

## ABSTRACT

**RAMOS, MADELAINE B, Relationship of Quality Management System and Financial Performance of Companies at First Cavite Industrial Estate, City of Dasmariñas.** Master in Business Administration, De La Salle University–Dasmariñas, Cavite, September 2011. Adviser: Dr. Vivian N. Pascual

This study aimed to determine the relationship of Quality Management System (QMS) on Financial Performance of Companies at First Cavite Industrial Estate. This study would like to prove that quality management system has significant relationship to the financial performance of the companies.

The study used self-administered questionnaire in determining the relationship of QMS on financial performance of the companies. Seventy respondents were chosen to be part of the survey. Sixty six percent replied to the survey, majority from the Japanese manufacturing company. The first part of the results discussed the profile of the company that participated in the study. This includes the nationality, ISO status, number of years certified, leadership style, and company size. The profile of the respondents (managers) was also discussed in terms of the management responsibility, product realization, resource management, and measurement analysis and improvement. The financial status of the company was also presented, showing the profitability, liquidity and stability ratios.

After presenting all the variables and data, canonical correlation analysis was used in determining the relationship of quality management system on the financial performance of the company. Furthermore, canonical correlation was able

to determine the variables that can greatly contribute both for the independent and dependent set of variables.

Measurement analysis and improvement and resource management showed positive high correlation. Moreover, management responsibility has a positive significance but not as high like the first two mentioned. Dependent variables contributors are fixed asset to total owners' equity. Return on asset and return on equity displayed negative but high correlation to the dependent variable.

The results of this study contrasts to the previous study presented in this paper wherein in most studies QMS has positive relationship with return on asset and return on equity, while in this study the relationship is inverse. As part of the result of the paper, it shows that QMS has positive relationship to fixed asset to total owners' equity under stability ratio.

Furthermore, there is only 23.6 percent correlation between the quality management system and financial performance of the company. The remaining variance can be associated with other factors. Future researches on this topic can try to look at the remaining variance, in order to determine the factors that could affect the financial performance of the company.