

THE EFFECTS OF DETERMINANTS OF QUALITY MANAGEMENT SYSTEM (QMS) ON BUSINESS PERFORMANCE – A PERSPECTIVE OF SRI LANKAN ISO 9001 CERTIFIED MANUFACTURING FIRMS

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ABSTRACT

The Manufacturing Sector of Sri Lanka played an important role in enriching the economy of the country and most of the Sri Lankan manufacturing firms to improve the quality of the product and to be competitive in the local and international markets have obtained ISO 9001 Quality Management System (QMS) Certification. In other words, ISO 9001 QMS is popular within the Sri Lankan manufacturing sector as a tool for quality assurance paving the way to streamline the activities of the firm. However, in the Sri Lankan context very little studies were carried out especially covering the manufacturing firms to ascertain the effect of determinants of QMS on business performance. After having a thorough review of literature, the researcher selected three determinants of QMS namely top management commitment, customer focus, and continual improvement and also selected indicators to measure business performance. A sample of 269 firms was selected using simple random sampling technique from a population 650 ISO 9001 certified firms. The data was collected using the survey method by sending a well design questionnaire developed using Likert scale which is validated using the pilot study results. The data were evaluated for reliability, validity, linearity and normality before proceeding for detailed analysis using multiple regressions.

The study concluded that all three determinants positively contributed to business performance. Moreover, the implementation of ISO9001 QMS provides opportunities for manufacturing firms to continually improve the firm's activities leading to enhance business performance. The recommendations that the managers of the manufacturing firms consider quality management system implementation as a priority activity as it helps to increase the business performance and that in turn ensure the stability of the firm.

Keywords: Manufacturing firms, Analysis, Quality Management System, Customer Focus, Continual Improvement.

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