Excellence in Notary Services through ISO 9001 certification: an investigation from Italy

Andrea Chiarini  
Department of Economics and Management  
University of Ferrara (Italy)  
email: andrea.chiarini@unife.it

Alberto Forte  
Notary in Cento  
Ferrara (Italy)  
email: aforte@notariato.it

Abstract

Purpose. This research tries to explore how to improve processes through ISO 9001 certification in the Notary Services organisations. In particular what the achieved benefits are and the encountered pitfalls and difficulties in managing the ISO 9001 quality system.

Methodology. Methodology is based on a semi-structured interview to four Notaries who are running four Notary service organisations. The results from these case studies have been grouped and coded using grounded theory.

Findings. Interesting findings show how ISO 9001 has improved performances in terms of effectiveness and efficiency, in particular cycle-time, productivity, standard-work, paper work errors and customer satisfaction. However, these organisations have had to deal with some difficulties and pitfalls such as some ISO 9001 requirements which are not particularly customised for Notary Services as well as a lack of tools for mapping and improving processes.

Practical implications. The results can be very useful for practitioners who are dealing with an ISO 9001 quality management system in similar services.

Originality/value. This is the first paper dedicated to ISO 9001 implementation in Notary service organisations.

Keywords  
ISO 9001; Quality Management System; Notary Services
1. Introduction

ISO 9001 certification is widespread in many sectors across the board, from traditional manufacturing enterprises to niche service industry. The International Organisation for Standardization (ISO) issued the ISO 9000 family of standards for the first time in 1988. The ISO 9001 standard is based on a Quality Management System (QMS) and provides guidance for all organisations, regardless of their size and sector, on ensuring that their products and services consistently meet customer requirements (ISO, 2015a; ISO, 2016a) and on improving quality performance over time (Psomas and Pantouvakis, 2015; Valmohammadi and Kalantari, 2015). Since its introduction, over one million organisations in over 180 countries have gained ISO 9001 compliance certificates (ISO, 2015a).

The certificate is given by an external accredited body, simply referred to as certification body, whose task is to ensure that all ISO 9001 requirements have been implemented by the organisation; the organisation also has to maintain the implemented requirements and try to continuously improve its quality performance. ISO 9001 was considerably reviewed in 2015 and new requirements for compliance certification were introduced.

For the first time in Europe, some Notary Services organisations have implemented and developed a Quality Management System (QMS) in the last years achieving ISO 9001 certification. Unlike other kinds of organisations, Notary Services have achieved ISO 9001 certification without being forced by requests from Institutions or customers. In this way, they have developed a QMS with the main aim of improving processes towards excellence. ISO 9001 has been chosen as the vehicle for redesigning all the processes and services instead of other management systems. This research, based on a semi-structured interview to some Notaries and a direct observation of the QMSs, tries to understand what the achieved benefits and encountered pitfalls are. Interesting findings show how ISO 9001 has improved performances in terms of effectiveness and efficiency, in particular process cycle-time, productivity, standard-work, paper work errors and customer satisfaction. However, these organisations have had to deal with some difficulties such as some ISO 9001 requirements which are not particularly customised for Notary Services as well as a lack of tools for mapping and improving processes and other organisational pitfalls.

2. ISO 9001 background

The ISO 9001 standard was issued for the first time in 1988, following revised in 1994, 2000, 2008 (ISO, 2008) and 2015. By the end of 2018, all the organisations have to be in compliance with the latest 2015 version and in this particular period, organisations can be both certified according to the 2008 or 2015 version of the standard. In any case, ISO 9001 is a standard based on requirements which depict a so-called Quality Management System (QMS). According to the American Society for Quality glossary (ASQ, 2016):

\[ A \text{ quality management system (QMS) is a formalised system that documents processes, procedures, and responsibilities for achieving quality policies and objectives. A QMS helps coordinate and direct an organisation’s activities to meet customer and regulatory requirements and improve its effectiveness and efficiency on a continuous basis. ISO 9001:2015, the international standard specifying requirements for quality management systems, is the most prominent approach to quality management systems.}\]
A QMS is a vehicle for achieving quality policies and objectives that can be specifically set for increasing customer satisfaction as well as other internal aims. Since the 2000 version, the ISO 9001 standard has formally introduced requirements dedicated to customer satisfaction and continuous improvement of the organisation. According to many authors (Buttle, 1997; Sun, 2000; Tricker, 2010; Feng et al., 2007; Rusjan and Alic, 2010; Goetsch and Davis, 2014) the main aim of an ISO 9001 QMS is surely to improve customer satisfaction and relationship with the market through the so-called quality assurance. To further support this, ISO carried out a survey in 2011 (ISO, 2016b); the results showed improved customer satisfaction to be the main reason for obtaining ISO 9001 certification and the most important benefit from implementing the QMS requirements. According to the ISO survey, other achieved benefits were standard business processes, an increased management commitment, an effective use of data and many others including financial benefits. Other authors highlighted how organisations can obtain other relevant benefits in terms of nonconforming product, service and claims reduction (Casadesús and Karapetrovic, 2005; Martínez-Costa et al., 2009; Fotopoulos et al., 2010). According to Sampaio et al., (2009), organisational benefits in terms of commitment, involvement, decision-making processes and problem solving are also relevant benefits that can be brought by ISO 9001 requirements.

What can be noticed within the standard and from the above QMS definition is that a QMS is based on a defined set of documents which formalises the organisational processes. According to some authors (Van den Heuvel et al., 2005; Poksinska et al., 2006; Psomas et al. 2010) ISO 9001, when not well interpreted, can lead to an excess of bureaucracy and in this way, especially in small sized firms, some good opportunities of process improvement can be lost. The right approach to documentation should be the standardisation of a process improved and shared by people rather than a top-down obligation of old rules and roles (Poksinska et al., 2006). According to Lee and Palmer (1999), some difficulties can also arise concerning the auditing process, particularly internal audits and relationships with external auditors.

Reviewing literature dedicated to ISO 9001 for service industry, other kinds of encountered difficulties by this typology of industry can be found. Singh et al. (2006) compared manufacturing and service industry concluding that many mistakes have been made trying to adapt the standard to service industry using the same approach and principles of manufacturing environment. For instance, Psomas et al. (2010) claimed that among the critical factors for implementing ISO 9001 in service industry, interpretation of the ISO 9001 requirements can be included.

Moreover, the literature offers just a few papers dedicate to ISO 9001 and legal services similar to Notary services. McAdam and Canning (2001) analysed ISO 9001 implementation in the small firms dedicated to professional services; their findings indicated that the informal quality systems of the smaller firms based on detailed customer knowledge are in some ways a completion of the ISO 9001 QMS.

Douglas et al. (2003) investigated the reasons why some legal service organisations in the UK are not that keen in adopting internet solutions for their customers. The authors found a correlations with a lack of QMS.

An interesting paper (Prajogo, 2008) investigated the sustainability of ISO 9001 in a legal service organisation. The author concluded that over the years the internal benefits in terms of better organisation and reduced mistakes stand out the external benefits more related to marketing and image.

From the literature review it can be concluded that a QMS based on ISO 9001 requirements can bring some benefits in terms of customer satisfaction, process
standardisation, nonconforming reduction and even financial benefits. However, depending mainly on the way ISO 9001 is implemented and interpreted by the different stakeholders, an organisation can encounter some difficulties. Therefore, through a qualitative inquiry this research wants to find what these benefits and difficulties are specifically for Notary Services organisations.

3. Methodology

Methodology of this paper is based on a qualitative and quantitative inquiry. Four Notaries from four Notary Service organisations were interviewed. These private Notary Services are the only ones which gained an ISO 9001 certification in Italy and in Europe as well, and they have been managing a QMS for at least five years.

According to the Italian law, a Notary runs each Notary Service organisation. The Italian Notary is a civil law notary public, as are most of the notaries in Europe. They authenticate and attest acts and are appointed by the Italian state. This is because Italian Notaries (‘Notai’) act as public officers with jurisdiction over voluntary private law. They normally specialise in some particular legal areas such as transfer of properties, estate and corporate law and inheritance law. Moreover, Italian Notaries can also provide legal consultancy regarding these specific areas. The Notary who runs a Notary Service organisation can be compared with a senior manager who runs and owns a small-sized firm. All the Notary Services can be considered small sized firms with less than 10 employees.

All the Notary Services belong to an Italian Association devoted to quality management for Notary Services and they continually share their knowledge and experiences linked to the ISO 9001 management and continuous improvement. The interviewed Notaries are at the same time the quality managers of the ISO 9001 QMSs.

Using an exploratory interview (Lofland and Lofland, 1995; Ryan and Bernard, 2000) the four Notaries from the Notary Service organisations were asked to answer the questionnaire in table 1 linked to the literature review results.

The questionnaire is based on a semi-structured interview made up of a pre-determined set of open questions (Leech, 2002) which lead to discussion with the respondents capturing their opinions and point of views.

<table>
<thead>
<tr>
<th>Id</th>
<th>Open question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Has ISO 9001 brought some benefits in terms of customer satisfaction?</td>
</tr>
<tr>
<td>2</td>
<td>What are the main benefits introduced with regard to the internal processes?</td>
</tr>
<tr>
<td>3</td>
<td>What kinds of pitfalls have you encountered during the ISO 9001 QMS development?</td>
</tr>
<tr>
<td>4</td>
<td>Have you experienced some problems in terms of interpretation of the requirements?</td>
</tr>
<tr>
<td>5</td>
<td>Since you gained the certification, how are you dealing with the sustainability and improvement of your QMS?</td>
</tr>
</tbody>
</table>

Data collected from the interviews were analysed, and the research through grounded theory generated the theoretical principles of an ISO 9001 QMS for notary Services. In grounded theory the notes from the respondents are analysed to determine or label variables.
These interrelated variables are called categories, concepts and key aspects or properties (Strauss and Corbin, 1990).

In grounded theory there are three basic types of coding: ‘open’, ‘axial’ and ‘selective’. For the purpose of the research presented here, open coding and selective coding have been used to handle the data collected through the qualitative methods.

Open coding is usually the first step of grounded theory. The notes left from the respondents were analysed in detail and the phenomena were labelled. Strauss and Corbin (1990) suggested that words in the description of the phenomena should be highlighted and stated in a short phrase in order to create the open codes. Table 2 shows the first open coding of the documentation observation and the open coding categories that emerged. While table 3 shows the theoretical axial coding.

Table 2 – Open coding for the results from the semi structured interview

<table>
<thead>
<tr>
<th>Label</th>
<th>Description of the phenomena</th>
<th>Open codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>O₁</td>
<td>Customer satisfaction has increased even if customers do not give so much value to the ISO 9001 certificate</td>
<td>Increased customer satisfaction</td>
</tr>
<tr>
<td>O₂</td>
<td>More standardisation in managing paper works</td>
<td>Paper work standardisation</td>
</tr>
<tr>
<td>O₃</td>
<td>Cycle time reduction in doing paper works</td>
<td>Reduced cycle time for paper work</td>
</tr>
<tr>
<td>O₄</td>
<td>Reduction of mistakes and nonconforming paper works</td>
<td>Nonconforming reduction</td>
</tr>
<tr>
<td>O₅</td>
<td>Internal audits are not so effective. They are perceived as a pure control</td>
<td>Internal audits not effective</td>
</tr>
<tr>
<td>O₆</td>
<td>Some ISO 9001 requirements are more specific for large manufacturing companies</td>
<td>Requirements not fitting</td>
</tr>
<tr>
<td>O₇</td>
<td>Product design requirement is not so appropriate for Notary Services</td>
<td>Requirements not fitting</td>
</tr>
<tr>
<td>O₈</td>
<td>Usually the quality manager and the senior manager owner of the firm are the same person</td>
<td>Organisational difficulties</td>
</tr>
<tr>
<td>O₉</td>
<td>ISO 9001 does not offer any tool or requirement for mapping the processes</td>
<td>No mapping tools</td>
</tr>
<tr>
<td>O₁₀</td>
<td>Sustainability over the years is difficult due to people who has to be dedicated to the QMS</td>
<td>Difficult sustainability</td>
</tr>
<tr>
<td>O₁₁</td>
<td>Certification body can misinterpret ISO 9001 requirements</td>
<td>Requirements misinterpreted</td>
</tr>
</tbody>
</table>

Axial codes represents the theoretical categories founded through grounded theory and which summarise what the benefits and encountered pitfalls managing an ISO 9001 QMS are.
In particular, it can be said that the first three categories represent the achieved benefits and the other three represent the encountered difficulties and pitfalls.

Following, the discussion based on the answers to the open questions.

3.1 Increased customer satisfaction

This first theoretical category is something already known from the ISO 9001 literature. Indeed, customer satisfaction is the main aim of ISO 9001 certification linked to the so-called ‘quality assurance’ principle (ISO, 2016a). According to the answers, surely there is a positive connection between being an ISO 9001 certifies organisation and customer satisfaction. In this Notary Service organisations, customer satisfaction is measured by means of questionnaires which are administered to the customers during or at the end of the provided service. The interesting note from the respondents is that customers usually do not perceive all the achieved improvements from the organisations as something strictly bound to ISO 9001 certification. In any case, customers realise that something has positively changed in the organisation processes. The increased customer satisfaction is a direct consequence of the standardised paper work and nonconforming reduction.

3.2 Paper work standardisation

Paper work standardisation has been the most pursued and ultimately achieved benefit. When these organisations started their journey and implemented the ISO 9001 QMS, they really had in mind that ISO 9001 could have helped them in setting some internal standards for improving paper work. According to the respondents, an ISO 9001 QMS is typically based on documented procedures and work instructions. These are powerful tools which can be used for standardising all the activities within a process, especially when they are based on repetitive tasks. In any case, according to one respondents, it is very important to deeply analyse processes trying to understand what has to be improved before standardising activities. Improvements are linked to the concept of value added inherited by other management systems such as Total Quality Management (TQM) and Lean thinking. Once the process has been mapped, analysed and improved, the quality manager can standardise the results issuing a formal document for managing the process. Benefits are typically related to an increased productivity and a prompter access to data, information and documentation. Indeed an effective standardisation has a relevant impact in reducing the so called cycle time. This is the time required to complete one cycle of an activity or to complete a job or a task. These kinds of improvement have surely affected the efficiency of the processes as well, even though this is not that easy to measure through the typical accounting system.

3.3 Nonconforming reduction

Standardisation of processes also leads to reducing nonconforming services. According to ISO definitions (ISO, 2015a), a nonconformity is a nonfulfillment or failure to meet a requirement.

A requirement could be a need, expectation, or obligation and it can be stated or implied by the organisation as well as customers or other interested parties. Nonconforming products or services belong to the economic and financial part of an organisation named as ‘costs of poor quality’ (Pettersen, 2009). According to the respondents, setting improved procedures and work instructions for managing processes surely leads to a reduction of the phenomenon. This is in part due to the standardisation and in part of the problem solving process introduced by ISO 9001 requirements. It is well-known how ISO 9001 introduces specific requirements
dedicated to nonconforming outputs and corrective and preventive actions. Organisations are encouraged to control nonconforming outputs including the identification of the nonconformities and their analysis, finding the root-cause of the nonconformity and removing it.

3.4 Requirements not fitting
The respondents also highlighted some difficulties and pitfalls linked to the ISO 9001 QMS. Firstly, some difficulties in interpreting and adapting ISO 9001 to Notary Services. The respondents claimed how many requirements are more suitable for manufacturing companies rather than service industry, starting from the terminology and the structure of the standard itself. For instance, according to the respondents, the most relevant pitfall was to interpret the requirements dedicated to design and development of services. Due to the particular business, the provided services are strongly linked to Italian laws and sometimes there is small room for interpretation. Therefore, paper works, acts and consultancy managed by the Notary Service organisations are not designed in the typical way as other industries do. ISO 9001 requirement concerning design and development deals with design planning, reviews and verifications of the design outputs at planned stages, as well as validations of the design process; these are typical processes more related to typical manufacturing company. The respondents highlighted how they have been forced by the certification body to apply the design and development requirement, even if they were more inclined to not cope with it. In their notes, the respondents expressed how sometimes the certification body has interpreted ISO 9001 requirements in its own way forcing the organisations to interpret the requirements in a different way. As an interesting note, one respondent stated that, as a response to the difficulties of interpreting the requirements, the Notary Service organisations issued a specific guideline dedicated to QMS implementation for Notary Services in collaboration with several experts.

3.5 Organisational difficulties
Implementing an ISO 9001 QMS in this particular organisations has also brought some difficulties from an organisational point of view. First of all, being small sized organisations, it is difficult to manage internal audits in an effective way. According to one respondent, internal audits tend to be perceived by the staff like a pure control rather than a process for analysing and improving the QMS processes. In this light, the internal manager appointed for this task is seen like a sort of inspector who has to report back to the senior management. Naturally, this is not the right pattern for involving all the employees in the so-called continuous improvement.

Connected with this issue, these small sized organisations have also experienced some difficulties in appointing a quality manager. In fact, this role can be just managed by the Notary owner of the organisation, who usually is dedicated to many other tasks. Consequently, the quality manager job is not managed in a real effective way. For the same reasons, it is difficult to sustain the implementation in the course of time.

3.6 No mapping tools
The respondents highlighted how they would need some particular tools for mapping the processes. Process mapping is about finding what the real value added activities are removing wastes and reengineering the process itself. After having done this, the process can be standardised by means of documented procedures or work instructions. The respondents
claimed that ISO 9001 neither provides any particular tool for mapping, nor fosters this specific improvement based on value added principles. According to the respondents, this is more linked with the typical Lean Thinking principles (Ingelsson and Mårtensson, 2014). In fact, the Notary service organisations have been also implementing tools and principles derived from Lean management.

4. Conclusions

For the first time in Europe, some Notary service organisations have implemented a QMS obtaining the ISO 9001 certificate of compliance. These particular firms are small-sized organisations run by a Notary who is at the same time the owner and often the quality manager.

Results from these organisations can be compared with the literature review results. First, it can be claimed that, like in other different industries, there has been an increase in customer satisfaction mainly due to internal improvements. A reduced cycle-time and a consequent increased productivity are something more peculiar of ISO 9001 implemented in these particular services. However, this can be only reached through an effective introduction of standardised procedures and work instructions; process mapping tools borrowed by other management systems such as TQM and Lean should be used for the aim. Without doubt, the ISO 9001 QMS reduces nonconforming services and paperwork errors improving costs of poor quality.

Difficulties and pitfalls have been experienced during ISO 9001 management in these organisations. Surely, there has been a difficult interpretation of ISO 9001 requirements considered not so suitable for Notary services, in particular concerning the design and development requirements. The small size of these organisations also brings to light difficulties connected to how to manage internal audits, appoint the quality manager and ultimately how to sustain the QMS over the years.

Results from this research can be useful also for practitioners who are dealing with ISO 9001 implementation in legal services or similar. Moreover, the results open new avenues for further research. For instance, the relationships between how to improve cycle time and productivity in service industry through ISO 9001 certification are not so clear. Finally yet importantly, a particular research dedicated to ISO 9001 sustainability over the years in the small-sized firms should be carried out.

References


