

QUALITY MANAGEMENT SYSTEM AND ORGANIZATION CULTURE IMPACT ON SAN PEDRO HOSPITAL, DAVAO CITY

Sr. Maria Sonia B. Venus, O.P., MAHA

Marleonie M. Bauyot, Ph.D.

San Pedro College-Davao City, Philippines

Abstract

The study was conducted to determine the influence of quality management system (QMS) and organizational culture on the performance of San Pedro Hospital (SPH). QMS refers to the objectives, policies, procedures, plans, resources, and processes of the organization, and delineation of responsibility and authority, with the purpose of achieving product or service quality levels with customer satisfaction as the focus. Descriptive-correlation method was used in the study, employing the 65 rank and file regular employees from the years 2000 to 2006 as participants for the internal customers. Data were gathered using a researcher-made questionnaire, validated, and pre-tested. Statistical tools employed were frequencies and percentages, weighted mean and standard deviation, Pearson r , and t test. The result of the study shows that the requirements of International Organization for Standardization (ISO) certified QMS are considered, followed, and implemented. Likewise, the statistical data illustrates that the QMS has an influence on the improvement of the performance of SPH from average, to a high level in areas of efficiency, output, and customer satisfaction; that the organizational culture influences the QMS, that is, the former provides a healthy environment for the latter to function efficiently and effectively. It is therefore recommended that SPH should maintain the ISO certification status. Furthermore, the institution should continue to cherish, promote, enhance, and nurture the identified noble and wholesome culture as well as explore the possibilities of empowering the employees. Finally, communication processes need to be improved, particularly in the aspect of consulting people regarding work and responsibilities.

Introduction

Organizational culture is defined as the set of assumptions, values, and enduring belief systems shared by members of an organization characterized by its unique way of doing things, performing routines and procedures, implementing rules and policies, and celebrating rituals and ceremonies.

The health care industry in the Philippines is not exempted from the repercussions of the changing course of events happening worldwide. Advances in science and technology, as well as the saturated field of business, have ushered in a shift in the paradigm of managing health care facilities. San Pedro Hospital (SPH), a 295-bed tertiary hospital, whose vision and mission is geared towards providing a Christian quality health care service, is now experiencing the challenges of the 21st century. This means harnessing the enormous potential of its human resources, from the top management to the rank and file, to evoke greater commitment to render quality Christian service as the *raison d'être* of SPH. Tapping this potential entails building a solid foundation upon

which efforts for Christian quality service are rooted in, and eventually evolves into a systematic daily practice.

Realizing that this aspiration does not happen through haphazard measures but rather through systematic unified conscious efforts of the whole organization, SPH, spearheaded by the Board of Trustees and the President, deemed it timely to mobilize all its human and material resources to move on towards a common direction of raising the standards of quality service, to become competitive locally and globally. Hence, in the year 2002, the hospital Quality Management System (QMS) was certified by the International Standard Organization (ISO) (ISO 9000:2000).

The Problem

This study aimed to determine the influence of QMS and organizational culture on the performance of SPH. Organizational performance refers to the manner of the organization in portraying its effectiveness in carrying out its mission, goals, and objectives in terms of its efficiency, output, and customer satisfaction. Specifically, it sought to determine the demographic profile of the employees in terms of age, gender, profession, and civil status; the level of perception of the employees on the requirements of ISO-certified QMS, namely management responsibilities, resource management, process management and measurement, analysis of data, and improvement; the level of perception of the employees on the elements of organizational culture, namely, sense of identity of the organization, leadership and empowerment, communications, training and development, and dynamism to change; the level of organizational performance of SPH before and after ISO as perceived by the employees in terms of efficiency, output, and customer satisfaction; the relationship between QMS and organizational culture; the extent of influence of QMS on the performance of SPH; the relationship of organizational culture and performance of SPH; and the significant difference in the organizational performance of SPH before and after ISO.

Theoretical Framework

The premise of this study is based on the Deming Theory on Quality Management, which includes, among others, the 14 Points for Quality Management, Deadly Diseases, Cycle of Continuous Improvement, and Value Chain (Foster, 2001).

The model reflects that visionary leadership is an antecedent to an organizational system that supports learning. Organizational learning leads to process management, which provides outcomes or the desired objectives resulting from the process, such as high quality product/ services or low cost. This focuses on process management resulting in higher employee satisfaction and customer satisfaction.

The above theory, taken as one, portrays a holistic approach to management and represents many of the key principles that currently provide the basis for quality management in many organizations. It puts forth the entire concept that visionary leadership is vital to any organization. A leader with a vision adapts a philosophy that awakens energies for change, creates constancy of purpose, and guides the organization toward consistent improvement of product and service, and inspires everyone in the company to participate in the transformation process.

A transformed leadership facilitates supervision to help people, machines, and gadgets to do a better job to improve the system of production and maximize its potentials. Education, training and self-improvement equip people with skills and knowledge both in production and human relations which improve institutional performance. Even without slogans, exhortations, work targets, and standards which Deming encouraged, and with people able to relate with one another, the organization is able to put into reality the mantra “continual never ending improvement” by Deming.

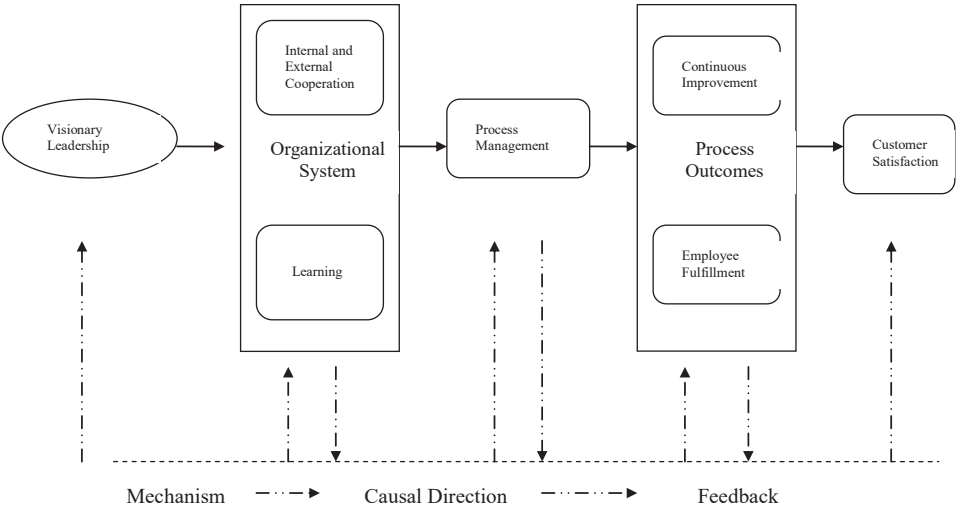


Figure 1. The Theoretical Model Underlying the Deming Method

Conceptual Framework

The framework consists of three sets of variables namely, a set of indicators comprising the QMS standard requirements such as management responsibility, resource management, process management and measurement, analysis of data and improvement, and organizational culture, which forms the independent variables of the study. The dependent variable is represented by organizational performance with efficiency, output, and customer satisfaction as indicators. The moderator variable consisted of age, gender, profession, and civil status of the internal customers form the third set. The framework likewise portrays how the moderator variables contribute to the influence of the independent variables on the dependent variable through its effects on the performance of the organization.

Scope and Delimitation of the Study

This study focused on the QMS and organizational culture of SPH and how the organizational performance affects efficiency, output, and customer satisfaction with employees as participants.

The participants were limited to rank and file, regular employees who had been serving the hospital from years 2000 to 2006. These employees are also labor union members.

The survey data gathered through the use of a questionnaire with the employees as participants were used as bases in evaluating the organizational performance of SPH.

This study is limited only to the employees of San Pedro Hospital of Davao City, Inc. Therefore, the results might not apply to other hospitals even though the health institutions are managed by the same religious order.

Quality, Quality Management System, and Its Usefulness in Management

There are several angles from which one can view quality. David Garvin of the Harvard Business School pointed out that from a transcendent view, a quality product can be understood intuitively, surpassing verbal descriptions like the sublimity of love. From the angle of manufacturing, a quality product is one that conforms to design specifications. Based on value, the product is appreciated for its quality if it is worth the price (Foster, 2001).

Service quality is more difficult to define than product quality. It has more diverse quality attributes owing to high customer involvement. Quality service is enhanced by the element of care, attention, and empathy to the customer (as cited in Foster, 2001).

In the field of health care, Dr. Steward Blumenfield defines quality as conforming as closely as possible to the standards of care that can best be achieved under the given circumstances (as cited in Bunigas, 1997). As an active medical practitioner, Dr. Carlos P. Crisostomo (1997) considers quality medical services as the correct application of currently available medical knowledge and technology in the care of patients. Quality in health involves equitability and accessibility. It is care that is provided competently and professionally so that the outcome is of high quality, responsive to the health care needs, and respectful of the dignity of the one being served.

Competition is inevitable, according to Foster (2001). Indeed, management is given no other alternative but to aim for quality, which can equip the organization to survive competition. This is possible through Total Quality Management, a top-to-bottom organizational change process, aiming and mobilizing human capitals towards a perpetual and never-ending quest for the quality product or service (Bakshi, 2002).

Bateman and Snell (1999) defined Total Quality Management (TQM) as an integrative approach to management that supports the attainment of customer satisfaction through a wide variety of tools and techniques that result in high quality goods and services. It is characterized by a strong orientation towards customers (external and internal) and has become an umbrella theme for organizing work. According to Oakland (2000), TQM is improving the competitiveness, effectiveness, and flexibility of a whole

organization. It is essentially a way of planning, organizing, and understanding each activity, and depends on the individual at each level.

The influence of TQM on the organization is to ensure that the management adopts a strategic overview of quality. The approach must focus on developing a problem-prevention mentality; but it must not lose sight of the effort that is required to change attitudes and approaches (Oakland, 2000). TQM, as a continuous improvement process, directed toward the assurance of quality product and services is an integrated effort of human resources, employing fundamental and strategic management techniques, utilizing modern technical tools, and implementing the required standards set by a recognized authorized body that set up these criteria of quality. To date, the ISO 9000 series is the most successful attempt to develop these standards. It provides a uniform framework for quality assurance that can be used worldwide. ISO 9001:2000 requires the adaptation of QMS to the system of the organization to direct and control an organization with regards to quality. The main purpose of the system is to assure the quality of products and services by organizing itself in such a way that the human, administrative, and technical factors affecting quality will be managed (Goetsch & Davis, 1994). To ensure that all the specified requirements and the needs of the customer are fully met, ISO 9001:2000 set out the methods by which a management system can be implemented in an organization. It begins with the identification of the customer requirements and ends with customer satisfaction.

In 2002, the QMS of SPH was certified by ISO (ISO 9000:2000). Such certification was upgraded to ISO 9000:2001 during the renewal of certification in 2005.

Elements of Culture

Organizational culture has always been an important factor in determining the identity of an organization. It presents the organization or corporate personality, and it is shaped by the strong forces that emanate from within. This internal dynamic power has its origin from the history of the organization and derives its initial force from the values, traditions, processes, and goals held by those most intimately involved in the business of the organization (Gabriel, 1999).

According to Mattson (1999), organizational culture is what the employees perceive and this perception creates a pattern of beliefs, values, and expectations. Seen as integral to an organization, culture becomes “second” nature to an organization. Having gone through socialization process, culture requirements come to be regarded as natural.

George and Jones (2005) posited that the original source of the culture of an organization usually reflects the vision or mission of the founders of the organization. Many organizations trace their culture to one or more persons who provided a living example of the major values of the organization. Several factors contribute to the culture of an organization (Rue & Byars, 1999). One is the element of history. The employees acknowledge and are aware that the manner of accomplishing the task is influenced by the values and directions which have been handed down through the years. History molds the identity of a particular entity, makes it different from another, and lends a distinguishing mark.

Organizational Performance

Performance is another behavior outcome, made up of all work-related behaviors. Robbins and Coulter (2004) define organizational performance as the accumulated end results of all the work processes and activities of the organization. Measuring the performance of the organization is important to the managers because it leads to better asset management, a means to an increased ability to provide customer value. It also leads to improved measures of organizational knowledge, paving the way to collaborative information sharing and social interaction that encourage members to take appropriate actions. TQM, as a managerial approach, is regarded as a means of sharpening the level of consciousness of the whole organization, motivating and equipping the members with the necessary skills, giving a challenge to greater commitment, to eventually collaborate as one body striving towards offering quality goods and services to ensure customer satisfaction. Quality thinking, if attained, will bring about the fulfillment and the accomplishment of the mission-vision, objectives of the organization, and will influence the performance of each member and the organization, as a whole.

Methods

Descriptive research was employed to determine the relationship of QMS and organizational culture with the performance of SPH. Similarly, correlational methodologies were used to investigate the relationship of independent variables to some dependent variables.

A set of survey questionnaires was used to gather data and other relevant information. The participants were employees of SPH having a regular tenureship of at least two years prior to the QMS certification and implementation in 2002, as well as having direct involvement in rendering service to patients and their relatives. A purposive sampling technique using complete enumeration was utilized.

Results and Discussions

Results reveal that the age of the participants ranges from 29 to 59 years old, but majority are from ages 50 to 56 years old. The majority works as nursing aides and are married. The employees perceive that SPH management has carried out the responsibility of instructing and supporting the programs of ISO-certified QMS. Based on the mean, the employees are well informed about ISO as well the implementation of its requirements.

Participants agree that SPH management has performed its responsibilities in relation to the requirements of QMS. Likewise, the requirement of QMS for human resource management is observed in the hospital, that the established process management is followed, and that the requirement of ISO for measurement, analysis of data, and improvement is complied with by the hospital. The participants agree that the four requirements of ISO-certified QMS are observed and implemented within the hospital.

The level of perception of the participants on the elements of organizational culture is divided into five, namely, sense of history and identity of organization,

leadership and empowerment, communication, training and development, and dynamism to change. Among the five elements, the sense of history and identity of the organization garnered the highest mean. This means that the participants agree that SPH symbolizes life and progress, and that it has developed and nurtured that identity, sense of integrity and unity; that it embodies the value of belongingness, and treasures people who have contributed to creating, guiding, formulating, engineering, and establishing the hospital destiny.

It is significant to note that among the elements of culture mentioned, leadership and empowerment, and communication have the lowest mean. These two elements are vital in the attainment of the goals and objectives of the organization, and influence organizational performance.

The data in Table 1 presents the level of organizational performance of SPH before and after ISO as perceived by employees. Participants rated the performance of SPH before ISO as *average*. The data of performance after ISO is *high* in terms of efficiency, output, and customer satisfaction.

The improvement in the performance of the hospital from *average* to *high* after the certification of the QMS is due to the fact that there is a system that directs and controls the activities of the organization that relate to quality, according to Goetsch and Davis (1994).

Table 1

Level of Organizational Performance of SPH Before and After ISO as Perceived by Employees

Indicators	BEFORE ISO		Description/ interpretation	AFTER ISO		Description/ interpretation
	Mean	SD*		Mean	SD*	
Efficiency	2.44	.53	Average	3.08	.46	High
Output	2.31	.58	Average	3.14	.48	High
Customer satisfaction	2.43	.61	Average	3.18	.55	High
Weighted mean	2.46	.57	Average	3.14	.45	High

* Standard Deviation

As presented in Table 2, there is a significant relationship between QMS and organizational performance before and after ISO. In a nutshell, QMS has synergized the whole organism to make quality a reality in the organization.

Table 2

Test on significance on using Pearson's r on the Relationship between QMS and Organizational Performance and Organizational Culture and Organizational Performance SPH Before and After ISO

Variable	Before ISO		After ISO	
	r-value	p-value	r-value	p-value

Quality management system and organizational performance	.411	.001*	.502	.000*
Quality culture and organizational performance	.217	.082**	.389	.001*

Level of significance at $\alpha=0.05$; * Significant, moderate correlation; ** not significant

There is no significant relationship between organizational culture and organizational performance before ISO. This can be accounted for by the lack of formation and information on the part of the employees. The quotient is *low* in terms of skills in accomplishing functions relating with clients, clear work objectives, directions, motivations, work attitudes, and leadership qualities.

On the other hand, the level of significance in organizational culture and organizational performance after ISO is significant. A relationship exists between organizational culture and organizational performance after ISO. Again, information and formation play a crucial part in the existence of the relationship.

There is a difference in the level of organizational performance of SPH before and after ISO. The performance of SPH in terms of efficiency, output, and customer satisfaction is *average* before ISO, and eventually becomes *high* after the implementation of ISO. The improvement is attributed to the implementation of the QMS. The employees are striving to render services promptly, cheerfully, and lovingly, which is a mark of quality. Customer satisfaction is now the center stage of SPH.

Table 3

The Significant Difference on the Organizational Performance of San Pedro Hospital Before and After ISO

Data Variable	p-value	Decision	Interpretation
Organizational Performance Before and After ISO	.000	Reject Ho	Significant

Conclusions and Recommendations

The study concludes that the requirements of the ISO-certified QMS as management responsibilities, resources management, process management and measurement, analysis of data, and improvement have been considered, followed, and implemented.

SPH, as an institution, has upheld a strong culture of identifying itself as a symbol of integrity, life, and progress. It has developed and nurtured the value of unity and belongingness, and opened doors to new developments and changes. Likewise, the institution has enhanced the training and development of employees, valued the importance of people by good leadership and empowerment, and enhanced the means of communication and technology.

The QMS has had an influence on the improvement of the performance of SPH in terms of efficiency, output, and customer satisfaction from *average* before the ISO to *high* after the ISO.

Organizational culture has had an influence on the QMS by intensifying implementation and effect through the rich-cultured people in the organization.

It is recommended that SPH should maintain the ISO certification status. The institution should continue to cherish and nurture the identified noble and wholesome culture, and explore the efficiency and effectiveness of the delegating and empowerment style of leadership among the management team. Moreover, the communication process needs to be improved, particularly in the aspect of consulting people when it concerns tasks and responsibilities. Above all, the momentum and commitment for aiming high be sustained and nurtured towards excellence in health care delivery of services in SPH.

References

- Bakshi, D. K. (2002). *Corporate excellence through TQM*. New Delhi, India: Excel Book Printers.
- Bateman, T. S., & Snell, S. A. (1999). *Management: Building competitive advantage* (4th ed.). USA: McGraw-Hill.
- Bunigas, M. Y. (1997). Quality assurance in hospital care. *Hospital Journal* 1 (3), 3-6.
- Crisostomo, C. P. (1997). Quality considerations for the health care industry. *Hospital Journal*.
- Foster, T. (2001). *Managing quality*. USA: Prentice Hall, Inc.
- Gabriel, Y. (1999). *Organizing and organization: An introduction* (2nd ed.). London: Sage Publication.
- George, J. M., & Jones, G. R. (2005). *Understanding and managing organizational behavior* (4th ed.). USA: Pearson Prentice Hall.
- Goetsch, D. L., & Davis, S. B. (1994). *Introduction to total quality*. USA: Prentice Hall International, Inc.
- Mattson, E. (1999). *Organizational behavior and management* (2nd ed.). USA: McGraw-Hill Company.
- Oakland, J. S. (2000). *Total quality management* (2nd ed.). Great Britain: Linacre House, Jordan Hill.
- Robbins, S. P., & Coulter, M. (2004). *Management* (7th ed.). USA: Prentice Hall International, Inc.
- Rue, L. W. & Byars, L. L. (1999). *Supervision: Key link to productivity* (8th ed.). USA: McGraw- Hill.