



IMPLEMENTATION OF TOTAL QUALITY MANAGEMENT AND ISO 9000 CERTIFICATION

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Abstract — In this article, we studied on business performance after the implementation of total quality management (TQM) and ISO 9000. Researchers claimed that ISO certification will improve business performance and outcomes. They also believe that ISO 9000 will be necessary to stay in business in the future. Motives of organization toward ISO 9000 are very important. Benefits and difficulties faced during the implementation of TQM and ISO 9000 will be discussing in further. This paper states that quality management system proposed by ISO 9000 is a necessary foundation for other quality methods.

Keywords— TQM, ISO 9000, Performance

I. INTRODUCTION

Total quality management (TQM) started in Japan (1970s), after that it spread to USA (1980s), and lastly spread to Europe (1990s). On the other hand, ISO certification is contrary compared to TQM because it started in Europe, North America, Japan and the rest of the world. ISO begun in 1926 by the International Federation of the National Standardizing Association (ISA). It focuses heavily on mechanical engineering. ISO is a voluntary organization whose members are recognized standard authorities, each one representing one country. Later on, it was disbanded in 1942 during World War II but was reorganized under the current name ISO in 1946. In these few years, TQM and ISO 9000 had become the interest of researchers all over the world because of their impacts on business performance [1]. There were 896.866 certified companies in the world at the end of year 2006. According to the record, the number of ISO certified companies has been growing with a rate far higher than economic growth. This phenomenon was attracted notice of the academia. After that, researches and studies were carried out to analyze this topic [6].

This research aims to investigate the major gap on the relationship between TQM, ISO 9000 and performance. The questions as follows:

- Does implementation of TQM contribute to the improvement of business performance?
- Does implementation of ISO 9000 certification contribute to the improvement of business performance?

II. PROBLEM STATEMENT

Sampled companies were studied and found that companies with ISO 9000 perform better through several areas. For example, reduction of bad products and customer complaints, increase productivity and profitability. But the relationship is unclear as ISO 9000 may directly or indirectly contribute to performance and the direction of impact is difficult to judge. Besides that, some companies may treat ISO 9000 certification as a substitute for TQM. This is very dangerous because ISO 9000 is just a part of TQM and cannot be replaced. Lastly the combination and gap between TQM and ISO 9000 will be an important issue for the future [1].

The research shows that ISO certification does not directly contribute to the improvement of organization's performance. The main role in explaining the level of performance is the type of motivation in an organization. The results clearly explain that supplier who use ISO certification does not necessarily mean they will perform better than organization without ISO certification. The aim for gaining ISO certification must be aware by every organization. Certification that is out of external pressure will cause a hollow achievement [2].

there is a link between TQM practices and organizational performance in terms of productivity, customer satisfaction, profitability, and employee relations the practice of quality is different among countries. For example, Taiwan managers view customer satisfaction as major factor whereas US managers view employee satisfaction as the primary in achieving improvement in organization performance. Firms are classified into three categories in order to study the influence of ISO 9000 in each categories. The three categories are high TQM, moderate TQM and low TQM. Finally, results show that there is no significant impact on the TQM practices by firm with o without ISO 9000 [3].