Post graduate	41	68.3%
Sum	60	100%

Source: questionnaire data

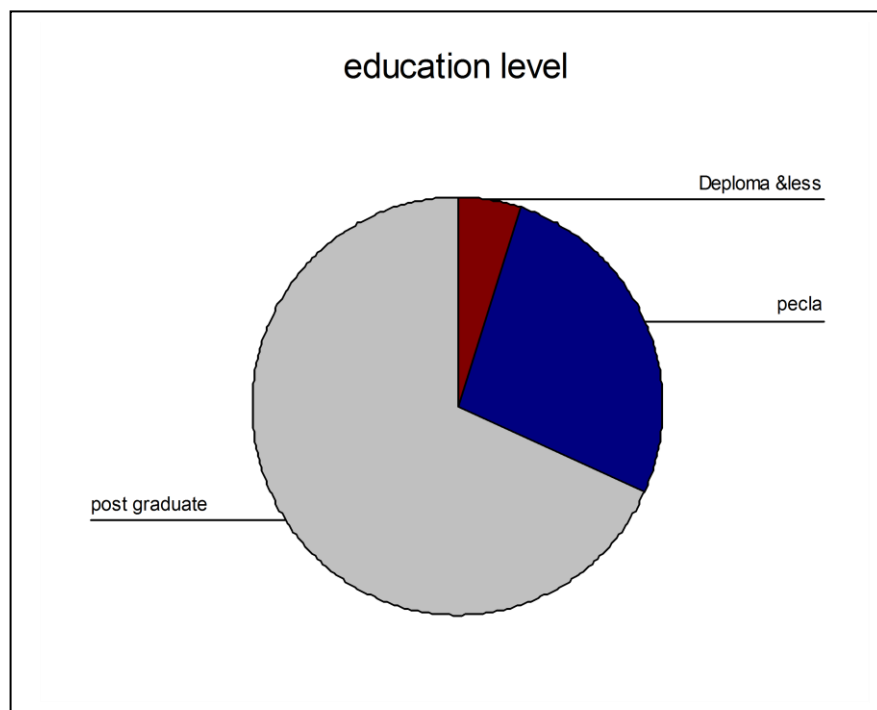


Fig (3.3): percentage of educational level

Source: questionnaire data, using SPSS, 2016

Seen from the table (3.3), the highest percentage is post graduate (68.3%) which shows that the bank has staff with high qualification.

Table 3.4: The sample distribution by job level variable

Job level	Frequencies	Percentage %
Leader	5	8.3%
Supervisor	10	16.7%
Executive	39	65.0%
Other	6	10.0%
Sum	60	100%

Source: questionnaire data

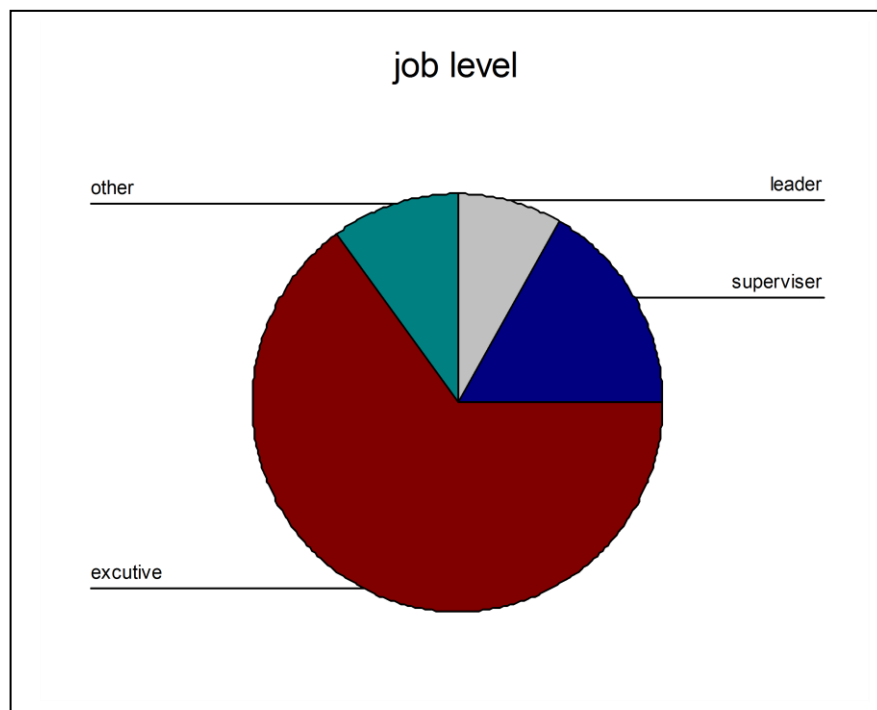


Fig (3.4): percentage of job level

Source: questionnaire data, using SPSS, 2016

Seen from the table (3.4), **the highest percentage are executive (65.0%), which indicate that the largest category is the operating category.**

Table 3.5: The sample distribution by years of experience in CBOS variable

Experience	Frequencies	Percentage %
Less than 5	6	10.0%
5-10years	33	55.0%
More than 10	21	35.0%
Sum	60	100%

Source: questionnaire data

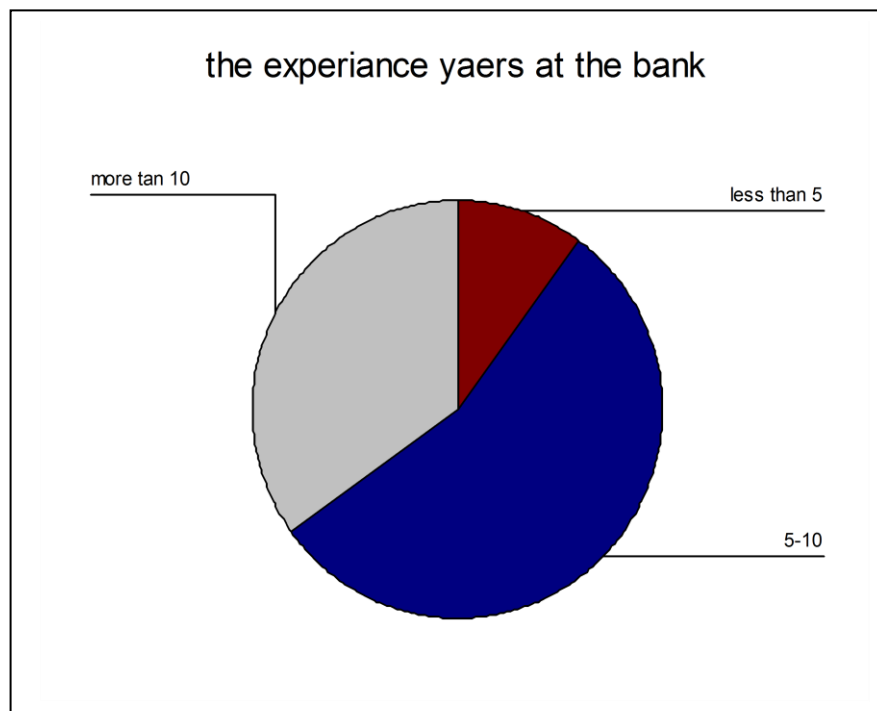


Fig (3.5): percentage of experience of employee in CBOS

Source: questionnaire data, using SPSS, 2016

Seen from the table (3.5), years of experience in CBOS in category (5-10) years (55.0%), and the category (more than 10) years (35.0%) – large percentage – which indicates the stability of the staff in the bank .

Table 3.6: The sample distribution by awareness of ISO 9001 variable

Awareness	Frequencies	Percentage %
strongly aware	5	8.3%
Aware	52	86.7%
don't know it	3	5.0%
Sum	60	100%

Source: questionnaire data

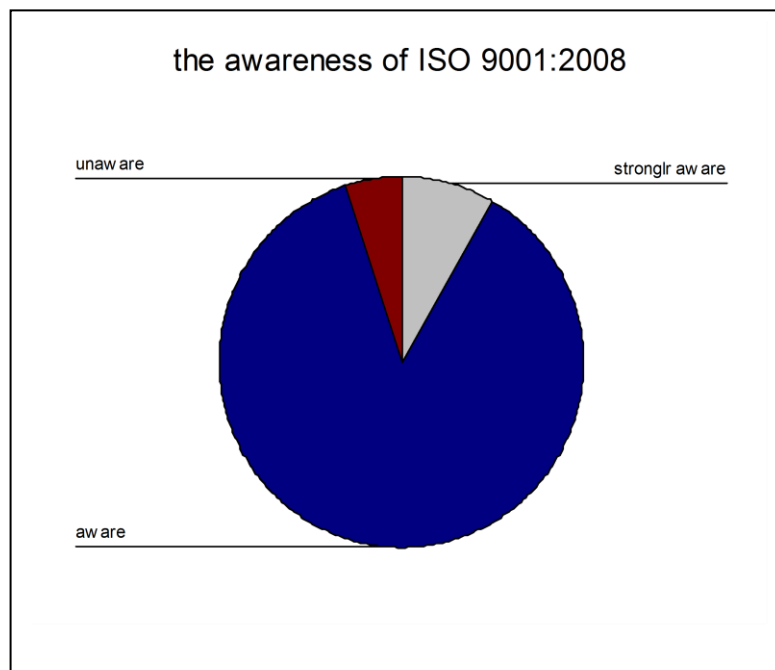


Fig (3.6): percentage of awareness of ISO 9001

Source: questionnaire data, using SPSS, 2016

Seen from the table (3.6), the highest percentage are aware (86.7%), although these large proportion, but the bank was not implement ISO9001:2008. After interview with staff who are (strongly aware) of ISO 9001:2008 show their knowledge of the system is personal effort.

3.4 Study tool:

The researcher has developed a tool for data collection in this study, based on previous review of previous literature on the subject of the causes of non-implementation of ISO 9001:2008. The study tool include on two main parts are:

First part: deals with the general demographic information about the respondents to the questionnaire.

Second part : was devoted to know the causes of non-implementation of ISO 9001:2008 on CBOS from employees perspective, in response to the paragraph of the questionnaire by using Likert scale, which calculates the weights of those paragraphs as follows:

(80 - 100)% Very high

(70 – 79.9)% High

(60 – 69.9)% Medium

(50 – 59.9)% Low

(Less than 50%) Very low

3.5 validity of the study tool:

The questionnaire was presented to a number of referees in field , whom there feedback was put in consideration, and led to some modifications on the questionnaire.

3.6 Study procedures:

The study was conduct , according to the following steps:

1. Preparation of the study measurements of the final image.

2. Identification of the study sample.
3. Distribution of the study tool to the study sample, and retrieval, where distributed (60) questionnaires were distributed, retrieved (60), which formed the study sample.
4. Enter of data into the computer and processed statistically processed using the Statistical Package for Social Sciences (SPSS).
5. Extraction, analyzing and discussion of the results.

3.7 Statistical Processing:

Data was encoded and processed statistically using the Statistical Package for Social Sciences (SPSS) as follows:

1. Frequencies and percentages to determine the characteristics of the study sample on basis of demographic characteristics related to the study.
2. The arithmetic mean to calculate the average of sample responses to each paragraph of the study tool.

CHAPTER FOUR

RESULTS AND ANALYSIS OF DATA

This study aimed to identify the causes of non-implementation of ISO 9001:2008 on CBOS (Sudan) from the perspective of employee view point.

To achieve the objective of the study, questionnaire was prepared and to ensure its reliability, and the coefficient of stability, and after the data collection process, are encoded and entered a computer and processed statistically using the Statistical Package for Social Sciences(SPSS)Here are the results of the study according to the sequence of questions, and hypotheses:

4.1 Results concerning the study hypothesis :

The hypotheses:

- **Main hypothesis:**

There are no Causes of non-Implementation of ISO 9001:2008 Quality Management system in Sudanese banks.

- **Sub hypotheses:**

5. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to Quality concept.
6. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to human thinking.
7. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to financial issue.
8. Causes of non-Implementation of ISO 9001:2008 in Central Bank of Sudan not related to continues improvement.

4.1.1 Results for the first sub hypothesis:

Seen from the table (4.1), the results for the first sub hypothesis from the perspective of quality or standard concept got **MEAN (2.85)**, and a **standard deviation (0.970)** and **low** significant response and a **percentage (57.0%)**.

Table 4.1:explains results of the questionnaire analysis

No	Paragraphs	Mean	Standard Deviation	Percentage %	Degree
1	awareness of the importance of quality systems	2.30	0.962	46.0%	Very low
2	clearly concept for system of ISO 9001: 2008	2.82	0.948	56.4%	low
3	Spread of quality culture among worker.	1.92	0.996	38.4%	Very low
4	training courses on quality systems	2.32	1.097	46.4%	Very low
5	Bank does not apply quality systems and require certification	3.57	0.909	71.4%	High
6	compatibility of the goals of the bank with the quality objectives	3.75	1.002	75.0%	High
7	Having quality systems more visible and viable	3.25	0.876	65.0%	Medium
	The first area: The bank toward the concept of the standard or quality	2.85	0.970	57.0%	low

Source: questionnaire data

4.1.2 Results for the second hypothesis:

Seen from the table (4.2), the results for the **second** sub hypothesis from the perspective of human got **MEAN (2.74)**, and a **standard deviation (1.059)** and **low** significant response and a **percentage (54.0%)**.

Table 4.2:explains results of the questionnaire analysis

No	Paragraphs	Mean	Standard Deviation	Percentage %	Degree
8	Support from senior management in the field of quality.	2.57	1.240	51.4%	low
9	Senior management isn't seeking to apply other concepts of quality	3.18	0.983	76.2%	High
10	Involve employees of an organization in embrace modern concepts.	2.65	1.176	53.0%	Low
11	Qualified staff for the implementation of quality systems.	3.07	1.191	61.4%	Medium
12	conduct a survey for customers to measure the quality of service provided	2.42	0.944	48.4%	Very low
13	Customer interest in obtaining bank on these quality certificates.	2.62	0.993	52.4%	Low
14	understanding of the customers' level of required quality in services	2.72	0.885	54.4%	Low
	The second area: The bank toward human perspective	2.74	1.059	54.8%	Low

Source: questionnaire data

4.1.3 Results for the third hypothesis:

Seen from the table (4.3), the results for the third sub hypothesis from the perspective of financial got **MEAN (3.60)**, and a **standard deviation (1.032)** and **high** significant response and a **percentage (72.0%)**.

Table 4.3:explains results of the questionnaire analysis

No	Paragraphs	Mean	Standard Deviation	Percentage %	Degree
15	Central Bank of Sudan has the ability to pay the costs implementation of quality systems.	4.30	0.926	86.0%	Very High
16	Channeling financial resources for other items (financial, supervisory ... etc.)	3.00	1.221	60.0%	Medium
17	Consideration of the costs of the application of quality systems as an expense is not benefiting the Bank of Sudan.	3.48	0.948	69.6%	Medium
	The third area: The bank toward the financial perspective.	3.60	1.032	72.0%	High

Source: questionnaire data

4.1.4 Results for the forth hypothesis:

Seen from the table (4.4), the results for the forth sub hypothesis from the perspective improvement got **MEAN (3.19)**, and a **standard deviation (1.075)** and **medium** significant response and a **percentage (63.0%)**.

Table 4.4:explains results of the questionnaire analysis

No	Paragraphs	Mean	Standard Deviation	Percentage%	Degree
18	ISO system does not raise the competitive advantage of the Central Bank of Sudan.	3.67	1.115	73.4%	High
19	The Bank does not encourage scientific research and development in the field of quality and development	3.28	1.121	65.6%	Medium
20	The bank does not create an environment that supports continuous improvement	3.23	1.140	64.6%	Medium
21	Look for quality as a means of rebuilding the organizational structure.	2.58	0.926	51.6%	Low
	The fourth area: : The bank toward improvement .	3.19	1.075	63.8%	Medium

Source: questionnaire data

4.2 Results concerning the main hypothesis:

Seen from the table (4.5) causes of non-implementation of ISO 9001:2008 on CBOS (Sudan) from the total of 4 perspective view point got MEAN (3.1), and a standard deviation (1.034) and medium significant response and a percentage (62.0%)

Table 4.5: explains the total results of the questionnaire analysis

No	Paragraphs	Mean	Standard Deviation	Percentage %	Degree
1	The first area: The bank toward the concept of the standard or quality	2.85	0.970	57.0%	Low
2	The second area: The bank toward human perspective	2.74	1.059	54.8%	Low
3	The third area: The bank toward the financial perspective.	3.60	1.032	72.0%%	High
4	The fourth area: : The bank toward improvement .	3.19	1.075	63.8%	Medium
	Sum	3.1	1.034	62.0%	Medium

Source: questionnaire data

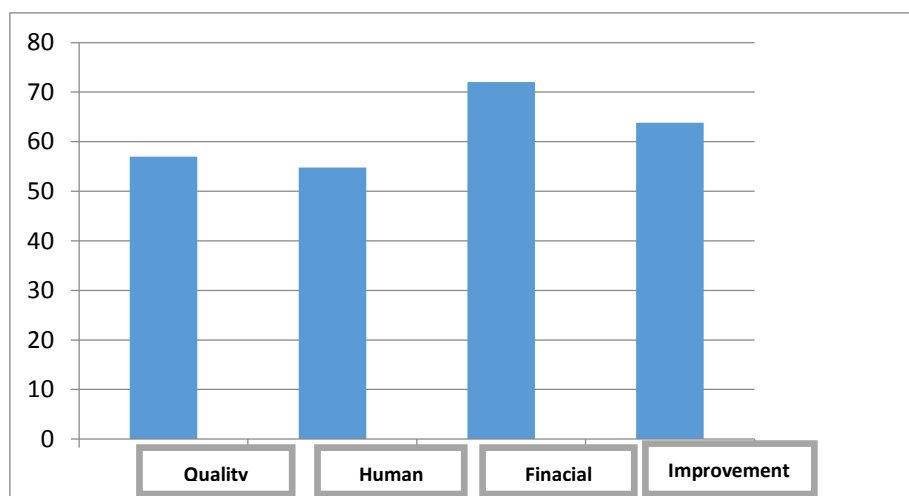


Fig (4.1) the result of main hypothesis

Source: questionnaire data

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

This chapter includes a presentation and discussion of the most important findings of the study and providing the conclusion and a set of recommendations that came out from the study results. The data was analyzed by computer, processed statistically using the Statistical Package for Social Sciences (SPSS). And after extracting and analyzing, the results have been interpreted as follows:

5.1 General :

- Shown through the analysis of the first area of the questionnaire which (the bank toward the concept of the standard and quality) there is a negative image for the bank to adopt this specification, where the results were get low, and this is the first causes of non-implementation ISO 9001:2008.
- Shown through the analysis of the second area of the questionnaire which (the bank toward human perspective) there are negative views for implementing ISO 9001, all human resource impact on these issue such as leaders, employees, customer and suppliers. So this point is the second causes of non-implementation ISO 9001:2008.
- Shown through the analysis of the third area of the questionnaire which (the bank toward financial perspective) there are positive views support the bank to implement ISO9001:2008. So this point didn't concenter a causes for non-implementation.
- Shown through the analysis of the fourth area of the questionnaire which (the bank toward improvement) the bank support the continues improvement almost

toward its core business and little toward quality field. There is fulfillment on quality but not on ISO9001.

- Evidenced by the results of the study, the causes of non-implementation ISO 9001 :2008 quality management system concentrate on toward of the bank for quality concept with (57.0%) , human perspective (54.8%). Seen from table (5.5).

5.2 Conclusion:

From this study we can conclude that:

1. The first cause of non-Implementation of ISO 9001:2008 is the lack of quality concept in CBOS.
2. The second cause of non-Implementation of ISO 9001:2008 is the poor care to human side in CBOS.
3. The bank has good resource to implement quality management systems ISO 9001:2008.
4. Central bank of Sudan does not have competitor or customers, so they don't encourage to implement ISO standard.

5.3 Recommendations:

This research recommends the following:

1. Creating a quality policy approved by governor.
2. Leadership should be participating in the various programs of quality systems. .
3. Supporting all banks to training quality concept and its benefits .
4. Forming a team of staff under the supervision of senior management directly to organize quality programs.
5. Open the suggestions door for the employee to present their views and suggestions about quality programs.

6. Study the impact of executed ISO 9001 programs on some banks
7. Engage and motivate the employees to participate in quality programs.
8. Deploying quality programs and activities via the media; because it improves the bank's image.
9. Taking into account the eight principle of quality management system , when formulating the objectives of quality system.
10. Aware all Sudanese's Banks with quality concept.
11. Central Bank of Sudan seeks for getting quality certificate and to be accreditation body for another banks

Future research:

Research can be conducted about the causes of non-implementation of ISO 9001:2008 in Sudanese banking sector. Service field is an important component of Sudanese's economy. Apart from that banking is a crucial ingredient of Sudanese's financial system.

Further research can be done to propose a model which is specially designed to establish a framework for launching an overall quality improvement program in Banking sector which helps in improving organization performance and customer satisfaction in the Sudanese banking sector.

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