

TQM practices and organizational performances of SMEs in Malaysia: Some empirical observations

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Abstract: This paper examines and compares the total quality management (TQM) practices and organizational performances of small to medium enterprises (SMEs) with and without ISO 9000 certification in Malaysia. A quality measurement framework is developed for this paper based on the critical success factors of the TQM program. Empirical research was carried out to determine the difference, if any, in the TQM implementation and organizational performances of SMEs with and without ISO 9000 certification. The quality measurement framework developed for this paper provides a benchmark of TQM practices for SMEs, which are in the early implementation stage of the quality program and this is proposed as a quality checklist for SMEs to improve and focus on specific areas of their respective quality program. Results based on testing the mean differences between firms with and without ISO 9000 certification indicate that there are significant differences in performances between certified and non-certified firms, supporting the hypothesis that ISO 9000 certification contributes to a higher organizational performance. Other findings based on the impact of length of operation on performance are also reported. The paper discusses the implications of this. Limitations of the study are highlighted and further research directions are suggested.

Key words: ISO 9000, Malaysia, Performance, Small- to medium-sized enterprises, Total quality management, Benchmarking

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