Factors Affecting the Implementation Effectiveness of ISO 9001(2000) Standard and its Impact on Business Results

P. Wickramasuriya A. S. Dharmasiri

Abstract

Quality management has an ever increasing importance in the business world today and implementing ISO 9000 standard is one of the most popular methods adopted by organizations in this regard. In Sri Lanka also, more and more numbers of organizations are receiving ISO certification show an increasing trend. Although many organizations are successful in achieving the certification, their business performances do not reflect the effects of the certification in a uniform manner. This study looks into the factors that could lead to this situation and tries y to establish what kind of factors help to improve the implementation effectiveness and the link between the ISO 9000 implementation and business performance. Findings indicate that factors like customer oriented behavior, organizational culture, measurement and monitoring of processes, processes and procedures, employee satisfaction and commitment are the key factors present in these organizations, while factors like approach to implementing the standard, leadership and involvement of top management, company image and employee involvement have a low level of presence. In all three cases employees have a strong perception that there is a link between the ISO implementation and profitability, but none of the companies measures it in monetary terms. The conclusion is that by concentrating more on the low presence factors, the implementation effectiveness can be enhanced to improve the quality management system, and profitability as well.

Key Words: ISO 9000 Standard, Quality Management, Implementation Effectiveness

P.Wickramasuriya is a management consultant at the National Institute of Business Management. She possesses over 10 years' experience in both public and private sector organizations and her research interests are in the areas of management, productivity and quality. She holds a B.Sc. (Special) degree and an MBA degree from the University of Colombo.

Dr. Ajantha Dharmasiri is Senior Faculty Member and Management Consultant, Postgraduate Institute of Management, University of Sri Jayewardenepura, Colombo 08, Sri Lanka. Tel: +94 112689639 (office), +94 777766687 (mobile), +94312222689 (residence), Fax: +94 112689643, URL: www.pim.lk and Adjunct Faculty in International HRM, Price College of Business, University of Oklahoma, USA.