

THE EVOLUTION OF QUALITY MANAGEMENT SYSTEMS IN SMES (IMM) IN ROMANIA

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INTRODUCTION

In the current socio-economic context, the small and medium-sized enterprises (SMEs) sector plays an extremely important role in the modern global economy.

In the EU, there are around 23 million SMEs in the 28 Member States, representing 99.8% of all businesses in the EU; The number of their employees is more than 90 million.

With this weight, SMEs can be seen as the engine of the European economy, fulfilling multiple economic and social functions.¹

In Romania, too, the economic segment represented by SMEs has an increasingly important role in the overall economy.

According to the statement² of the President of the National Credit Guarantee Fund for SMEs, in 2012, there were approximately 500,000 SMEs in Romania, representing 99.7% of the total existing companies and employing over 3 million people. Therefore, the share of SMEs in Romania is close to the European average level.

One of the EU's greatest successes has been facilitating cross-border trade by creating the European single market with around 500 million consumers.

Many SMEs do not have the capital to expand to other countries, and need support and advice to make the most of the Single Market.

The barriers for which more SMEs do not expand abroad are linguistic, legislative, access to finance, as well as lack of knowledge of other markets.

A particularly important role in the effective functioning of the European single market (or European Economic Area) has been played and

¹ http://www.europarl.europa.eu/atyourservice/ro/displayFtu.html?ftuId=FTU_5.9.2.html

² Statement by FNGC SME President Aurel Șaramet

is played by European standards (identified by the code "EN"), recognized in 33 European countries.

Despite the large number, SMEs are not as actively involved as large companies in the process of developing ISO standards, their interests being less represented in developing, drafting and revising standards.

Although standardization activities are usually open to all stakeholders who wish to participate, many small firms lack the capacity and/or resources to actively contribute to the standardization process.

It is increasingly necessary for SMEs to know European and international standards, to integrate them into the specifications of their products/services, in order to be competitive on all international markets.

Large enterprises, world market leaders, give due importance to standardization and management systems of any kind (quality, environment, occupational safety, food safety, information security, etc.), gaining not only a secure position in the market, but also documented cost reductions.

SMEs are defined and classified in EU Recommendation 2003/361³ according to the number of employees, turnover and/or annual balance sheet as follows:

"The category of micro, small and medium-sized enterprises (SMEs) consists of enterprises employing fewer than 250 people and having an annual turnover not exceeding EUR 50 million and/or an annual balance sheet total not exceeding EUR 43 million.

Within the SME category, a small enterprise is defined as an enterprise that employs fewer than 50 people and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.

Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million."

This definition entered into force on 1 January 2005, helping both to promote innovation and to develop partnerships to solve problems faced by SMEs.

The globalization of markets, increasing customer exigency under the impact of the knowledge society has also triggered among SMEs a process of reevaluation and redefinition of their place on the market, a process that

³ EU Recommendation 2003/361

has led to profound managerial and organizational transformations, aiming to increase the quality of products / services and satisfy customer demand.

Market pressure, demand from future customers, certification of competitors has determined many SMEs to implement one or more management systems, mainly the following management systems: quality, environment, occupational safety, information security.

Management systems are a set of correlated or interacting elements, through which the management process is exercised, starting from setting policy and objectives to achieving objectives, with the ultimate goal of increasing productivity and access to new markets and beyond.

The design and implementation of a quality management system in an enterprise is influenced by different needs, specific objectives, the products it provides, the processes used and the size and structure of the organization.

Certification is a process by which a third party gives written assurance that a product, process or service is in compliance with specified requirements.⁴

Generally, certification is voluntary, but may become mandatory if the scope of activity of the organization is regulated.

The reasons why an organization requires certification of the management system according to a certain standard and the benefits of the certification audit are different, depending on the standard chosen and the specific circumstances of each organization.

Certification of a management system

by a third party (certification body), is a strategic process that allows organizations to obtain numerous advantages and benefits in the correct administration and management of resources, but also to meet market challenges, access being conditioned by ISO international certifications.

The certification confirms that the organization has the ability to consistently achieve its set goals. Certification certifies that the certified supplier is able to provide products or provide services that meet requirements specified by customers, is a tool to satisfy customer requirements and increase the organization's profit.

The granting and maintenance of certification implies compliance of *the management system* with the requirements of the applicable referentials.

The ISO Certification process consists of several stages of auditing carried out by an independent ISO Certification Body in order to assess the

⁴ ISO/IEC Guide 2: 1996

organization's compliance with the requirements of ISO standards / Management Systems.

The value of certification is given by the degree of trust of the public and the belief that it is established by an impartial and competent assessment.

The certification of an enterprise's quality system is carried out both for internal purposes (achieving the objectives set, according to the enterprise's quality policy, motivating staff to improve quality, ensuring the capability of processes to achieve certain performances) and for external purposes (advertising, alignment with various regulations, community directives, etc.).

Obtaining certification for an organization's quality system (QMS) does not mean, however, that automatically all the products and services it offers will be without deviations from the established requirements. It is very important that after certification compliance with referential requirements is monitored through continuous efforts to improve and improve all processes, avoiding the occurrence of nonconformities throughout the entire process of product / service realization.

Because the costs for certifying and maintaining the quality system are relatively high, SMEs initially showed reluctance towards this type of certification, but over time they understood that these management systems, besides helping them achieve their objectives of providing quality products or services, are a way of controlling them.

The general objective of the research is to bring valid information and evidence regarding the socio-economic impact of QMS certification in SMEs in Romania, evidence that will determine the change of the attitude of SME management towards the implementation, certification and maintenance of a quality management system, as well as the recognition of the value of implementing the quality management system at the level of top management.

My assumption is that the future benefits of implementing, certifying and maintaining a quality management system in an SME are clearly higher than the costs related to the certification process.

The specific/operational objectives are:

- critical analysis of the dynamics of the quality management system certification process in SMEs in Romania;
- identifying and assessing the added value of ISO implementation and certification of management systems for SME organizations in Romania, focusing on their dynamics in the last decade;
- the economic impact produced by the increase in the number of SMEs, which have implemented QMS and obtained the certification of management systems, according to ISO standards.

Given that in the Romanian specialized literature there are no studies for fixed periods on the evolution of SMEs following the implementation and certification of QMS, I expect that through this scientific approach I will obtain relevant results for this field.

Relevant EU studies in the field of certification

Studies conducted in Europe demonstrate the effective contribution of certification to achieving outstanding results.

The study conducted by LRQA (Lloyd's Register Quality Assurance), a world leader in providing management system certification services, on a sample of 400 firms conceptualizes achievements such as:

- improving process planning and control;
- production of products conforming to specifications;
- increasing labour productivity at workplace level;
- increasing the capacity to offer finished products and / or services;
- reduction of losses;
- increasing employee motivation.

Relevant studies conducted in Romania in the field of certification

Another study conducted by UNICERT SRL, (the study took into account a number of 249 organizations certified by this certification body) Romania Oradea, shows that 85% of organizations have certified their QMS as a reaction to external factors, while 15% have certified their QMS for internal reasons. Certification is becoming more and more a condition in order to become competitive. The most important benefit of implementing and certifying QMS is intangible, internal, in the sense that it can ensure that QMS is applied permanently. But overall, the main benefits for organizations also involve external aspects (increasing customer trust, improving image, improving market position, marketing tools, etc.) The benefits correspond to the reasons and factors mentioned above.

As a percentage, the benefits of **implementing a QMS (SMC)** were centralized as follows:

- improved quality awareness (10%),
- clarity of responsibilities (20%),
- increased employee involvement (10%),
- increased internal efficiency (15%),
- image improvement (10%),
- uniformity in the performance of tasks (10%),
- quality of corrective actions (10%),
- attracting new customers (15%).

Benefits of certifying a QMS (SMC):

- ensuring continuous application of quality requirements (20%),
- increased customer confidence (10%),
- image improvement (10%),
- improving market position, competitiveness (10%),
- major market instrument (5%),
- reduction of customer audits (5%),
- allows participation in auctions (35%),
- improved export possibilities (5%), others.

The results of the study showed the distribution of responses according to figs. 1 and 2.

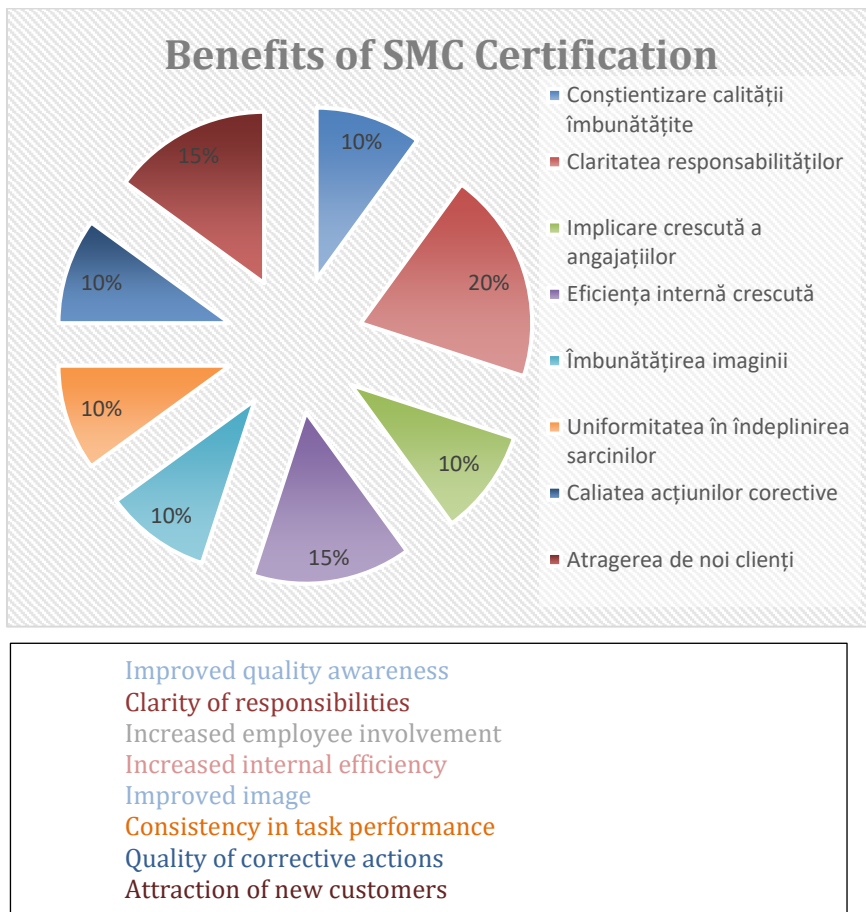
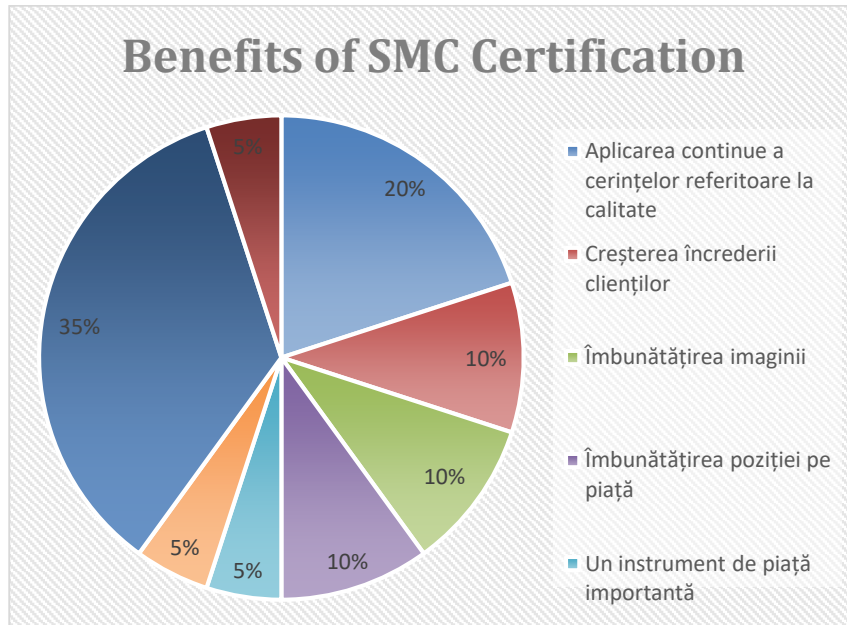


Fig. 1. Benefits of SMC certification⁵

⁵ Study conducted by UNICERT SRL



Consistent application of quality requirements
Increase customer confidence
Improving image
Improve market position
An important market tool

Fig. 2. Benefits of implementing QMS⁶

The conclusion reached is that, within companies where the implementation of a management system has reached the maturity level, 3 years after implementation, a level at which the positive effects of the quality management system are felt, the top management wanted to keep the certification, both on the quality standard and on other standards.

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⁶ Study conducted by UNICERT SRL