

# The Effect of Quality System of ISO 9000, The Strategic Role of Human Resources Management, Total Quality Management and Organization Culture to Organization Performance (Survey at ISO Standardized Puskesmas in Central Sulawesi)

Syamsuddin, Syamsul Bachri, Saharuddin, and Sulaeman Miru  
Departemen of Economic, University of Tadulako, Palu, Indonesia, 94118

## Abstract

The purpose of this research is to know, to test and to analyze the direct effect of ISO 9000 quality system program, the strategic role of human resource management, total quality management to organizational culture and performance and indirect influence to organizational performance through organizational culture. The analytical method used is path analysis with AMOS IBM SPSS software, 22 version. Results and Discussion; the ISO 9000 quality system program has a significant effect on organizational culture of 44.5% with  $p\text{-value } 0,000 < \alpha = 0.05$ . The strategic role of human resources management directly has an insignificant effect on organizational culture of 7.5% with  $p\text{-value } 0.186 > \alpha = 0.05$ . Total quality management directly affects organizational culture by 25.9% with  $p\text{-value } 0,000 < \alpha = 0.05$ . Implementation of the ISO 9000 quality system program has a significant effect on organizational performance of 39.6% with  $p\text{-value } 0,000 < \alpha = 0.05$ . The strategic role of human resources management directly has significant effect on organizational performance of 9.6% with  $p\text{-value } 0.047 < \alpha = 0.05$ . Total quality management directly affects the organizational performance of 11.7% with  $p\text{-value } 0,025 < \alpha = 0.05$ . The organizational culture directly affects the organization's performance by 38.8% with  $p\text{-value } 0,000 < \alpha = 0.05$ . The implementation of ISO 9000 quality system program indirectly effect the organizational performance significantly through organizational culture of 17.3% with  $p\text{-value } 0,000 < \alpha = 0.05$ . The strategic role of human resource management indirectly has no significant effect on organizational performance through organizational culture of 2.91% with  $p\text{-value } 0.191 > \alpha = 0.05$ . Total quality management indirectly affects organizational performance significantly through organizational culture of 10.0% with  $p\text{-value } 0,000 < \alpha = 0.05$ .

**Keywords:** ISO, the strategic role of human resource management, TQM, organizational culture, and organizational performance.

## INTRODUCTION

Public sector organizations are government organizations whose main purpose is not to seek profit (profit oriented), but to meet the needs / interests of the community, especially government organizations engaged in health services. Health organizations are expected to provide an adequate level of service quality for the community. In addition, communities demand transparency, efficient use of public funds, and accountability (Relman, 1988). The Institute of Medicine (IOM), states that current health care services are too often harmful and fail to provide benefits to society (Institute of Medicine, 2001). Quality management and implementation of the quality management system, emphasizing process control and process improvement, is therefore important for any hospital organization (Casparie, 1993). The ISO 9000 series is the standard that sets out the requirements and guidelines for the quality management system. The generic standards, meaning that the same standards can be applied to any organization, large or small, regardless of product or service, in the sector or activity whether it is a business enterprise, public administration of a government department. The standard represents an international consensus on good management practices with a view to ensuring that the organization can continue to deliver products or services that: meet customer quality requirements; meet applicable regulatory requirements; improve customer satisfaction; and achieve continuous improvement. The usefulness of the ISO 9000 standard in health care has been described (Carson, 2004). A small number of global health care organizations have been reported using the ISO 9000 standard (Sluijs and Wagner, 2000).

The Implementation of ISO 9000 in hospitals or at other health facilities is currently limited to its department certification only (Van den Heuvel, 1998).

Many academics and practitioners attempt to examine human resource relations and organizational performance, in which the company's human resources are capable of influencing the firm's market valuation, although it is not directly visible in the financial statements of companies (Lev, 2001). Porter (1987) argues that the company will gain a competitive advantage when able to get the resources that are difficult to imitate by its competitors, so that will lead the organization to achieve superior performance and win in the market competition. Qualified human resources will move organizations to compete in response to market (market responsiveness), quality of products and services produced, product differentiation and technological innovation (Ulrich, 1987). Therefore, the strategic role of effective human resource management will help the development

of labor into superior quality human resources, and it is certain that such a strategic human resource management role will encourage the organization to achieve a competitive advantage through its human resources. In contrast, inefficient labor will have implications for increased labor costs and lower productivity.

One business strategy that is widely used as a global standard is the implementation of TQM (Total Quality Management) through various forms of variants. Currently TQM and other similar management tools, such as Six Sigma, Lean Management System, are believed to be the most widely used business performance enhancement tool by world-class companies, and are a key tool in change management to create a leading corporate culture. According to Hansson (2003), TQM has become a management philosophy and key in global competition, as a tool for achieving long-term competitive advantage.

There are different research approaches in organizational culture, where conceptually the differences between functionalist perspectives and semiotic perspectives (Schein, 1987, Cameron and Quinn, 1999; Pierce 2004). According to the functionalist perspective, organizational culture is a component of social systems manifested in organizational behavior, through which this approach can be studied from a researcher's perspective on the organizational level. The semiotic perspective sees culture as 'settled' and attaches to an individual level that can only be evaluated on the "native's perspective" and at the individual level (Cameron and Quinn, 1999). Moreover, in a functionalist approach more towards causality studies where it connects with organizational control, management, and other factors that can improve organizational performance (Schein, 1987).

In this research, a more comprehensive model will be developed on the relevance of ISO 9000 quality system, human resource management strategic role, total quality management, organizational culture mapping to the achievement of the performance of ISO standard organization in Central Sulawesi, with the following questions; 1) Do the ISO 9000 quality system program, the strategic role of human resource management, total quality management affect the organizational culture?; 2) Do the ISO 9000 quality system program, the strategic role of human resource management, total quality management affect the performance of the organization?; 3) Do the ISO 9000 quality system program, the strategic role of human resource management, the total quality management affect the performance of the organization through organizational culture?

## LITERATURE REVIEW

The literature review suggests that there are many research aimed at ISO 9000 with a focus on describing: the motivation or obstacles to adopting ISO 9000; impact of quality management; internal benefits; and effects on organizational performance (Lee and Palmer, 1999; Boiral, 2003). A number of researchers have investigated the experience of service organizations with ISO 9000. For example, Dick et.al., (2002) studies involving large service organizations in the UK suggest that organizations registered in ISO 9000 are of a higher quality than unregistered companies. McAdam and Canning (2001) found that professional services (quantity surveys) of companies from Northern Ireland that signed up for marketing and the purpose of internal process improvement. Benefits include improved routine efficiency, internal quality, total quality (Carlsson and Carlsson, 1996), employee skills, customer service, employee morale and processes (Beattie and Sohal, 1999). Registered organizations perform better than unregistered organizations of several dimensions of quality management (Terziovski et al., 2003), particularly in terms of process improvement and quality measurement (Carr et al., 1997). In short, this model assumes that organizations registered with ISO 9000 can act as role models for unregistered organizations. A comparison of the financial performance of registered organizations with unlisted organizations of ISO 9000 is that there is little difference between the two (Terziovski et al, 1997; Lima et al., 2000; Rahman, 2001). Interpretation of ISO 9000: 2000 quality system clauses; management responsibilities (Pramudya Sunu, 1999: 75); quality system (Rudi Suardi, 2001: 82); contract review (S. Nugroho, 1997: 157); control of the design (Pramudya Sunu, 1999: 40); control of documents and data (Bambang and Sulistijarningsih, 2000: 67); purchase (Zulian Yamit, 2001: 159); controlling customer supply products; identification and traceability of product (Gilang P, 1996: 100); process control (Bambang and Sulistijarningsih, 2000: 73); inspection and testing (Zulian Yamit, 2001: 162); control of inspection tools, measuring and testing; inspection and test status (Zulian Yamit, 2001: 164); improper product control (Rudi Suardi, 2001: 119); corrective and preventive action (Pramudya Sunu, 1999: 97); handling, storage, packaging, and delivery (S. Nugroho, 1997: 123); quality control (Zulian Yamit, 2001: 167); internal quality audit (Zulian Yamit, 2001: 168); training (Bambang and Sulistijarningsih, 2000: 47); service (Zulian Yamit, 2001: 169); statistical techniques (Bambang and Sulistijarningsih, 2000: 67).

*Strategic human resources* in the past are considered not to have a significant impact on organizational success (Sims, 2002). As a result, strategic human resources are given low status in many organizations, and often do not have a different identity. However, this situation has changed in the last decade (Lawler and Mohrman, 2003). The role of strategic human resource influence has increased substantially. Experts argue that strategic human resources can be a source of sustainable competitive advantage for an organization (Wright et al., 1997). As a result, the strategic human resource function within the company has significant responsibility for

managing resources, must receive greater commitment from the organization. Khatri and Budhwar (2002), suggested in their research that the level of competence of human resource managers has a major influence on the level of integration between human resource functions and strategy (Khatri and Budhwar, 2002). This model is related to the four models of human resource management roles, first presented by Conner and Ulrich (1996), and subsequently refined by Ulrich (1997). In the last study, Ulrich's conceptual framework for four role models consisted of two main dimensions. The first reflects the continuum of the (now) operational focus to the strategy (future), while the latter reflects the conflicting demands of people and processes (Ulrich, 1997, Conner & Ulrich, 1996). Ulrich (1997) states that human resources can help provide organizational excellence through four methods. **First**, human resources must be partners with company management and assist in making strategy. **Secondly**, human resources must contribute expertise in efficient and effective performance, so costs are cut / reduced and quality is maintained. **Third**, human resources should represent employee concerns for senior management as well as work with employees to improve and ensure their ability to contribute to the organization through their competencies and commitments.

**Fourth**, human resources must continue to contribute to the change process and help to increase the organizational capacity to do so (Ulrich, 1997). The role of human resources as a strategic partner is the participation of human resources in the process of defining business strategy, not only responding to the strategy presented by "senior management". Eisenstat (1996) points out the paradox of pressure in roles such as discussing the executive's desire for professional human resources to serve as a strategic partner, while also expecting them to perform traditional administrative and control functions downgraded to human resources. The role of an inherently strategic partner implies that human resources work together with the organization's managers in developing, improving and implementing strategies. In today's organizations, to ensure the viability and ability to contribute to them, human resource managers must consider themselves as strategic partners. The role of human resource professionals analyzes and evaluates the organization's financial position (Mathis, and Jackson, 2007). This role makes it easier to introduce and adapt from faster changes. This can be achieved through training of new technology operation staff (Lawler and Boudreau, 2009). If the organization needs more staff ie expert staff, human resources should be able to recruit staff. It also handles what customers expect from the organization. It is used to evaluate business satisfaction for customers (Holbeche, 2008). Kesler (2000) writes that the role of human resources in change varies between organizations, but if society can not define the process and priorities of change efforts, it is not an effective player in the organization. Defined more closely, the role of change agents helps organizations refer to building capacity for change (Conner and Ulrich, 1996).

Csoka (1995) further demonstrates that human resource professionals can add significant value through managing organizational change processes. Ehrlich (1997) adds that the human resources department should anticipate change and have knowledge in its implementation. Baird and Meshoulam (1998) stated that the effectiveness of human resource management depends on the stage of organizational development. The role of superior workers has not been significant in human resource management (Pride and Hughes, 2009). Organizations in the past used to have a good strategy for employees. It provides security for them and hope for promotion in the workplace. But this is no longer an effective way to communicate between staff and management (Daft, 2008). Human resources ensure that employees have skills that enable them to meet organizational goals. It is also responsible for motivating employees so as to provide a good working environment. This ensures they get a better salary. Good service depends on the ability of human resources to coordinate employees in an orderly manner. Another role is the role of administration. A professional human resource is an expert in executive roles. They ensure that operations run as specified. They must work to reduce costs and increase benefits and ensure the achievement of organizational efficiency and effectiveness. This executive should always analyze how the workflow takes place within an organization. They are responsible for rethinking the mode of operation in business (Dubrin, 2008). Allowing part of a company to share the services of human resource professional executives should try to get the job done faster and cheaper. The four roles identified above are responsible for organizational well-being (Bohlander and Snell, 2009). They work together and without any of them it is difficult to achieve success. But this model faces several challenges. Technological improvements are a major challenge. Businesses or organizations try to catch up with technological change. Globalization is another factor. Organizations must improve their products to handle global settlements.

There has been many International research that explains the concept of TQM but the definition given is still not clear. Dale and Cooper (1992) describe TQM as a concept and idea in various contexts related to quality movement. Previously Dale (1999) describes TQM as a collaborative effort within the organization related to business processes in order to produce products or services that meet customer needs and expectations. Oakland (2003), describes TQM as a way to improve overall competitiveness, efficiency and organizational flexibility. Shiba, et.al (1993) defines TQM as a developing system, a practice, tools, and training method of managing organizations in a rapidly changing environment. Many TQM researchers put "values" as the main elements of TQM; Oakland (2003), Kanji and Asher (1993), Lewis, et.al (2006) and Boaden (1997). Nevertheless each researcher has little difference about the "value" contained in the TQM element. Dahlgard, et.al (1999) states

TQM has five characteristics, in the Malcolm Baldrige National Quality Award (NIST, 2001) mentions eleven major concepts, while Dale (1999) discusses eight main elements of TQM. Sila and Ebrahimpour (2002) undertook the study and investigation of the research literature and found the main elements always discussed in the research and practice of TQM, namely; 1) customer satisfaction focus; 2) employee training; 3) leadership and management commitment; 4) teamwork; 5) employee engagement; 6) continuous innovation and improvement; 7) performance measurement and quality information. Malcolm Baldrige National Quality Award (MBQNA) can be regarded as an effort by the American government to face international competition by building its industry through the program of accrediting the company's business excellence. This award is measured by 7 (seven) aspects; 1) leadership; 2) strategic planning; 3) market and customer focus; 4) analysis and information; 5) the focus of human resources; 6) process management; 7) business results. Vokurka, et.al (2000) mentions the seven criteria are much changed name but the concept does not change. Even Hendricks and Singhal (1997) find indications Baldrige award-winning companies have better financial performance.

Performance terminology is quite popular among the public and is generally understood and clearly defined. Performance means something that has been done (done thing) and is a work that can be achieved by a person or group of people in the organization in accordance with the authority and responsibility of each in order to achieve organizational goals. (Suyadi, 1999). Another opinion about the performance proposed by Osborne (1990), performance is defined as the level of achievement of an organizational mission. According to this understanding, performance is defined as the extent to which the organization is able to achieve its mission. Inadequate performance of organizational performance is only done by using indicators inherent in the organization such as efficiency, effectiveness, but also must be seen from the indicators inherent in service users such as satisfaction, accountability and responsiveness. For that purpose, the authors use performance appraisal by referring the opinion of Dwiyanto (2008) namely; 1) productivity; 2) quality of service; 3) responsiveness; 4) responsibility; 5) accountability.

## RESEARCH METHODS

Research type is descriptive-causality research. The research data is cross section. Research location is in Central Sulawesi Province in four regencies / cities, namely Palu, Donggala, Banggai, and Poso. The number of target population is relatively small then this research will use census method with 183 respondents. Data analysis method is path analysis with IBM SPSS 22 version with AMOS software.

## Model Interpretation

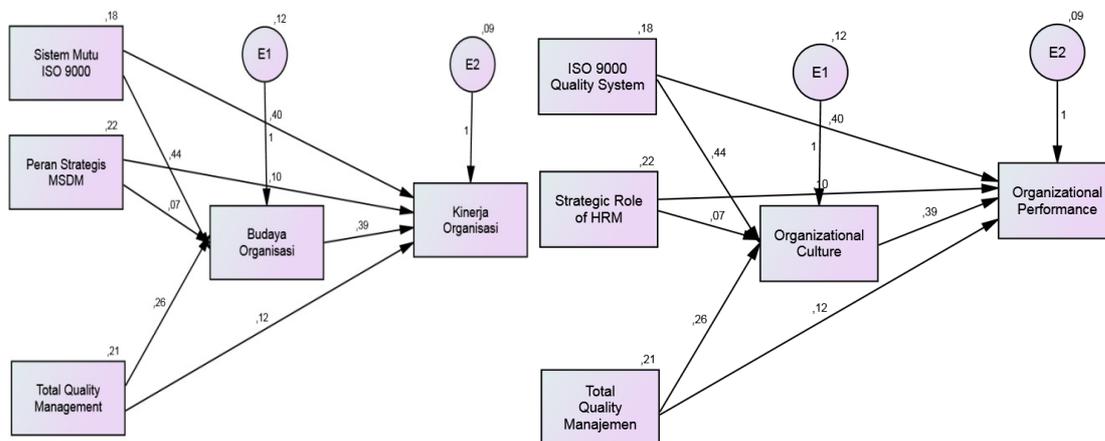


Figure 1: Path Diagram

Based on the figure above, the relationship of path diagram between variables can be interpreted as follows:

- The coefficient value of ISO 9000 quality system variable path to organizational culture is 0.445. This value indicates that the ISO 9000 quality system variables affect the organizational culture by 44.5%. This value is quite large; it indicates that the ISO 9000 quality system variables have the support of influence on organizational culture. The magnitude of this influence can be explained that the higher the level of implementation of ISO 9000 quality system, the better the ISO standard organization of health centers in Central Sulawesi. The good of organizational culture will have implication on increasing public trust (patient) to ISO standardized health center in Central Sulawesi, so more and more society (patient) choose health center as the place of treatment. Thus to improve the organizational culture required an increase in the implementation of ISO 9000 quality system in a sustainable manner.
- The coefficient of variable path of human resource management strategic role to organizational culture is 0,075. The value indicates that the strategic role variable of human resource management influences

- organizational culture of 7.5%. This value is very small, it indicates that the strategic role variable of human resource management has the support of influence on organizational culture. Because the magnitude of the value is positive, then this influence can be explained that the higher the strategic role of human resource management, the better the organizational culture of ISO standardized clinics in Central Sulawesi. Thus, the role of strategic partner, the role of Agent of change, the role of employee champion, and the role of administrative expert determine the high the value of organizational culture of ISO standard clinics in Central Sulawesi.
- c. The coefficient value of total quality management variable path toward organizational culture is 0,259. This value indicates that the total quality management variable affects the organizational culture of 25.9%. This value is quite large, indicating that the total quality management variable has a positive influence on the organizational culture. The magnitude of this influence can be explained that the higher the total quality management value, the better the organizational culture of ISO standardized clinics in Central Sulawesi. Thus, it can be seen from every health center staff considered as a member who is able to work together as part of a social system or clan that is bound by belonging and affiliation, adhocracy works well when the task is less clear and the need is urgent to be resolved feels, the functioning of market culture that can improve organizational competitiveness and productivity, as well as the existence of hierarchical system applied, so that internal controls are ensured by rules, specialized work and centralized decisions.
  - d. The coefficient value of ISO 9000 quality system variable path to organizational performance is 0,396. This value indicates that the ISO 9000 quality system variables affect organizational performance by 39.6%. This indicates that the ISO 9000 quality system variable has the support of influence on organizational performance. The magnitude of this effect can be explained that the higher the level of application of ISO 9000 quality system, the better the performance of ISO standardized health center organization in Central Sulawesi. This is in line with the purpose or mission of the puskesmas. The high organizational performance is not enough to be done only by using the indicators attached to the organization such as efficiency, effectiveness, but also seen from the inherent indicators of service users such as patient satisfaction, accountability and responsiveness.
  - e. The coefficient of variable path of human resource management strategic role to organizational performance is 0,096. This value indicates that the strategic role variable of human resource management influence the performance of the organization by 9.6%. This value is very small, it indicates that the strategic role variable of human resource management has the support of influence on organizational performance. The magnitude of the value of the positive effect, then this influence can be explained that the higher the strategic role of human resource management, the better the performance of ISO standardized health center organizations in Central Sulawesi. Thus, the role of strategic partner, the role of change agent, the role of employee champion, and the role of administrative expert determine the high the performance value of the ISO standardized health center organization in Central Sulawesi.
  - f. The coefficient value of total quality management variable path toward organizational performance is 0,117. This value indicates that the total quality management variable affects the organization's performance of 11.7%. This value indicates that the total quality management variable has a positive influence on the organization's performance. The magnitude of this effect can be explained that the higher the total quality management value, the better the performance of the ISO standardized health center organization in Central Sulawesi. So, this can be seen from every employee puskesmas have good productivity, provide excellent service to patient, quick response with patient complaints, and able to give accountable reports to leadership.
  - g. The coefficient of the organizational culture variable path to organizational performance of 0.388. This value indicates that the organizational culture variable affects the organization's performance of 38.8%. This value is quite large indicates that the organizational culture variables have the support of influence on organizational performance. So this influence can be explained that the higher the value of organizational culture, the better the performance of ISO standardized health center organizations in Central Sulawesi. Thus, it can be seen from the unity of all employees as part of a social system or clan that is bound by a sense of belonging and affiliation with the routine of its work, adhocracy works well with the completion of urgent needs to be accomplished the functioning of a market culture that can enhance the competitiveness organization.

Based on the above description, it can be seen that the variables that have the largest direct influence on the organizational culture is the ISO 9000 quality system of 44.5%. While the variables that have the largest direct influence on the organization's performance is also the ISO 9000 quality system that is equal to 33.9%. This is in accordance with the theory that the implementation of the ISO 9000 quality system in all organizations will be able to influence organizational culture and organizational performance by not seeing how the production

process, what products they produce.

Meanwhile, by looking at the path analysis diagram or path coefficient of the path analysis model above, the support of indirect influence can also be calculated as follows:

- a. Variable of ISO 9000 quality system toward organizational performance variable through organizational culture variable (ISO 9000 quality system  $\rightarrow$  organizational culture  $\rightarrow$  organizational performance) is  $0,445 \times 0,388 = 0,173$ . This means that the ISO 9000 quality system variables indirectly affect the organizational performance variable by 17.3%. The figure is positive, so it can be said that the higher implementation of ISO 9000 quality system at ISO standard clinics in Central Sulawesi will make the level of organizational culture increase. Rising levels of organizational culture will affect the increase in the level of organizational performance.
- b. The variable of strategic role of human resource management to organizational performance variable through organizational culture variable (strategic role of human resource management  $\rightarrow$  organizational culture  $\rightarrow$  organizational performance) is  $0,075 \times 0,388 = 0,029$ . This means that the strategic role variable of human resources management indirectly affect the organizational performance variable of 2.9%. The figure is positive, so it can be said that the stronger the strategic role of human resource management at the ISO standardized clinics in Central Sulawesi will make up the level of organizational culture. Rising levels of organizational culture will affect the increase in the level of organizational performance.
- c. The variable of total quality management on organizational performance variable through organizational culture variable (total quality management  $\rightarrow$  organizational culture  $\rightarrow$  organizational performance) is  $0,259 \times 0,388 = 0,100$ . This means that the total quality management variables indirectly affect the organizational performance variable by 10.0%. The figure is positive, so it can also be said that the greater the value of total quality management at ISO standardized clinics in Central Sulawesi will make the level of organizational culture rise. The increasing levels of organizational culture will affect the increase in the level of organizational performance.

Of the three forms of support of influence above, the influence of ISO 9000 quality system variables on organizational performance through organizational culture variables have the greatest influence that is 17.3%. This means that the performance of the ISO standardized health center organization in Central Sulawesi has increased if the implementation of the ISO 9000 quality system is implemented.

From all forms of support the influence of variables that occurred in this study, both the direct variable and variable that does not directly affect the organizational culture and the performance of the ISO standardized health center organization in Central Sulawesi indicates that all variables have a direct relationship. This means that any increase in the value of a research variable will result in an increase in the performance of an ISO standard organization in Central Sulawesi both directly and indirectly, although there are some insignificant influences.

## DISCUSSION

The ISO 9000 quality system variables provide a positive and significant influence on the culture of the ISO-standard community health center in Central Sulawesi. This is evidenced by looking at the value of p-value is  $0.000 <$  of alpha value 0.05. This can be interpreted that the ISO 9000 quality system consisting of; management responsibilities, quality system, contract review, design control, document and data control, purchasing, product supply control, product identification and traceability, process control, inspection and testing, inspection control, measurement and testing, inspection and test, improper product control, corrective action and prevention, handling, storage, packaging, preservation and delivery, quality control, internal quality audit, training, services, and statistical techniques directly affect the organizational culture of ISO 9000 standardized health center Central Sulawesi consisting of aspects; clan, adhocracy, market, hierarchy, (ISO 9000 quality system  $\rightarrow$  organizational culture) of 44.5%.

The variable of strategic role of human resource management gives positive and insignificant influence to the organizational culture of puskesmas with ISO standard in Central Sulawesi. This is evidenced by looking at the value of p-value is  $0.185 >$  of alpha value 0.05. This may mean that the strategic role of human resource management is derived from; the role of strategic partner, the role of change agent, the role of employee champion, and the role of administrative expert directly affect the unreal organizational culture of ISO 9000 standardized health center in Central Sulawesi consisting of aspects; clan, adhocracy, market, hierarchy, (strategic role of human resource management  $\rightarrow$  organizational culture) is 7.5%.

The total quality management variables provide positive and significant influence on the organizational culture of ISO standard clinics in Central Sulawesi. This is evidenced by looking at the value of p-value is  $0.000 <$  of alpha value 0.05. This can be interpreted that the total quality management is derived from; leadership, strategic planning, market and customer focus, analysis and information, human resource focus, process management, business results directly affect the organizational culture of ISO 9000 standardized clinics in

Central Sulawesi consisting of aspects; clan, adhocracy, market, hierarchy, (total quality management ---> organizational culture) of 25.9%.

The ISO 9000 quality system variables provide positive and significant influence on the performance of ISO standardized health center organizations in Central Sulawesi. This is evidenced by looking at the value of  $p$ -value is 0.000 <of alpha value 0.05. This can be interpreted that the ISO 9000 quality system consisting of; management responsibilities, quality system, contract review, design control, document and data control, purchasing, product supply control, product identification and traceability, process control, inspection and testing, inspection control, measuring and testing, inspection and test , improper product control, corrective action and prevention, handling, storage, packaging, preservation and delivery, quality control, internal audit, training, service, and statistical techniques have a direct effect on the performance of ISO 9000 standardized puskesmas organizations at Central Sulawesi consisting of aspects; clan, adhocracy, market, hierarchy, (ISO 9000 quality system ---> organizational performance) of 39.6%.

The variable of strategic role of human resource management gives positive and significant influence toward the performance of ISO standard organization in Central Sulawesi. This is evidenced by looking at the value of  $p$ -value is 0.047 <of alpha value 0.05. This may mean that the strategic role of human resource management is derived from; the role of strategic partner, the role of change agent, the role of employee champion, and the role of administrative expert directly influence the culture an ISO 9000 standard health center organization in Central Sulawesi consisting of aspects; clan, adhocracy, market, hierarchy, (strategic role of human resources management ---> organizational performance) of 9.6%.

The variable of total quality management gives positive and significant influence toward the performance of ISO standard organization in Central Sulawesi. This is evidenced by looking at the value of  $p$ -value is 0.025 <of alpha value 0.05. This can be interpreted that the total quality management is derived from; leadership, strategic planning, market and customer focus, analysis and information, human resource focus, process management, business results directly affect the performance of ISO 9000 standardized health center organizations in Central Sulawesi consisting of aspects; clan, adhocracy, market, hierarchy, (total quality management ---> organizational performance) of 11.7%.

The next discussion is the support of indirect influences through organizational culture variables to organizational performance. Because in data processing with AMOS program above can not display  $p$ -value value, then test of test sobel to get  $p$ -value value from indirect influence.

The ISO 9000 quality system variables provide positive and significant positive indirect effect on the performance of ISO-standardized health center organizations in Central Sulawesi through organizational culture. This is evidenced by looking at the value of  $p$ -value is 0.000 <of alpha value 0.05. This can be interpreted that the ISO 9000 quality system consisting of; management responsibilities, quality system, contract review, design control, document and data control, purchasing, product supply control, product identification and traceability, process control, inspection and testing, inspection control, measurement and testing, inspection and test , improper product control, corrective action and prevention, handling, storage, packaging, preservation and delivery, quality recording control, internal quality audit, training, service, and statistical technique indirectly have an effect on the performance of the organization of standard health center ISO 9000 in Central Sulawesi through an organizational culture consisting of aspects; clan, adhocracy, market, hierarchy, (ISO 9000 quality system ---> organizational culture ---> organizational performance) of 17.3%.

The strategic role variable of human resource management provides positive and insignificant indirect effect to the performance of ISO standard organization in Central Sulawesi. This is evidenced by looking at the value of  $p$ -value is 0.191 > of alpha value 0.05. This may mean that the strategic role of human resource management is derived from; the role of strategic partner, the role of change agent, the role of employee champion, and the role of the administrative expert directly do not significantly influence on the performance of the ISO 9000 standardized health center organization in Central Sulawesi through an organizational culture consisting of aspects; clan, adhocracy, market, hierarchy, (strategic role of human resources management ---> organizational culture ---> organizational performance) is 2.91%.

The total quality management variables provide positive and significant indirect effect to the performance of ISO-standardized health center organizations in Central Sulawesi. This is evidenced by looking at the value of  $p$ -value is 0.000 <of alpha value 0.05. This can be interpreted that the total quality management is derived from; leadership, strategic planning, market and customer focus, analysis and information, human resource focus, process management, business results indirectly affect the performance of ISO 9000 standardized health center organizations in Central Sulawesi through an organizational culture consisting of aspects; clan, adhocracy, market, hierarchy, (total quality management ---> organizational culture ---> organizational performance) of 10.0%.

## CONCLUSION

1. The ISO 9000 quality system program significantly influences the organizational culture of ISO standard

- clinics in Central Sulawesi.
2. The strategic role of human resources management has insignificant effect on the organizational culture of ISO standard clinics in Central Sulawesi.
  3. Total quality management has a significant effect on organizational culture of ISO standardized clinics in Central Sulawesi.
  4. The ISO 9000 quality system program has a significant effect on the performance of the ISO standardized health center organization in Central Sulawesi.
  5. The strategic role of human resource management has a significant effect on the performance of ISO standardized health center organizations in Central Sulawesi.
  6. Total quality management has a significant effect on the performance of ISO standard organization in Central Sulawesi.
  7. Organizational culture has a significant effect on the performance of ISO standard organization in Central Sulawesi.
  8. The ISO 9000 quality system program through organizational culture has a significant effect on the performance of the ISO standardized health center organization in Central Sulawesi.
  9. The strategic role of human resource management through organizational culture has an insignificant effect on the performance of the ISO standardized health center organization in Central Sulawesi.
  10. Total quality management through organizational culture has a significant effect on the performance of ISO standards organization in Central Sulawesi.

## REFERENCES

- Baird, L & Meshoulam, I. 1998. *Managing Two Fits of Strategic Human Resource Management*. The Academy of Management Review. Mississippi State.
- Bambang H. Hadiwardjo dan Sulistijarningsih Wibisono, 2000. *Memasuki Pasar Internasional dengan ISO 9000 Sistem Manajemen Mutu*, Ghalia Indonesia, Jakarta.
- Beattie, K. R. and Sohal, A. 1999. "Implementing ISO 9000: a study of its benefits among Australian organizations", *Total Quality Management*, Vol. 10 No. 1.
- Boaden, R. J. 1997). What is total quality management and does it matter? *Total Quality Management*, Vol. 8.
- Bohlander, G., Snell, S., 2009. *Managing Human Resources*. 15th ed. New York: Cengage Learning.
- Boiral, O. 2003. "ISO 9000: outside the iron cage", *Organization Science*, Vol. 14 No. 6.
- Cameron, K. S. and Quinn, R. E. 1999. *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*. Reading, MA: Addison-Wesley.
- Carlsson, M. and Carlsson, D. 1996. "Experiences of implementing ISO 9000 in Swedish industry", *International Journal of Quality and Reliability Management*, Vol. 13 No. 7.
- Carr, S., Mak, Y. T. and Needham, J. E. 1997. "Differences in strategy, quality management practices and performance reporting systems between ISO accredited and non-ISO accredited companies", *Management Accounting Research*, Vol. 8 No. 4.
- Carson, B. E. 2004. *ISO 9001:2000: A New Paradigm for Health Care*, ASQ Quality Press, Milwaukee, WI.
- Casparie, A. F. 1993. *Handbook Quality of Care (in Dutch)*, De Tijdstroom, Utrecht.
- Conner, J & Ulrich, D. 1996. *Human Resource Roles: Creating Value, Not Rhetoric*. HR. Human Resource Planning.
- Csoka, Louis S. 1995. *Rethinking Human Resources: A Research Report*. New York. The Conference Board.
- Daft, L., 2008. *New era of management*. 2nd ed. New York: Cengage Learning EMEA.
- Dahlgaard, J. J. and Dahlgaard, S.M.P 1999. *Integrating Business Excellence and Innovation Management: Developing A Culture for Innovation, Creativity and Learning*. *Total Quality Management*, Vol. 10, No.4/5.
- Dale, B. G. 1999. *Managing Quality*, Third ed., Blackwell Publishers Ltd., Oxford.
- Dale, B. G. and Cooper, C. L. 1992. *Total Quality and Human Resources*, Blackwell, Oxford.
- Dick, G., Gallimore, K. and Brown, J. 2002. Does ISO 9000 accreditation make a profound difference to the way service quality is perceived and measured?", *Managing Service Quality* , Vol. 12 No. 1.
- Dubrin, J., 2008. *Essentials of Management*. 8th ed. New York: Cengage Learning.
- Dwiyanto, Agus, 2008, *Penilaian Kinerja Organisasi Publik: Jurusan Ilmu Administrasi Negara*, Yogyakarta. Fisipol UGM.
- Ehrlich, C. J. 1997. *Human resource management: a changing script for a changing world*. (Special Issue on the Future of Human Resource Management) *Human Resource Management*.
- Eisenstat, Russell A. 1996. What corporate human resources brings to the picnic: Four models for functional management. *Organizational Dynamics*.
- Gilang Priyadi S, 1996. *Menerapkan SNI Seri 9000 ISO 9000 (Series) Produk Manufaktur*, Bumi Aksara, Jakarta.
- Hansson, J.2003. *Total Quality Management-Aspects of Implementation and Performance: Investigations with*

- Focus on Small Organisations. Doctoral Thesis no. 6. Lulea University of Technology, Department of Business Administration and Social Science, Swedish.
- Hendricks, K. B. and Singhal, V.R. 1997. Does Implementing an Effective TQM Program Actually Improve Operating Performance?, *Management Science*.
- Holbeche, L. 2008. *Aligning Human Resources and Business Strategy*. 2nd ed. New Jersey: Butterworth-Heinemann.
- Institute of Medicine. 2001. *Crossing the Quality Chasm: A New Health System for the 21st Century*, National Academy Press, Washington DC.
- Kanji, G. K. and Asher, M. 1993. *Total Quality Management Process: A Systematic Approach*. London: Journal Oxford Ltd.
- Kesler, Gregory. 2000. Four steps to building an HR agenda for growth: HR strategy revisited. *HR. Human Resource Planning*.
- Khatri, N., and P. Budhwar. 2002. A study of strategic HR issues in an Asian context. *Personnel Review*.
- Lawler, E. E.; Mohrman, S.A. 2003. *Creating a strategic human resource organisation: An assessment of trends and new directions*. Stanford, CA: Stanford University Press.
- Lawler, E., Boudreau, A., 2009. *Achieving Excellence in Human Resource Management*. London: Stanford University Press.
- Lee, K. S. and Palmer, E. 1999. "An empirical examination of ISO 9000-registered companies in New Zealand", *Total Quality Management*, Vol. 10 No. 6.
- Lev, B. 2001. *Intangibles: Management, Measurement and Reporting*. Washington, DC. Brooking Institutions Press.
- Lewis, W. G., Pun, K. F., & Lalla, T. R. M. 2006. Exploring soft versus hard factors for TQM implementation in small and medium-sized enterprises. *International Journal of Productivity and Performance Management*.
- Lima, M.A.M., Resende, M. and Hasenclever, L. 2000. "Quality certification and performance of Brazilian firms: an empirical study", *International Journal of Production Economics*, Vol. 66 No. 2.
- Mathis, R. L., & Jackson, R. H., 2007. *Strategies of human resources management*. 6th ed. New York: Cengage Learning.
- McAdam, R. and Canning, N. 2001. "ISO in the service sector: perceptions of small professional firms", *Managing Service Quality*, Vol. 11 No. 2.
- NIST Special Publication 800-26, 2001. *Security Self-Assessment Guide for Information Technology Systems*. Oakland, 2003. *Statistical Process Control: A Practical Guide (5th edn)*, Butterworth-Heinemann, Oxford.
- Osborne, David. 1990. *Organizational Theory an Intergrated Approach*. United States: Perseus Book Publishing.
- Pierce, G. James, 2004. *Organizational Culture and Professionalism: An Assessment of the Professional Culture of US Army Senior Officer Corps*, unpublished Thesis, The Pennsylvania State University.
- Porter, M. 1987. *From Competitive Advantage to Corporate Strategy*. *Harvard Business Review*.
- Pramudya Sunu, 1999. *Peran SDM dalam Penerapan ISO 9000 Kajian Peran SDM dengan Pendekatan TQM*, Gramedia Widiasarana Indonesia, Jakarta.
- Pride, W., Hughes, R, 2009. *Business*. 10th ed. New York: Cengage Learning.
- Rahman, S. 2001. "A comparative study of TQM practice and organisational performance with and without ISO 9000 certification", *International Journal of Quality & Reliability Management*, Vol. 18 No. 1.
- Relman, A. 1988. "Assesment and accountability, the third revolution in medical care", *New England Journal of Medicine*, Vol. 319.
- Rudi Suardi, 2001. *Sistem Manajemen Mutu ISO 9000:2000 Penerapannya Untuk Mencapai TQM*, Lembaga Manajemen PPM, Jakarta.
- S. Nugroho, 1997. *ISO 9000 Series dan Seri SNI 19-9000-1992 Versi 1987 dan 1994*, Abdi Tandur, Jakarta.
- Schein, E. H. 1987. *Organizational culture and leadership*. San Francisco, Jossey- Bass.
- Shiba, S., Graham, A. and Walden, D. 1993. *A new American TQM: Four practical revolutions in management*, Portland, Oregon, Centre for Quality Management, Productivity Press.
- Sila, I. & Ebrahimpour, M. 2002. An investigation of the total quality management survey based research published between 1989 and 2000. *International Journal of Quality and Reliability Management*.
- Sims, R. 2002. *Organizational success through effective human resource management*. Westport, CT: Quorum Books.
- Sluijs, E.M. and Wagner, C. 2000. *Quality Systems in Health-Care Organisations. Present Situation in 2000*, Nivel, Utrecht.
- Suyadi Prawirosentono, 1999, *Kebijakan Kinerja Karyawan; Kiat Membangun Organisasi Kompetitif Menjelang Perdagangan Bebas Dunia*, BPFE Yogyakarta.
- Terziovski, M., Power, D. and Sohal, A. 2003. "The Longitudinal Effects of The ISO 9000 certification process on business performance", *European Journal of Operations Research*, Vol. 146 No. 3.
- Terziovski, M., Samson, D. and Dow, D. 1997. "The business value of quality management systems certification:

- evidence from Australia and New Zealand”, *Journal of Operations Management*, Vol. 15 No. 1.
- Ulrich, D. 1987. *Organizational Capability as Competitive Advantage: Human Resource Professional as a Strategic Partners*. Human Resource Planning.
- Ulrich, D. 1997. *Human Resource Champions: The Next Agenda for Adding Value and Delivery Results*. Harvard Business School Press .
- Ulrich, D. 1997. *Measuring Human Resource: An Overview of Practice and a Prescription for Results*.
- Van den Heuvel, J., Hendriks, M.J. and van Waes, P.F.G.M. 1998. “An ISO-quality system in the radiology department: a benefit analysis”, *Academic Radiology*, Vol. 5, suppl. 2.
- Vokurka, R. J., Stading, G. L. and Brazeal, J. 2000. “A comparative analysis of national and regional quality awards”, *Quality Progress*, Vol 33 No 8.
- Wright, P. M., McMahan, G., Gerhart, B., & Snell, S. A. 1997. *Strategic human resource management: Building human capital and organizational capability*. Technical report, Cornell University.
- Zulian Yamit, 2001. *Manajemen Kualitas Produk dan Jasa, Edisi Pertama*, Ekonisia, Yogyakarta.