

The Impact of Quality Management Systems of Selected Businesses in Caraga Region, Philippines

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| Gary Cris R. Pelegrino^{1,*} | Emilio D. Matheu Jr.² |

¹Saint Michael College of Caraga/University of San Jose-Recoletos, Philippines

²University of San Jose-Recoletos, Philippines

*garycrispelegrino@yahoo.com



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ABSTRACT

This research intended to study the impact of quality management systems (QMS) of selected businesses in the Caraga Region, Philippines. Specifically, it sought to determine the effect of QMS in terms of customer focus, leadership, engagement of people, and process improvement, as well as assess significant differences in respondents' evaluations based on company and position. Additionally, the study aimed to propose improvements based on the findings. Using the descriptive survey method, a researcher-made questionnaire was employed for data collection, supplemented by online interviews and focus group discussions (FGDs). Key findings revealed that QMS had a great effect on customer focus, leadership, and engagement of people, while process improvement showed a very great effect. Statistical analysis using Friedman's test indicated no significant difference in responses between companies, but ANOVA tests revealed significant differences across all areas when grouped by position (management, part-time, and regular full-time employees).

KEYWORDS

Quality management system (QMS); ISO 9000; business performance; customer focus; process improvement

INTRODUCTION

Many companies are acknowledging that to stay competitive, one must have the ISO 9001: 2015 certificate. It is a certificate that tells people and businesses that the company has a Quality Management System (QMS) in place and their products or services have passed the global standards set by the International Organization for Standardization (ISO). This is an advantage that many companies would like to have.

With globalization already taking place among businesses worldwide, companies in the Philippines have also joined the bandwagon by updating their products and services to stay competitive not only in the domestic market but eventually in the world market. To attain this, they must review and improve their systems and procedures to come up to global standards. This process ends with the establishment of a QMS that the company should follow as this is the basic requirement for ISO 9001: 2015 certification.

While many companies in the Philippines are already ISO compliant, there are still those who are aspiring to be a part of that privileged group. However, these companies still have a grey area that needs some answers. Will the ISO certification really improve their business? For companies who already got certified, not all of them had the results they expected. Some got positive results, others saw no change, while some had results contrary to their expectations and guidance (Chester, 2018). Having spent a considerable amount of time, money and effort to get certified, these companies want answers and guidance to their endeavors in this field.

This research sought to determine if having a QMS in place will have an effect on a company's business not only in terms of growth but also identify the areas that needs improvement and come up with proposals to address them.

Objective of the Study

The study examined the impact of Quality Management Systems (QMS) on the operational performance of selected businesses in the Caraga Region, Philippines.

RESEARCH METHODS

Research Design

This study utilized the descriptive survey research design to examine the impact of Quality Management Systems (QMS) on selected businesses in the Caraga Region, Philippines. The descriptive research design was considered appropriate because the study aimed to describe and analyze the perceived effects of QMS implementation in terms of customer focus, leadership, engagement of people, and process improvement. Through this design, the researcher was able to gather and interpret data regarding employees' perceptions and experiences with the implementation of QMS in their respective organizations. In addition to the survey questionnaire, online interviews and focus group discussions were conducted to verify responses and gather additional insights that could support the interpretation of the quantitative data.

Research Locale

The study was conducted in the Caraga Region (Region XIII) located in the northeastern part of Mindanao, Philippines. The region is composed of the provinces of Agusan del Norte, Agusan del Sur, Surigao del Norte, Surigao del Sur, and Dinagat Islands, with Butuan City serving as the regional administrative center. Caraga is known for its rich natural resources and economic activities such as agriculture, forestry, mining, manufacturing, and services. Three ISO 9001:2015-certified companies operating within the region were selected for the study. For confidentiality purposes, the companies were not identified by their actual names but were referred to as Company A, Company B, and Company C. Company A operates in the food processing industry, Company B belongs to the wood, lumber, and furniture industry, and Company C is engaged in the construction supply industry.

Respondents of the Study

The respondents of the study consisted of 501 employees from the three selected companies. These respondents were classified into three categories according to their position in the organization: management personnel, professional and technical staff, and rank-and-file employees. The management category included managers and supervisors responsible for decision-making and leadership within the organization. The professional and technical group included employees such as engineers, accountants, planners, market analysts, and human resource personnel who provide specialized knowledge and technical expertise. The rank-and-file category consisted of employees performing operational and support roles such as clerks, technicians, mechanics, drivers, production workers, and utility personnel. Only employees who had undergone training or orientation related to the company's Quality Management System were included as respondents to ensure that they were familiar with the principles and processes of QMS implementation.

Research Instrument

The primary instrument used in the study was a researcher-made questionnaire designed to measure the perceived impact of the Quality Management System on business operations.

The questionnaire consisted of two main sections. The first section gathered information regarding the profile of the respondents, particularly their position in the organization. The second section focused on measuring the perceived effects of the Quality Management System in four major areas: customer focus, leadership, engagement of people, and process improvement. Each statement in the questionnaire was rated using a four-point Likert scale ranging from very great effect, great effect, moderate effect, to no effect. This scale was used to determine the level of improvement perceived by employees as a result of the implementation of QMS in their respective companies.

Instrument Validation

Prior to the actual data collection, the questionnaire was reviewed and validated by members of the research panel during the proposal hearing. Their suggestions and recommendations were incorporated to improve the clarity, relevance, and reliability of the instrument. A pilot test was also conducted to ensure that the questionnaire was understandable and suitable for the intended respondents. The pilot test involved fifteen individuals who were not included in the actual respondents of the study. These participants were composed of five individuals from the management level, five from professional or technical positions, and five from the rank-and-file category. The pilot testing helped verify the reliability of the instrument and ensured that the questions were clear and appropriate.

Data Gathering Procedure

Data collection was carried out after securing permission from the management of the selected companies. The questionnaires were distributed electronically using Google Forms and electronic mail to reach the respondents efficiently. In addition to the survey, selected respondents participated in online interviews and focus group discussions to clarify responses and provide additional information about the implementation and effectiveness of QMS in their organizations. The responses collected from the survey were organized, recorded, and prepared for statistical analysis.

Statistical Treatment of Data

The data gathered from the questionnaires were analyzed using several statistical tools. Percentage was used to determine the proportion of responses for each item in the survey. The weighted mean was computed to determine the overall effect of the Quality Management System in the areas of customer focus, leadership, engagement of people, and process improvement. The interpretation of the weighted mean followed a predetermined range where higher values indicated stronger positive effects of QMS implementation. To determine whether there were significant differences in the assessments of respondents when grouped according to company, the Friedman test was applied. Furthermore, a one-way Analysis of Variance (ANOVA) was used to determine whether significant differences existed when respondents were grouped according to their position in the organization. Post hoc pairwise t-tests were also conducted to identify specific differences between management, professional or technical staff, and rank-and-file employees. All statistical computations were performed using Minitab statistical software.

RESULTS AND DISCUSSION

The study examined the impact of Quality Management Systems (QMS) on the business performance of selected ISO 9001:2015-certified companies in the Caraga Region, Philippines, focusing on four key areas: customer focus, leadership, engagement of people, and process improvement.

The findings revealed that the implementation of QMS had a generally positive effect on business operations across the three companies included in the study. The overall factor average weighted mean of 3.19 indicates that the Quality Management System had a great effect on the operations of the respondent organizations. This result suggests that the adoption of QMS contributes significantly to organizational efficiency, operational consistency, and overall business improvement. Previous studies have also shown that QMS implementation enhances organizational performance, competitiveness, and customer satisfaction by promoting systematic management practices and continuous improvement (Psomas & Antony, 2015).

In terms of customer focus, the results showed a weighted mean of 3.17, interpreted as having a great effect on business performance. This indicates that the implementation of QMS has helped organizations better understand customer needs, improve product and service quality, and reduce customer complaints and product returns. The findings suggest that companies that adopt ISO-based quality systems are more capable of maintaining customer satisfaction and building long-term customer relationships. This result supports the findings of Tarí, Molina-Azorín, and Heras (2012), who emphasized that QMS implementation significantly improves customer satisfaction and organizational performance by aligning processes with customer expectations.

With respect to leadership, the results obtained a weighted mean of 3.13, which also corresponds to a great effect on business operations. The findings indicate that leadership plays a crucial role in the successful implementation of QMS. Respondents noted improvements in organizational direction, clarity of policies, transparency, and accountability among management teams. Effective leadership in QMS helps establish quality objectives, promote continuous improvement, and ensure employee participation in quality initiatives. This finding is consistent with the study of Talib, Rahman, and Qureshi (2011), which highlights leadership commitment as one of the most important factors influencing successful quality management implementation.

The findings further revealed that engagement of people had a weighted mean of 3.17, interpreted as having a great effect on business operations. This suggests that employee participation and involvement in quality initiatives contribute significantly to organizational performance. However, the study also revealed differences in perceptions among employees at different organizational levels. Management personnel reported higher levels of engagement compared to rank-and-file employees, indicating the need for improved communication and inclusion of all employees in quality improvement initiatives. Research has shown that employee engagement in quality management systems strengthens productivity, improves job satisfaction, and promotes a culture of continuous improvement within organizations (Al-Dhaafri, Al-Swidi, & Yusoff, 2016).

Among the four factors examined in the study, process improvement obtained the highest weighted mean of 3.27, which was interpreted as having a very great effect on business operations. This indicates that QMS implementation significantly improved operational efficiency, reduced production losses, minimized downtime, streamlined workflows, and enhanced the use of technology in business processes. These improvements demonstrate the role of QMS in enhancing operational effectiveness and organizational adaptability. Similar findings were reported by Sampaio, Saraiva, and Rodrigues (2009), who found that ISO 9001 certification leads to improved operational processes, cost reduction, and higher organizational efficiency.

The results of the Friedman test revealed that there was no significant difference in the assessment of respondents when grouped according to company, indicating that the positive effects of QMS were consistently experienced across the three organizations regardless of their industry classification. This suggests that the benefits of QMS implementation can be

applied across different types of industries, including manufacturing, construction supply, and food processing.

However, the results of the ANOVA test showed significant differences in the assessments of respondents when grouped according to position in the company. Management personnel consistently reported higher ratings compared to professional/technical staff and rank-and-file employees. These differences may be attributed to variations in responsibilities, decision-making authority, and level of involvement in organizational planning and policy implementation. Managers tend to have a broader perspective on organizational performance and strategic improvements, while rank-and-file employees may focus primarily on operational tasks.

Overall, the findings demonstrate that the implementation of Quality Management Systems significantly contributes to improving customer satisfaction, leadership effectiveness, employee engagement, and operational efficiency. The results also emphasize the importance of strengthening communication and participation across all organizational levels to maximize the benefits of QMS implementation.

CONCLUSION

Based on the findings of this study, it can be concluded that while three key areas (customer focus, leadership, people engagement) discussed in this study had a great positive effect on the respondent companies, process improvement had a very great positive effect on their business. While the results show a favorable outcome, it also shows that there is still a lot of room that can be improved especially in the context of updated knowledge and best practices.

The study highlights that organizations who integrate ISO 9000 QMS into their daily operations see long-term benefits in customer satisfaction, leadership effectiveness, employee engagement, and streamlined processes. By fostering a culture of continuous improvement, these companies enhance their overall competitiveness and resilience in a dynamic business environment. By focusing on the four areas, these businesses have strengthened their resilience, reduced operational risks, and positioned themselves for future success.

Recommendations

To improve the positive effects of QMS among businesses in CARAGA Region, the researcher highly recommends the following: Implement the proposals outlined in Chapter IV of this study in order to further improve the positive of QMS in their respective companies. Initiate a study on Incorporating AI-driven analytics, automation, and real-time monitoring into QMS can enhance efficiency and decision-making. Initiate a study with stronger focus on sustainability like expanding QMS to include environmental and social responsibility.

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