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Implementation of Quality Management System ISO 9001 in the World and its Strategic Necessity

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Abstract

Over past 60 years quality management has shown it's importance in increasing competitiveness of companies and economies. The aim of this paper is to review implementation process of the most popular and effective quality management system ISO 9001 in the world and identify it's strategic necessity. This paper is divided into three parts. In the first part author introduces quality management as important part of economies competitiveness thru Global Competitiveness report. In the second part author examines benefits and strategic importance of quality management systems from perspectives of company. And in the third part author views a situation of ISO 9001 quality management system implementation in the world. At the end author makes a conclusions about quality management system's implementation process in the world. Main method used in this paper is monographic method.

Keywords: Quality management, ISO 9001, strategic necessity

1. Quality Management as an Important Component of Economies Competitiveness

Competitiveness has increasingly gained currency across the globe. The international trade theories explain that different countries have different comparative advantages. Thus, if a country is rich in natural resources or capital, it has a comparative advantage over the others (Porter, 1990). However, in the current knowledge economy, knowledge as a resource has no natural home base and can be transferred easily anywhere in comparison to natural resources. This has made the XXI century more and more competitive (Pillania, 2009).

Competitiveness and country competitiveness rankings have increasingly become important and various studies are carried out on the subject. While competitiveness of enterprises has been studied by many scholars around the world, competitiveness of nations is a relatively new discipline (Garelli, 2006). There are two internationally well recognized

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and popular annual rankings on the competitiveness of countries, namely Global Competitiveness Rankings and World Competitiveness rankings.

The Global Competitiveness Rankings study is conducted by the World Economic Forum.

Main coordinators and investigators of Global Competitiveness Report are Michael Porter and Klaus Schwab. They define competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. The level of productivity, in turn, sets the sustainable level of prosperity that can be earned by an economy. In other words, more competitive economies tend to be able to produce higher levels of income for their citizens. The productivity level also determines the rates of return obtained by investments in an economy. Because the rates of return are the fundamental drivers of the growth rates of the economy, a more competitive economy is one that is likely to grow faster over the medium to long run.

The concept of competitiveness thus involves static and dynamic components: although the productivity of a country clearly determines its ability to sustain a high level of income, it is also one of the central determinants of the returns to investment, which is one of the key factors explaining an economy's growth potential (Schwab, 2011).

The determinants of competitiveness are many and complex. For competitiveness ranking of the countries, Global Competitiveness Report introduces the Global Competitiveness Index (GCI). The GCI captures this open-ended dimension by providing a weighted average of many different components, each of which reflects one aspect of the complex reality that we call competitiveness. Authors group all these components into 12 pillars of economic competitiveness (Figure 1.).

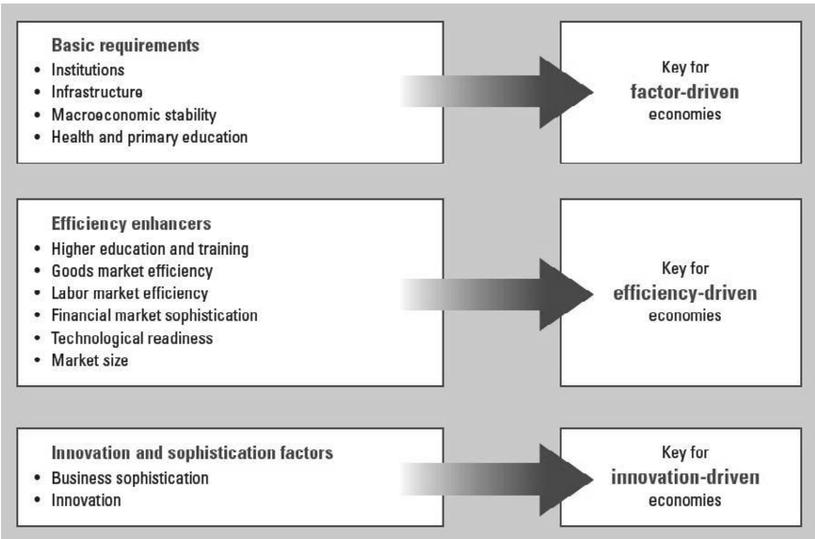

Fig. 1. The 12 pillars of competitiveness

If we look at those 12 pillars of competitiveness in detail, than "Business sophistication" pillar is the one where quality is mentioned. Quality issue will be discussed by the author later in this paper. Business sophistication is conducive to higher efficiency in the production of goods and services. This leads, in turn, to increased productivity, thus enhancing a nation's competitiveness. Business sophistication concerns the quality of a country's overall business networks as well as the quality of individual firms' operations and strategies. The quality of a country's business networks and supporting industries, which we capture by using variables on the quantity and quality of local suppliers and the extent of their interaction, is important for a variety of reasons. When companies and suppliers from a particular sector are interconnected in geographically proximate groups ("clusters"), efficiency is heightened, greater opportunities for innovation are created, and barriers to entry for new firms are reduced. Individual firms' operations and strategies (branding, marketing, the presence of a value chain, and the production of unique and sophisticated products) all lead to sophisticated and modern business processes (Schwab, 2011).

2. Quality Management Systems as a Strategic Tool to Increase Companies' Competitiveness