

**ISO 9001 QMS – IMPACT ON THE ORGANIZATIONAL  
PERFORMANCE OF SUPPLIERS AND VENDORS: CASE  
STUDY OF MODENAS.**

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## **ABSTRACT**

This study has identified to what extent the impact of organizational performance of suppliers and vendors by absorbing quality management system ISO 9001. Moreover, this study also determines the organizational performance of suppliers and vendors before and after adopting the ISO 9001 quality management system (QMS). Especially the research framework was developed from a case study conducted at Motorcycle and Engine Nasional Sendirian Berhad (MODENAS) as the supplier for a total of 97 companies working as vendors for MODENAS. The data was collected from several sources, including primary and secondary data, which included monitoring vendors' performance. The results have indicated that significant improvements of supplier organization performance such as productivity results had increased to 80 percent: Straight Pass had increased to 87 percent: Warranty claims had fallen to 0.12 percent. In conclusion, this study provided insight and further understanding on how other sector could adopt ISO 9001 quality management system into their vendors that would provide better organizational performance.

## **ABSTRAK**

Dalam kajian ini dapat menentukan sejauh mana prestasi organisasi diantara supplier dan vendor setelah mereka menyerapkan sistem pengurusan kualiti iaitu ISO 9001. Disamping itu kajian ini juga mengukur prestasi supplier dan vendor sebelum dan selepas menyerap sistem pengurusan kualiti ISO 9001. Terutamanya kajian ini dilakukan di Motosikal Dan Enjin Nasional Sdn. Bhd (MODENAS) sebagai supplier serta 97 vendornya. Data yang digunakan adalah dari sumber utama dan kedua juga termasuk dengan permerhatian terhadap vendor-vendor. Keputusan keseluruhan menunjukkan terdapat perubahan prestasi seperti produktiviti telah meningkat sebanyak 80 peratus : proses kelulusan peringkat akhir produk meningkat kepada 87 peratus dan jumlah warranty dapat dikurangkan kepada 0.12 peratus. Sebagai keputusan keseluruhannya , kajian ini juga menunjukkan sektor yang lain juga perlu menyerap sistem pengurusan kualiti ISO 9001 untuk membawa organisasi ke arah yang lebih cemerlang.

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## **CHAPTER 1: INTRODUCTION**

### **1.0 Introduction**

The purpose of this introductory chapter is to give some overviews of the research context. It begins with some explanations of the research background, followed by the problem statement and the research objectives.

### **1.1 Research Background**

The quality of the product is becoming an essential to customer satisfaction and also as a competitive advantage as a success factor for all sizes of organizations (Huarng et.al, 2000). And according to Deming, (1982) the future of the organisation depends on attaining higher quality levels through quality activities such as continuous improvement, data collection, improving products and able to measure customers satisfaction.

Furthermore, the implementation of ISO 9001 quality management system can improve the quality and organization performance, (Tsotras et.al, 2002). Many researchers have found the benefits of implementing ISO 9001 quality management system into an organization so that they can achieve the targets, such as quality improvement, corporate image, marketing advantages (Corbett et. al., 2003), and customers satisfaction, quality products and services and productivity improvement (Jones and Arnot, 1997). As well as increase client satisfaction,

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