

An Empirical Study on the Factors Affecting the Implementation of Quality Management Systems Among Indonesian Multinational Companies

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Abstract. The purpose of this research is to study how Indonesian multinational companies implement their QMS (Quality Management System), and how QMS (Quality Management System) can affect their company performance and the quality of their service or product to analyze the data for this study, quantitative was used. The primary method of gathering primary quantitative data is through a questionnaire. It entails using questionnaires and online surveys to obtain data for the study. Companies' Performance and Quality of Products or Services were proved to have a positive impact implementation of QMS among multinational companies in Indonesia from the relationship between the two important independent variables and the combined one that has been discussed in this study, shows that a positive relationship between the two independent variables, and both combined independent variables. According to the findings, company performance has a positive relationship through the implementation of QMS (Quality Management System) in the company. The findings show that company performance was one of the factors that affected the company to implement QMS. Based on the survey result, shows that when companies implement QMS their aspect like defect prevention, company's cycle time, market share, company's ROA, benefit to society, sales, cost-effectiveness, profit is having improvement, growth, and positive impact leads to overall company performance. Thus, the research also found that the quality of a company's product or service also has a positive relationship through the implementation of QMS (Quality Management System). The findings show that the quality of a company's product or service was also another factor that affected the company to implement QMS. Based on the survey result, shows that when a company implements QMS in their company aspects like product quality, industry-standard quality, positive feedback from clients, relation with the customer, awareness of quality throughout the company, and product delivery on the schedule are made company can produce a good quality of product or service that makes them better compared to their rivals.

Keywords: Company Performance, Quality of Companies's Product or Service, Quality Management System

1. Introduction

This chapter will further clarify the main factors that affect the implementation of quality management systems amongst multinational companies that are based in operation in Indonesia. Furthermore, the background of the study will be discussed, and the problem statement section will review the research gaps from existing literature which will serve as the foundation for this study, followed by research questions as well with its objectives. Moreover, the study hypothesis will be developed in relation to the research questions. Thus, the significance of the study and explanations of the problem statement will be presented. Therefore, the conclusion of this chapter will be delivered.

Quality management, according to Spring and Dalrymple (2000), is described as the prompt and waste-free fulfillment of customer needs while considering the company's strategic objectives, entrepreneurial conditions, and resources. The main purpose is to determine the optimal overlap rate between articulated and implicated client expectations, the established management strategy, and real capabilities while keeping pricing constraints in mind.

Raising quality to a strategic level has become an essential prerequisite of effective operation in every sector of the economy in recent decades. On a system level, no production or service organization can avoid using quality management tools and processes. These systems evolved in tandem with the evolution of the quality idea, which may have compelled the evolution and deployment of diverse quality techniques and systems (Topár, 2001). To meet distinct unique client expectations, a portion of public service institutions must, of course, consider the fact that most institutions perform authority roles when developing their quality management systems (Topár, 2007).

Any quality management system deployed in a company should not only be maintained but also enhanced, i.e., changed on a regular basis to ensure continued top performance in meeting the objectives set. The ability of management representatives to carry out their jobs appears to have a strong bearing on the success of the activities undertaken. However, this component of quality management systems has received little attention in professional literature to date (Rogala, 2016).

Peng et al. (2004) found that QM procedures have a large impact on quality and operational performance, but a minor or non-existent impact on business performance. Likewise, quality performance has a big impact on operational performance but a minor or non-existent impact on business performance. One of the main reasons for the poor influence of QM practices on business performance could be because they are dependent on other factors such as the market environment or organizational context.

According to Syahrullah et al. (2018, as cited in Ong et al., 2020) In Indonesia, many organizations have adopted a quality management system by obtaining ISO 9001 certification. To get ISO 9001 certification, these firms attempt to meet all the requirements set forth in worldwide quality management standards. Along with the development of the industrial world, currently, ISO 9001 is not only implemented in the manufacturing industry but also implemented in the service sector, such as hospitals, educational institutions, shipping, and others. Even now there are several non-profit organizations implementing ISO 9001 quality management systems, including Health Services, Social Services, and other government institutions. (Ong et al., 2020).

Moreover, Ab Wahid & Corner (2009) argue there are some issues and difficulties that have been noted by all studies in maintaining the ISO 9000 QMS that resemble one another. These deal with improving people's attitudes and workplace cultures, which can lead to slow remedial and preventive actions and be linked to the employer's or employee's previous attitudes. For example, issues with document and data management and supervision may arise from challenges in cascading information to the ground. Thus, it can also be a problem to be addressed in this study, if companies that have implemented QMS such as ISO certification, have issues or difficulties maintaining QMS that have been implemented before.

Another problem to be addressed in this study is post-implementation issues. A study by Chow-

Chua et al. (2003), stated some typical post-implementation issues include a long and tedious, ineffective document control process that prevents management reviews of the quality system from being conducted to ensure system effectiveness and audit programs that fail to inform management of compliance with the quality policies and procedures.

The purpose of this research is to study how Indonesian multinational companies implement their QMS (Quality Management System), and how QMS (Quality Management System) can affect their company performance and the quality of their service or product.

The following research question has been addressed based on the problem statement and the data that will be collected, below is the list of research questions.

1. Does the Implementation of a quality management system in the company affect the companies' performance among multinational companies in Indonesia?
2. Does the Implementation of a quality management system in the company affect the quality of products/services among multinational companies in Indonesia?
3. Does the combination of companies' performance and quality of products or services affect the implementation of Quality management systems among multinational companies in Indonesia?

2. Related Works

2.1. Contingency Theory

A study by Donaldson (2001), stated the contingency theory is founded on the idea that a third variable moderates the behavior of two other variables, giving the third variable the moniker of a moderating variable. However, not all moderating factors are contingency variables. According to the organization's contingency theory, there are correlations between certain organizational traits and the efficiency of the organization as assessed by various aspects (Negrón, 2020), and quoting Roh et al. (2016) that its internal features (QM practices) must be able to match up with the situational needs of its surroundings for it to execute at a professional rate (Negrón, 2020). Moreover, quoting Sousa and Voss (2008), for the sake of this inquiry, quality management maturity is regarded as a contingency variable because it encapsulates several organizational characteristics pertaining to the manner in which quality management has been applied (Negrón, 2020).

by knowledge-oriented leadership (Naqshbandi et al., 2018). Knowledge management capabilities are an important source of innovation in the business environment of today, which is characterized by rapidly evolving communication and information technology (Hock-Doepgen et al., 2021).

Quoting Punnakitikashem et al. (2009), there is no universal or single best way to manage, an organization's design, and its subsystems must "fit" with the environment, effective organizations not only have a proper "fit" with the environment but also between their subsystems, and an organization's needs are better met when it is properly designed and the management style is appropriate to both the tasks undertaken and the nature of the workgroup. These are the four key concepts of contingency theory (Somsuk, 2010).

2.2. Implementation of QMS

American Society for Quality. (n.d.) stated that Quality Management System was a structured system that documents processes, methods, and responsibilities for accomplishing quality policies and objectives referred to as a quality management system (QMS). A quality management system (QMS) aids in the coordination and direction of an organization's activities to meet customer and regulatory requirements while also continuously improving its effectiveness and efficiency.

Quoting Choi and Eboch (1998), Quality management programs and practices have shaped decades of operations management study and are considered close to the discipline's heart. Total quality management (TQM), six sigma, statistical process control, and external certification programs like the ISO 9000 series or the Malcolm Baldrige National Quality Award have all been widely explored and can be implemented practically in any business industry. (Wiengarten and Pagell, 2012).

TQM is a well-recognized idea that is frequently referred to as a "management philosophy" based on a set of fundamental values, including customer focus, continuous improvement, process orientation,

everyone's commitment, quick response, result orientation, and learning from others. (Hellsten & Klefsjö, 2000).

Six Sigma is a method for reducing variability, eliminating errors, and eliminating waste in goods, processes, and transactions that are disciplined, project-oriented, and statistically based. In today's commercial environment, the Six Sigma initiative is a major driver for quality and company improvement. In this process, statistical methods and statisticians play a fundamentally important role (Montgomery & Woodall, 2008). As stated by Oakland (2007), SPC (Statistical Process Control) is a tool that measures and accomplishes quality control, allowing managers in a variety of industries to take appropriate steps for business success.

From the study Singels et al. (2001) ISO certification refers to a set of fundamental quality standards that enterprises must follow, and it is stated to ensure that products, services, and processes are of consistent quality. Moreover, based on a study of Priede (2012), it argues there is 8 reason to implement Quality Management System based on ISO 9001 practices:

1. Output consistency is improved by well-defined and documented procedures. That is, all operations (or simply those activities that require standardization) in the organization are documented in a clear and easy-to-understand manner for all personnel, leading to the core notion of this standard: do everything correctly the first time.
2. Quality is monitored on a regular basis. This provides senior management with information on whether all processes are performing as planned, as well as deviations from the mean.
3. Procedures ensure that when faults occur, corrective action is taken. As previously said, continuous measurements provide operational information about problems, allowing the organization to conduct all necessary corrective steps as well as define preventive activities by studying causes.
4. The number of defects decreases. It is a logical conclusion of all of these measures if the organization discovers and understands its concerns and determines relevant preventive steps.
5. Defects are detected sooner and repaired at a lesser cost. This is a significant advantage. It is possible to spot a problem at an early stage if the technique is adequately written.
6. It is easier for new staff to follow documented procedures. For businesses with high labor turnover, this is a crucial issue. Furthermore, defined procedures ensure that a new employee can begin working efficiently as soon as feasible.
7. Companies maintain or expand market share, resulting in increased sales or income.
8. Reduced manufacturing costs due to fewer nonconforming items, less rework, lower rejection rates, simpler processes, and fewer errors.

Each practice of Quality Management has a different concept and value, commonly companies will choose practices that are suitable to their company perspective and environment. Thus, the study of Sroufe and Curkovic (2008) stated that a properly implemented quality management system (QMS) may be the foundation for establishing a company-wide long-term strategic stance on quality, not just for satisfying short-term regulatory and performance goals.

2.3. Company Performance

Quoting Hult et al. (2008), March and Sutton. (1997), Richard et al. (2009), Company performance can be defined as the financial and non-financial parts of a company's performance that are combined to generate its overall performance. These factors can be used to determine how successfully a company is executing its business strategy and to find areas for improvement. (Singh et al., 2015). Organizations use a quality management system to organize all technical, administrative, and human resource activities into processes that meet the standards. Because all activities associated with the process are governed by procedures and work instructions controlled by the form, this arrangement will be effective and measurable. This quality management system standard also covers policy, planning, implementation, control, and improvement of all components to boost productivity, efficiency, and operational effectiveness while lowering costs associated with failures (A. Adman et al., 2018).

Thus, quoting from Bjorkman and Budhwar (2007), Dess and Robinson (1984), Fey, Bjorkman, and Pavlovskaya (2000), Powell (1992), Razouk (2011) Organization Performance can be evaluated using subjective data acquired from managers or other important informants, such as how well their company's overall performance, such as market share, profitability, innovation efforts, HR practices,

and other factors, performed. It has been stated that objective assessments are more reliable than subjective measures since managers may be hesitant to point out flaws and instead attempt to exaggerate their firms' performance (Singh et al., 2015).

To add more quoting from the study of Johnson and Kaplan (1987), and Ghalayini and Noble, (1996). Organizational performance has been measured using performance metrics like revenue growth, profitability growth, and market share. Various viewpoints, including marketing, operations, and human resources, were used by some to study the performance. Studying non-financial, intangible aspects is also crucial, such as quality, customer satisfaction, and employee morale (Bagodi et al., 2020).

Moreover, to implement the Quality Management System there must be a motive to do that, study from Brown, et al. (1998) discovered that there are two types of motivations for implementing a quality management system: internal and external motivations. External Motives: Customer Demand, Increased Market Share, Future Customer Needs, National and International Market Benefits, and Supplier Cooperation. While Internal Motives: Cost Reduction, Performance Quality Improvement, Improving Efficiency, Improving Customer Service, and Improving Corporate Image (A Adman et al., 2018). Quoting a study from Brown et al (1998), Singels et al (2001), Martinez-Costa et al (2008), it stated that two types of motivations (internal and external) have an impact on the effective implementation of the quality management system, which will be tailored to the demands of the company (A Adman et al., 2018).

A Kaziliūnas (2010) in his study, stated that strong internal motivation or willingness to improve a company's quality could help build a quality management system that leads to external benefits such as improved market position as well as internal benefits based on the study's findings. Quoting from a study that has the same result Ruževičius et al. (2004). According to their findings, the installation of quality management systems primarily resulted in intangible internal advantages. Furthermore, while the primary motivation for implementing a quality system is to achieve external benefits, the implementation generally leads to an increase in internal benefits such as better definition of employee responsibilities and obligations, a reduction in non-conformities, improved employee communication, and increased efficiency (A Kaziliūnas, 2010).

2.4. Quality of companies' service or product

Quoting authors like Jang and Lin (2008) and Su et al. (2008) contend that improving the operational process, rather than just implementing quality management, is what improves market performance regardless of whether the organization provides goods or services. Reduced manufacturing costs, improved consumer impression of product/service quality, and improved market and financial performance are all results of improved operational processes. Moreover, quoting from Dimara et al. (2004) claim that operational performance, product quality, and market share define a comprehensive conception of organizational performance that eventually results in the improvement of financial performance. Similarly, Barnes et al. (2004) note that higher product/service quality raises customer satisfaction, which in turn raises market share and profits (Psomas & Jaca, 2016).

Quoting from Withers and Ebrahimpour (2000), the study found that the most common justification for obtaining ISO 9000 certification was client requirements, according to a study on ISO 9000 certified businesses in Europe. But other businesses also stated that improving product quality was their primary motivation for obtaining ISO certification (Bhatia & Awasthi, 2018). Moreover, quoting from several studies Gotzamani and Tsiotras (2002), Withers and Ebrahimpour (2000), Poksinska (2010), Douglas et al. (1999), researchers have discovered that companies who adopt ISO standards for internal reasons report higher quality improvements than those that adopt similar standards for external purposes (Bhatia & Awasthi, 2018).

Quoting from study Kannan and Tan (2005), the level of success a company can attain greatly depends on the standard of the goods it provides to its clients. A firm can enhance its sales and, consequently, its market share by providing clients with high-quality items (Bhatia & Awasthi, 2018). Hence, quoting the study of Forker et al. (1996), Kannan and Tan (2005), companies have a competitive advantage in areas like customer happiness, unit product cost, flexibility in product diversity, etc. Is characterized as having a competitive priority. By giving clients what they want and thereby improving on many quality dimensions, high-quality products help businesses gain a competitive edge (Bhatia & Awasthi, 2018).

3. Methodology

To analyze the data for this study, quantitative was used. A questionnaire is a technique for gathering information and responses from participants to collect facts from the symptoms already present and look for information objectively without addressing the causes of these symptoms (Sugiyono, 2010). The primary method of gathering primary quantitative data is through a questionnaire. It entails using questionnaires and online surveys to obtain data for the study. The researcher employed desktop research through the Internet and in-person visits, as well as observation, to gather secondary data.

A survey was conducted during the inquiry to gather primary data for this study. SPSS used as the statistical tool to process the data.

3.1. Data Sources

Online questionnaires will be distributed among the sample or target respondents, which will consist of 30 different multinational companies from different business backgrounds. Why choosing multinational companies, quoting Kim and Chang (1995), Srinidhi (1998) a multinational corporation needs to implement global quality management (GQM) or strategic quality management into practice, wherein quality management is a component of an international strategic planning framework that reflects the multinational structure of the company and its market (Bashan & Armon, 2019).

This study uses a questionnaire as its primary data collection tool. By sending an online survey to the sample population, the main data was acquired. In addition, the questionnaire contains the factors under investigation, such as QMS adoption, business performance, and product or service quality. Structured questions expressly state an alternative set of responses and feedback formats. Additionally, the questionnaire will be divided into three pieces: sections A, B, and C.

In section A, respondents will be questioned about their company name, address, industry, QMS implementation, as well as their personal information, including name, gender, and position within the company. However, sections B and C will assess the dependent variable as well as the independent variables as factors affecting the implementation of QMS in multinational companies in Indonesia. Dawes (2008), argues this particular example uses a verbal response descriptor-based 5-point Likert scale. Numerical descriptors, where the respondent chooses the right number to indicate their level of agreement, can also be used with Likert scales. 'Indicate your agreement from 1 to 5 where 1 = strongly disagree and 5 equals strongly agree,' for instance, maybe the question's format.

3.2. Questionnaire Developments

3.2.1. Implementation of QMS

To investigate the effects of independent variables on the Implementation of QMS, this dependent variable is measured. There are 4 questions in this variable (Poksinska et al., 2006). (1) Employee's definition of the quality management system, (2) QMS standard implementation, (3) The implementation of QMS standard, (4) Top management's QMS handling reaction.

3.2.2. Company Performance

The first independent variable that will be measured is whether company performance has an impact on QMS deployment, it will consist of 9 questions. On a scale of 1 (strongly disagree) to 5, survey respondents responded (strongly agree). The variables are as follows (Senaweera et al., 2020): (1) The business has a strategy for preventing defects, (2) The firm's cycle time for activities has improved, (3) The company's market share has increased, (4) The company's return on assets has grown, (4) The company has a beneficial effect on society, (5) The company's sales have increased, (6) The company's sales have increased, (7) Company cost-effectiveness has increased, (8) The company's profits have increased.

3.2.3. Quality of Company's Service or Product

The quality of the company's services or products will be measured as the second independent variable,

it will consist of 6 questions. Participants in the survey indicated a scale of 1 (strongly disagree) to 5 (strongly agree). The variables are (Arumugam et al., 2008 and (Senaweera et al., 2020): (1) Compared to rivals, the quality of our items is greater, (2) In comparison to industry standards, our company's standard of quality performance has generally proved high, (3) The quality of our products has received positive feedback from our clients, (4) There is more awareness of quality throughout the company, (5) There is more awareness of quality throughout the company, (6) Firm goods are delivered on schedule.

3.3. Profile of Respondents

3.3.1. Gender

There are 135 survey participants in total, with 56 (41.5%) male and 79 (58.5%) female participating in the survey. The frequency test indicates that 79 out of 135 respondents are female, which show a majority of the respondent in this study are female, as seen in Table 1.

Table 1: Respondent's Gender Distribution

Gender	Frequency	Percent
Male	56	41.5
Female	79	58.5
Total	135	100.0

3.3.2. Age

The age group is divided into five groups as shown in Table 2, The age group of 20–29 years old is the most dominant respondent, with a total percentage of 37.0% of participants. The age group of 30-39 years old is the second highest with a percentage of 32.6%, and the third highest group age is 40-49 years old with a total percentage of 22.2%. Finally, the last two groups are 50-59 years old which represents 5.9%, and followed by ≥60 years old with 2.2%.

Table 2: Respondent's Gender Distribution

Age	Frequency	Percent
20-29 years old	50	37.0
30-39 years old	44	32.6
40-49 years old	30	22.2
50-59 years old	8	5.9
>60 years old	3	2.2
Total	135	100.0

3.3.3. Period of Employment

This section is divided into 4 groups as shown in Table 3, The first position which is dominant is 4-6 years working in the company with a percentage of 40.0%, and a frequency of 54 respondents. The second highest is 1-3 years working in the company with the total percentage of 28.9%, and the third highest is 7-9 years working in the company with a percentage of 19.3%. The last position is the group with >10 years working in the company with the percentage of 11.9%.

Table 3: Period of Employment

Years working in the company	Frequency	Percent
1-3 Years	39	28.9
4-6 Years	54	40.0
7-9 Years	26	19.3
>10 years	16	11.9
Total	135	100.0

3.3.4. QMS (Quality Management System) Applied in the Company.

As shown in Table 4, participants of this survey answered that mostly their company uses ISO9001 as their QMS with a percentage of 33.3%, while their also participants answer that their company uses kaizen with a percentage of 28.1% and use SIX SIGMA with a percentage of 24.4% as their QMS. Although there also participants answer that their company uses two models of QMS which in total can be calculated at around 5.2 %, and there also other participants answer that their companies use 3 models of QMS with a percentage of around 8.9%.

Table 4: Period of Employment

QMS Applied	Frequency	Percent
ISO9001	45	33.3
Kaizen	38	28.1
SIX SIGMA	33	24.4
Kaizen, ISO9001	3	2.2
Kaizen, SIX SIGMA	2	1.5
SIX SIGMA, ISO9001	2	1.5
Kaizen, SIX SIGMA, ISO9001	12	8.9
Total	135	100

4. Results and Discussion

To describe the data gathered from respondents who filled out the questionnaire, descriptive analysis is employed. The Likert Scale, which ranges from 1 to 5, is used in this study, with 5 denoting the highest value and 1 the lowest. Furthermore, the responses must be categorized as the first phase of this study. The results of this study are calculated using mean and standard deviation measurements, following which the average may be assessed and recognized. Table 5 below provides a summary of the means and standard deviations for each question based on each variable.

Table 5: Result of descriptive test per variable

No	Variable	Mean	Std. Deviation
1	Implementation of QMS	4.3760	0.6526
2	Company Performance	4.1258	0.7732
3	Quality of Company's Service or Product	4.1370	0.7556

To establish the mean and standard deviation, the Implementation of QMS section uses descriptive analysis. The result of the installation of a QMS was obtained from the data collected (\bar{x} = 4.3760, σ = 0.6526). Table 6 also shows the QMS implementation process used by the respondent's business. The fourth item had the highest mean, 4.4150, showing that respondents agreed that workers should be involved in every phase, including the materials, work processes, finished goods, and delivery.

Table 6: Result of descriptive test per variable

	VARIABLE	MEAN	STD. DEVIATION
IQ1	In your interpretation quality management is a system used by a company to maintain the quality of a product according to specification requests.	4.3700	0.6435
IQ2	QMS standards implemented in your company are carried out by monitoring every process, giving quality results, and reviewing regularly, both daily, weekly, and monthly.	4.3780	0.6564
IQ3	Your company's top management implements QMS by Monitoring Daily Quality Results and Review Quality at Least Once a Month.	4.3410	0.6483
IQ4	In your company employees are involved in every process from materials, and work processes, to finished goods, and delivery.	4.4150	0.6623
	Total	4.3760	0.6526

Table 7 below, shows that the respondent believes that QMS have a significant effect on the company's performance. As indicated in Table 4.8, respondents believed that implementing a QMS had a significant impact on the firm's performance because the mean score for company performance was above the neutral level of three (\bar{x} = 4.1258, σ = 0.7732).

Table 7: Result of descriptive test per variable

Variable	Mean	Std. Deviation
The business has a strategy for preventing defects.	4.1560	0.7214
The firm's cycle time for activities has improved.	4.0520	0.7463
The company's market share has increased.	4.0740	0.7787
The company's return on assets has grown.	4.1330	0.7707
The company has a beneficial effect on society.	4.0670	0.8994
The company's sales have increased.	4.2150	0.7569
Company cost-effectiveness has increased.	4.1700	0.7385
The company's profits have increased.	4.1400	0.7742
Total	4.1258	0.7732

Table 8 displays the findings of the respondent's perceptions of the quality of the product or service. The response reveals that respondents believe the quality of a product or service has a considerable impact on the Implementation of QMS (\bar{x} = 4.1370, σ = 0.7556). The data collected showed that question number six had the highest mean with 4.2220.

Table 8: Result of descriptive test per variable

	VARIABLE	MEAN	STD. DEVIATION
QC1	Compared to our rivals, the quality of our items is greater.	4.1410	0.7933
QC2	In comparison to industry standards, our company's standard of quality performance has generally proved high.	4.0220	0.6853
QC3	The quality of our products has received positive feedback from our clients.	4.0810	0.7436
QC4	Compared to rivals (others), our relationship with customers is better.	4.1780	0.7518
QC5	There is more awareness of quality throughout the company.	4.1780	0.7810
QC6	Firm goods are delivered on schedule.	4.2220	0.7791
	Total	4.1370	0.7556

The hypothesis test results can be found in the output path coefficients (Mean, STDEV, T-Values) on the T-statistic column. Companies' Performance and Quality of Products or Service were proved to have a positive impact implementation of QMS among multinational companies in Indonesia.

Table 9: Hypothesis results

Hypothesis	Description	P-value	Result
H1	Implementation of a quality management system has a significant effect on companies' performance among multinational companies in Indonesia.	0.039	Supported
H2	Implementation of a quality management system has a significant effect on the quality of products/services among multinational companies in Indonesia.	0.096	Partial Supported
H3	The combination of companies' performance and the quality of products/services have a significant effect on the implementation of the Quality management system among multinational companies in Indonesia.	-	Supported

5. Conclusion

The relationship between the two important independent variables and the combined one that has been discussed in this study shows that is a positive relationship between the two independent variables, and both combined independent variables. Firstly, it will discuss how the company implements QMS. According to the findings, company performance has a positive relationship through the implementation of QMS (Quality Management System) in the company. The findings show that company performance was one of the factors that affected the company to implement QMS. Based on the survey result, shows that when companies implement QMS their aspect like defect prevention, company's cycle time, market

share, company's ROA, benefit to society, sales, cost-effectiveness, and profit are having improvement, growing, and positive impact leads to overall company performance.

Thus, the research also found that the quality of a company's product or service also has a positive relationship through the implementation of QMS (Quality Management System). The findings show that the quality of a company's product or service was also another factor that affected the company to implement QMS. Based on the survey result, shows that when the company implements QMS in their company aspects like product quality, industry-standard quality, positive feedback from clients, relation with the customer, awareness of quality throughout the company, and product delivery on schedule are made the company can produce a good quality of product or service that makes them better compared to their rivals.

Lastly, cause the two variables have a significant effect and have a positive relationship through the implementation of QMS (Quality Management System), it can be concluded that a combination of both companies' performance and quality of product/service are factors that can affect company to implementing QMS in their organization.

There are some limitations in our study. First, the sample size for this study is small. The analysis is limited to a few multinational corporations operating in Indonesia. Only 135 respondents were able to take part in this study due to time constraints, as the researcher was only able to persuade a small number of companies to take part and only a small number of their employees to respond to the researcher's questionnaires. As a result, questions concerning the population's representativeness may be brought up by the sampling. To obtain results that are more diverse and give a decent picture of Indonesian multinational companies, a bigger sample size should be used in future research. Other restrictions, such as those pertaining to study designs and variable choice, are frequently restrictive as well. Future research should examine how the use of this strategy is impacted by additional factors such as age, gender, and years of service.

Future studies will also need to examine the QMS process in greater detail because it is difficult to find information on the individual company is QMS, and most corporations consider the QMS they have adopted to be a business secret and do not want it to become widely known. Future studies may also offer some insightful tips on how to enhance the value of the Quality Management System and the advantages of QMS implementation for businesses.

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