

Impact of ISO 9001 certification on firms financial operating performance

Eli Kofi Aba; M. Affan Badar; Michael Allen Hayden

+ Author & Article Information

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Purpose

– The purpose of this paper is to investigate the impact of ISO 9001 certification on US firms' financial operating performance for a period of five years including one-year prior to certification, year of certification, and three fiscal years after certification.

Design/methodology/approach

– The paper is based on an examination of a sample of 397 firms that had received ISO 9001 certification from 1991 to 2002. Certified-firm, non-certified-firm, and matched-control-firm operating performances were examined over the same period based on the ratio of pre-tax operating income to total assets (EBITA/TA). Wilcoxon signed-rank test was used to test for significant differences in operating performance among the certified, non-certified, and matched-control firms.

Findings

– The paper concludes that there was significant improvement performance from prior year to year of certification. The certified firms performed better than the non-certified firms. The certified firms also performed better than the matched-control firms.

Research limitations/implications

– Based on the research approach and the findings, the paper recommends the use of newer ISO data; any additional certifications; and further research into the lack of significant operating values by the certified firms in the post-certification years.

Practical implications

– The paper shows that ISO 9001 certification is statistically related to operating performance. Certified firms have better operating performance. The positive significance in decile operating performance from prior year to certification year is an important finding for the

- The paper satisfies the need to study when ISO 9001 certification impacts firms' financial operating performance.

Keywords: [Quality](#), [ISO 9001](#), [Certification](#), [Technology management](#), [Total assets](#)

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