ANALYSING/EVALUATING/ASSESSING THE RELATIONSHIP BETWEEN INSTALLATION A USE OF ISO 9000 ON OPERATING AND BUSINESS PERFORMANCE OF SMES IN INDIA

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Abstract

This paper investigates the effects of implementing the international standard ISO 9001 on business and operating performance. Based on the detailed literature review two stages in implementing ISO 9000 viz. (1) Installation, which has two dimensions: (a) external coordination and (b) integration; and (2) Usage, which also has two dimensions: (a) in daily practice and (b) as a catalyst for change are identified. The hypotheses were that installation of ISO 9000 is positively related to use of ISO 9000, and use of ISO 9000 is positively related to operating performance. In addition, use of ISO 9000 is positively related to business performance since operating performance is positively related to business performance. These findings were based on responses to a survey of 220 ISO 9001 certified SMEs in India. The validation indicated that implementing the ISO 9001 standard led to improved operating performance, but that this outcome did not necessarily or automatically yield better business performance.

Keywords: ISO 9001, Installation and Usage, business and operating performance, Indian SMEs.

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