ANALYSIS OF DIFFERENCES IN FINANCIAL PERFORMANCE BEFORE AND AFTER OBTAINING ISO 9001:2000 CERTIFICATION IN MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

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Abstrak - Penelitian ini menganalisa perbedaan pada kinerja keuangan dua tahun sebelum sampai tiga tahun sesudah perusahaan mendapatkan sertifikat ISO 9001:2000. Kinerja keuangan yang akan dianalisa adalah tiga rasio yang ada pada kinerja keuangan, yaitu rasio marjin laba bersih, rasio pertumbuhan penjualan, dan rasio laba bersih per lembar saham. Populasi dalam penelitian ini adalah perusahaan manufaktur yang terdaftar di bursa efek Indonesia pada periode 2000-2012. Sampel diambil dengan menggunakan metode *purposive sampling* berdasarkan beberapa kriteria dimana terdapat 30 perusahaan yang sesuai dengan kriteria pemilihan sampel. Penelitian ini menggunakan pendekatan kuantitatif, data diperoleh dari situs bursa efek Indonesia, laporan-laporan dari *Indonesian Capital Market Directory* (ICMD), dan dari laboratorium bursa efek Ubaya. Metode statistika yang digunakan untuk menganalisa data adalah tes hipotesis untuk membandingkan rata-rata (*t-test* untuk data yang berdistribusi normal dan non-parametrik *Wilcoxon test* untuk data yang tidak berdistribusi normal). Hasil penelitian menunjukkan adanya peningkatan pada semua rasio namun tidak signifikan pada rasio marjin laba bersin, dan rasio pertumbuhan penjualan. Tetapi ada peningkatan yang signifikan pada kinerja keuangan secara keseluruhan yang diukur dengan rasio laba bersih per lembar saham.
Kata kunci : Kinerja Keuangan, ISO, ISO 9001:2000, Kualitas

Abstract - This research investigates and analyzes the differences in financial performance two years before to three years after companies obtaining the ISO 9001:2000 certification. The financial performance to be analyzed is focused on the three dimensions of financial performance, which are the net profit margin ratio, sales growth ratio, and earnings per share ratio. The population of this research is manufacturing company listed in the Indonesian stock exchange in period 2000-2012. The sample is taken with using purposive sampling method based on some criteria where there are 30 companies that meet the sample selection criteria. The research use quantitative approach, the data are obtained from the Indonesia stock exchange website, reports from Indonesian Capital Market Directory (ICMD), and Ubaya's

stock exchange lab. Statistical method used to analyze the data is hypothesis test for comparing means (t-test for data with normal distribution and non-parametric Wilcoxon test for data that are not normally distributed). The research result indicates that there are improvement in all ratios but not significant in net profit margin ratio, and sales growth ratio. But there is significant improvement in overall financial performance measured in earnings per share ratio.
Keywords: Financial Performance, ISO 9001:2000, Quality

1. INTRODUCTION

1.1 Background

In this era of globalization where the market is more open, international trade has been growing rapidly. It will raise the level of competition among the companies around the world. As organizations continue to face greater competition pressures, they seek to do more with efficiency and do it with better quality and companies are required to meet the needs and expectations of customers. One of the keys to success to be able to sustain the business and compete in the global marketplace is the ability to meet or exceed the applicable standards. Increased global competition has led to a growing consumer expectation with regards to quality (Simmons, 1999). Therefore, companies must obtain an assurance of quality.

Quality has become an important dimension of competition for companies in any industries because it is a key factor in creating customer satisfaction. Product quality is demanded by customers, starting from the end customer, retailer, distributor, or even producer. Hansen and Mowen (2004) also stated that the key to competition in the global market is the total quality that includes emphasis on product quality, cost or price quality, service quality, delivery time quality, aesthetic quality and other forms of quality that develop continuously in order to give satisfaction to the costumer in order to create loyal customers." Customers are now more critical in addressing quality of products, therefore any companies need to improve their quality.

In this research, type of company selected to be the object of this research is the manufacturing companies listed on the Indonesia Stock Exchange and have obtained ISO 9001:2000 certification. Manufacturing company is a company that converts basic input into the finished product that will be sold to every customer (Warren, 2005). The reason for choosing the manufacturing company is because the manufacturing company is a company that has a long and structured production process, started from raw materials, semi-finished goods, until became finished goods. In those production activities, the company is required to do the whole process perfectly to produce the best quality products to increase the added value for the consumer. Therefore for manufacturing companies, quality management system is very important because it covers all stages from initial identification of consumer needs through to the finished product after use.

Product or service is said to have a good quality if that product or service is in accordance with the standard design or specifications and can meet or exceed the expectations of customers on competitive price that are willing to be paid by customers (Blocher *et al*., 2005 in Dewi, 2009). Therefore it is necessary to have a quality assurance in the form of standardization that is needed in global trade competition which signifies that the company meets the standards of good quality. With standardization, there will be a guarantee that the quality of the processes and the products are in compliance with that established standards. There are many kind of standardization, ISO 9000 series for quality management standardization, ISO 14001 for environmental management standardization, ISO 22000 for food safety management standardization, ISO 26000 for social responsibility standardization, ISO 50001 for energy management standardization. This research uses ISO 9000 series because this is the ISO certification for quality management system.

ISO 9000 series has become the ISO standard that being the most widely used in the world compared with other ISO standards because quality is very crucial in this era of globalization, even a certification of ISO 9000 has become one of the requirements in the trading world as one form of assurance on the quality of the product sold, even this requirement has become an absolute requirement of the customers in developed countries especially America, Europe, and Japan.

The ownership and application of quality standardization that is ISO 9000 certification can lead to the higher corporate earnings due to the improvement in the working system and the operating system. Simmons and White (1999) in the Ahmar and Kurnia (2005), says that if a company has obtained the ISO 9000 certificate, it will obtain some of the benefits include increased customer satisfaction and customer trust through organized and systematic quality. ISO 9000 shows that the company has policies, procedures, and quality instruction that have been well planned. ISO 9000 results in improved operating performance through the reduction and elimination of the corrective action process, increasing profitability, and marketing advantages derived from international recognition of the ISO logo. Such advantages are especially important for companies with international sales strategy.

According to the research conducted by PT. Sucofindo and Pustan (Pusat Standarisasi Nasional) department of trade and industry in 1998, with 150 respondent companies in Indonesia which has obtained the certificate of ISO 9000, discovered the fact that acquiring ISO 9000 certification lead to some improvement in the operating parameters such as: improved documentation, process improvement, a better working relationship between the units of work, customer focus, focusing on customers, reduce scrap / rework, increase productivity, concerned about the quality of customers, increased sales, an effective promotional tool, reducing customer complaints and increase market share.

The appeal of the potential benefits of ISO 9000 certification, as well as demands from customers and industry regulations, has prompted many companies to obtain ISO 9000 certification. However, the benefits of such certification are often subject to debate. Theoretically, ISO 9000 certification does offer great potential benefits, but in practice, the realization of such benefits cannot always be achieved. This also casts doubt to some companies to obtain a certificate, given the substantial cost, effort, and time required for implementation of appropriate systems standard ISO 9000. Therefore, it raises a question that is how much benefit will be obtained by the company, and whether the company after receiving the certificate of ISO 9000 has better performance, compared with before obtaining the ISO 9000 certificate.

Several researchers conducted many researches and studies to answer that question. From the publication of the result on those many researches on the ISO

9000 certification, some researchers stated that by implementing the ISO 9000 certification will result in better financial performance for the company, while other researchers suggest otherwise, that is very difficult to find a positive relationship between ISO 9000 certification and financial performance of the company. Therefore, based on business phenomenon and differences in the research results or research gap of those studies, it is necessary to do further research related to ISO 9000 certification effects on the company's financial performance.

This research captures the effect of the updated ISO 9000 quality series which is ISO 9001:2000. This research will analyze the first time companies get the ISO 9001:2000 certificate, not the first time companies get any kind of ISO 9000 certificate, therefore some of the samples taken may already have the previous version of ISO 9001:2000 certificate. But this ISO 9001:2000 version has many necessary and important revisions compared to the previous version. It is crucial to analyze the relationship of this updated version of ISO with financial performance, for it necessary to see the effect of the new ISO 9000 version as a learning process that is more complex as a result of the companies must put more effort to update their previous current ISO 9000 certificate to the new updated version with many necessary and important revisions which is ISO 9001:2000 version.

This research can give more contribution to the knowledge by analyzing the effect of the learning process. Many previous researches done only to capture the effect of the first time companies obtaining any kind of ISO 9000 series and in Indonesia, mostly companies already have ISO 9000 series since the ISO 9000:1994 version, but this research will put emphasis on an updated ISO 9000 version, which is ISO 9001:2000 to see how the companies maintain the standards and updating the standards until receiving this updated ISO 9001:2000 version.

In this research, the research problem departs from the question whether the certification of ISO 9001:2000 is really useful for companies to improve financial performances. This research uses financial performance measures derived from audited financial statements. The financial performance is measured by operating efficiency, growth in sales, and overall financial performances. This measurements need to be focused in using profit margins, growth in sales, and earnings per share.

This research investigates the financial performance of firms based on data 2 years before and 3 years after obtaining the ISO 9001:2000 certification. This research investigates for 2 years on period before because in the period before obtaining the certificate, the companies were considered did not do any special actions that may affect their financial performance. The time span to be researched is 2000-2012. Before year 2000 is not selected because Indonesia was having economic crisis.

This research studies the certification effect on financial performance in an emerging market (Indonesia). Studying emerging markets becomes even more critical as multinational corporations shift their manufacturing processes to developing nations, such as those in Asia, especially in Indonesia, due to the efficient labor cost. In addition, companies in emerging market are facing increasing pressure from their global customers in the major markets to provide the highest quality goods and services. ISO 9001:2000 certification is a global recognition of achieving high and consistent quality standards.

1.2 Problem Formulation

From the background and the problem identification, the formulation of the problem for this research is:

1. Is there any improvement on the level of operating efficiency measured in net profit margin ratio before and after the application of ISO certification in the manufacturing companies listed in BEI?
2. Is there any improvement on the level of growth in sales measured in sales growth ratio before and after the application of ISO certification in the companies listed in BEI?
3. Is there any improvement on the level of overall financial performance measured in earnings per share ratio before and after the application of ISO certification in the companies listed in BEI?

1.3 Research purpose

Based on the problem formulation, it can be stated that the purpose of this study is to answer the problems that have been formulated, which are:

1. To identify and analyze the improvement on the level of operating efficiency measured in profit margin before and after the application of ISO certification in the companies listed in BEI.
2. To identify and analyze the improvement on the level of growth in sales before and after the application of ISO certification in the companies listed in BEI.
3. To identify and analyze the improvement on the level of overall financial performance before and after the application of ISO certification in the companies listed in BEI.

2 RESEARCH METHODOLOGY

2.1 Type of Research

The approach of this research is quantitative research. Quantitative research is a research that the research data is numerical and the analysis using statistic (Sugiyono, 2008, p. 7). This research is called quantitative research because this research aims to analyze the differences in financial performance of manufacturing companies listed in BEI before and after obtaining ISO 9001:2000 certification with methodology based on data from the measurement results, based on the research variables available and with the data collection techniques and also involves five components of scientific information which are, theory, hypothesis, observations, empirical generalizations, and acceptance or rejection of the hypothesis.

2.2 Research Variables and Operational Definitions

Variables used in this research are the ratios of the financial performance in manufacturing companies that have ISO 9001:2000 certification. Financial performance ratios used in this research are:

1. Net Profit Margin

    Based on the existing work formula in chapter 2, can be written the steps in determining the value of profit margin on a manufacturing company:

a. Collect the data of the company's net profit after tax during the 2 years period before and after obtaining ISO 9001:2000 certification.
b. Collect the data of the company's total sales during the 2 years period before and after obtaining ISO 9001:2000 certification.
c. Calculate the ratio of profit margin with the work formula:

2. Sales Growth

Is a sales growth change that is measured by a comparison between the net sales in current period (*net sales t*) minus the previous period (*net sales t-1*) divided by the previous period of net sales (*net sales t-1*). Based on the existing work formula in chapter 2, can be written the steps in determining the value of sales growth on a manufacturing company:

a. Collect the data of the company's total sales at t time during the 2 years period before and after obtaining ISO 9001:2000 certification.
b. Collect the data of the company's total sales at t-1 time during the 2 years period before and after obtaining ISO 9001:2000 certification.
c. Calculate the ratio of sales growth with the work formula:

3. Earning Per Share

Earning Per Share shows the amount of net income that is ready to be distributed to all shareholders of the company. Based on the existing work formula in chapter 2, can be written the steps in determining the value of earning per share on a manufacturing company:

a. Collect the data of the company's net income after tax during the 2 years period before and after obtaining ISO 9001:2000 certification.
b. Collect the data of the company's total shares outstanding on 1 year time period during the period before and after obtaining ISO 9001:2000

certification.

c. Calculate the ratio of earning per share with the work formula:

2.3 Sampling

The population in this research is a manufacturing company that has ISO 9001:2000 certifications and listed in Indonesia Stock Exchange in the period 2000-2009. The samples are taken with purposive sampling method, which is the sampling technique with the purpose, consideration, or with certain criteria (Sugiyono, 2006, p. 78). This research took 38 companies with the provisions of the following criteria:

1. Providing information about ISO 9001:2000 certification in the annual report.
2. Not in delisting process.
3. The financial reports are available for at least 2 years period before and after obtaining ISO 9001:2000 certification.
4. Obtaining ISO 9001:2000 certification between years 2002-2007.
5. The accounting period ended in December.

The research data of financial performance ratio for the period before and after obtaining ISO 9001:2000 certification. The data are obtained from financial reports issued by the selected manufacturing companies. The observation period in this research is 2 years period before obtaining the ISO 9001:2000 certification, 1 year period when obtaining the ISO 9001:2000 certification, and 3 years period after obtaining ISO 9001:2000 certification, therefore the observation for each sample is 6 years. The total samples are 30 companies, so the total observation period can be calculated as follows:

N = total samples x observation period

N = 30 x 6

N = 180 observation period

2.4 Type and Sources of Data

The data analyzed in the research is secondary data, which are sourced from the documents of financial reports in manufacturing companies that is ISO 9001:2000 certified and listed in Indonesia Stock Exchange that is chosen as samples in this research. The documents of financial reports are obtained from the website www.idx.co.id , reports from Indonesian Capital Market Directory (ICMD), and Ubaya's stock exchange lab.

2.5 Data Collection Methods

The data collection method in this research is the documentation method. Documentation method is done by collecting data from existing documents. The data in this research obtained from the financial reports of manufacturing companies which are selected in the research period 2000 to 2009.

2.6 Data Analysis Methods

The analysis used in this research is to do test differences in financial performance ratio from manufacturing companies in period before and after obtaining ISO 9001:2000 certification. The work steps to be conducted are as follows:

2.6.1 Normality Test of Data

This step aims to determine the distribution of the data in the variables used in this research. Good data and fit to be used in the research is the data that has normal distribution. In this research, this step do normality test from financial performance variables data of manufacturing companies that consisted of net profit margin ratio, sales growth ratio, and earning per share ratio.

Normality test on the financial performance data that cover those ratios are performed using *one sample Kolmogorov-Smirnov* test. The criteria for determining normal or not the distribution of the financial performance ratio data are as follows.

- If the significance value of *one sample Kolmogorov-Smirnov* test is greater than the level of error of 5%, therefore it can be concluded that the data have normal distribution.
- If the significance value of *one sample Kolmogorov-Smirnov* test is less than the level of error of 5%, therefore it can be concluded that the distribution of the data is not normal.

This distribution test on data ratio is also used to determine which statistical test methods to be used. If the data has a normal distribution ratio therefore the statistical test to be used is the parametric test of difference (*paired sample t-test*), while if the data ratio do not have normal distribution therefore the statistical test to be used is the non-parametric test of difference (*Wilcoxon test*).

2.6.2 Statistical Tests

Statistical tests are used to answer the research hypotheses proposed in the previous chapter about the financial performance differences for the period before and after obtaining ISO 9001:2000 certification. The statistical tests are done by performing test of difference on every financial performance ratio using *paired sample t-test* for data that have normal distribution and *wilcoxon test* for data that do not have normal distribution.

The criteria used to determine significant differences are as follows:

- If the significance value of *paired sample t-test* or *wilcoxon* is less than the level of error 5%, therefore can be concluded that the financial performance ratios before and after obtaining ISO 9001:2000 certification are significantly different. Means that, H_0 rejected.
- If the significance value of *paired sample t-test* or *wilcoxon* is greater than the level of error 5%, therefore can be concluded that the financial performance ratios before and after obtaining ISO 9001:2000 certification are not significantly different. Means that, H_0 accepted.

3. RESULTS AND DISCUSSION

3.1 Statistical Description

On the statistical description of net profit margin, can be seen that the average net profit margin for period 2 years before obtaining ISO 9001:2000 certification is -0,143 and continued to increase until it reaches its highest peak point in the year when receiving ISO 9001:2000 certification. Although in years after, the value has decreased but the value of the fluctuations are increased from year to year.

The statistical description of sales growth also shows improvement but the improvement is very insignificant. In period year 3 after obtaining ISO 9001:2000 has surpass the value from the period before obtaining ISO 9001:2000. The average sales growth in period 1 year to 3 years after obtaining ISO 9001:2000 indicates the value are increased from year to year, and this value may continue to increase year by year next.

The statistical description on earnings per share shows great improvement because of this ISO 9001:2000 certification. The average earnings per share in the period of 2 years before ISO 9001:2000 which is still worth -75.396 gradually continued to improve. The highest value of earnings per share is occurred in the year when receiving ISO 9001:2000 certification. Although in later years has decreased but the value shows fluctuations which increased from year to year, and may continue to experience improvement in year by year to come.

From the statistical description of the two variables of net profit margin and earnings per share, the highest value in both variables occurred in the year when receiving ISO 9001:2000. This is possible because directly after receiving ISO 9001:2000 certificate, companies will put announcement to public and the market in Indonesia as emerging country react very positively as a result of the company now have this prideful quality certificate as assurance.

3.2 Difference Test

Based on the results on the difference test on financial performance before and after obtaining ISO 9001:2000 certification From these 3 variables, the existence of ISO 9001:2000 certification give significant improvement only on earnings per share variables, while the net profit margin and sales growth are not significant. The difference test to be used for each variable is according to the normality test results using *one Sample Kolmogorov-Smirnov* on each variable.

To see whether there is significant different or not can be seen from the sig value on average before and after for each variable, it is 0,658 using *Wilcoxon Test* on net profit margin because the data is not distributed normally, the result indicated that there is improvement but not significant because is greater than 0,05.

Table 1. Different Test *Wilcoxon Test* Data NPM

Paired	**Z**	**Sig / 2**

Paired	Z	Sig / 2
NPM 2 years before vs NPM 1 year after	-0,730	0,465
NPM 2 years before vs NPM 2 years after	-1,121	0,262
NPM 2 years before vs NPM 3 years after	-1,388	0,165
NPM 1 year before vs NPM 1 year after	-0,249	0,804
NPM 1 year before vs NPM 2 years after	-0,864	0,388
NPM 1 year before vs NPM 3 years after	-0,977	0,329
NPM in year ISO vs NPM 1 year after	-2,839	**0,005**
NPM in year ISO vs NPM 2 years after	-0,957	0,339
NPM in year ISO vs NPM 3 years after	-1,162	0,245
Before vs After	-0,442	0,658

For sales growth the hypotheses test is using *Paired t Test* because the data is already have normal distribution, the sig value on average before and after is 0,141 indicated that there is improvement but is also not significant.

Table 2. Different Test *Paired t Test* Data GROWTH

Paired	t	Sig
GROWTH 2 years before vs GROWTH 1 year after	0,723	0,475
GROWTH 2 years before vs GROWTH 2 years after	0,482	0,633
GROWTH 2 years before vs GROWTH 3 years after	-0,571	0,572
GROWTH 1 year before vs GROWTH 1 year after	-1,110	0,276
GROWTH 1 year before vs GROWTH 2 years after	-1,578	0,125
GROWTH 1 year before vs GROWTH 3 years after	-3,194	0,003
GROWTH in year ISO vs GROWTH 1 year after	-0,005	0,996
GROWTH in year ISO vs GROWTH 2 years after	-0,364	0,718
GROWTH in year ISO vs GROWTH 3 years after	-1,774	0,087
Before vs After	-1,475	0,151

For earning per share, the data is not distributed normally so the hypotheses test is using *Wilcoxon Test*, the sig value on average before and after is 0,028 and indicated that there is significant improvement because is less than 0,05.

Table 3. Different Test *Wilcoxon Test* Data EPS

Paired	Z	Sig
EPS 2 years before vs EPS 1 year after	-1,080	0,280
EPS 2 years before vs EPS 2 years after	-2,458	0,014
EPS 2 years before vs EPS 3 years after	-2,910	0,004
EPS 1 year before vs EPS 1 year after	-0,710	0,478
EPS 1 year before vs EPS 2 years after	-1,759	0,079
EPS 1 year before vs EPS 3 years after	-2,458	0,014
EPS in year ISO vs EPS 1 year after	-2,705	0,007
EPS in year ISO vs EPS 2 years after	-0,751	0,453
EPS in year ISO vs EPS 3 years after	-0,216	0,829

Paired	Z	Sig
Before vs After	-2,191	0,028

The results from all the hypotheses done is actually already in accordance with previous study by Sharma (2005) that found that there is improvement in financial performance after obtaining ISO 9001:2000 certification, but in this research all of the variables are improved but the significant improvement is only on earnings per share variable. In this research those 2 sources are having improvement but not significant, but these improvement are giving contribution to the overall financial performance, therefore that may make the improvement in earnings per share variable is significant. Thus the only hypotheses proven is hypotheses 3 that states there is improvement on the level of overall financial performance (earnings per share) before and after the application of ISO 9001:2000 certification in the companies listed in BEI.

It is also in accordance that Sharma (2005) states that the improvement is greater on net profit margin in internal business processes rather than sales growth as external sources, from the statistical description in this research also find that the improvement in net profit margin is greater than improvement is sales growth.

This research contradict the previous study done by Cendrawati and Hartanto (2011), that concluded there are significant decrease in financial performance that especially measured by ROI and states that this certification is not giving a positive effect on firm performance.

The improvement on the net profit margin after obtaining ISO 9001:2000 is by having that certification as proof of effective quality management system according to hadiwiardjo and sulistijarningsih (2000:94) is because operational costs are reduced as a result of waste is eliminated and efficiency increased as a result of the deletion mismatches, and competitiveness and profitability improved due to operational costs reduced. This will maximize the internal business processes and therefore increase the net profit margin.

The improvement in sales growth after obtaining ISO 9001:2000 certification can be seen as an effect of increasing customer satisfaction and trust to the company, because of having this certification as quality badge. According to hadiwiardjo and sulistijarningsih (2000:94) as the ISO certificate obtained, the company will have a better reputation to win the trust of the customer more easily because of the evidence of the application of consistent quality and standardized, thus will increase sales growth. The improvement in sales and market share are a consistent benefit that is found in many researches that research the effect of ISO 9000 certification.

The improvement on those 2 variables are not significant, thus cannot prove the hypotheses in this research. The possible causes for this insignificant improvement is the increasing operating costs in connection with efforts to improve the quality to match the standards of ISO 9001:2000. In that effort of implementation, the company needs to obtain raw materials, supplies, and equipment with better quality, which generally requires higher costs. The company also needs to create a better work environment in order to motivate employees to improve its performance. Costs related to activities quality products, training employees, and the maintenance of the machine will also increase. In addition, implementing ISO system will require excessive and too costly documentation and administrative procedures. Therefore, the early years after the implementation of ISO 9001:2000 standards, the company still tend to unable to press those various costs that therefore will reduce the profit margin of the company.

The insignificant improvement can also be explained by the length of the time period it takes for the benefits of certification to be realized. The net profit margin and sales growth are gradually increased year by year after obtaining ISO 9001:2000, but because of the observation period after certification on this research is just 3 years, the company has not been able to show significant improvement as expected. Implementation of quality system standards ISO is a time consuming process.

Other explanations to explain the insignificant improvement in net profit margin and sales growth is an economic downturn. Ferreira, Sinha, and Varble (2008) noted that ISO certification will not be much help if economic conditions are declining. Economic conditions such as rising prices of raw materials that will also increase the sales price and regulations for certain industries will affect profitability in ISO 9001:2000 certified companies and even in companies that is not ISO 9001:2000 certified.

The insignificant improvement can also be explained because this research analyze the first time companies get the updated ISO 9000, which is ISO 9001:2000 certificate, not the first time companies get any kind of the previous ISO 9000 certificate, mostly companies in the samples already have ISO 9000 series since the ISO 9000:1994 version. But this ISO 9001:2000 version has many necessary and important revisions compared to the previous version, so companies must put more effort to update the certificate. Thus can be explained because of the many necessary and important revisions, this new ISO 9001:2000 will still give improvement. But the improvement is not significant because the companies may already have ISO 9000 series since the previous version.

The significant improvement on earnings per share variable is because earning per share variable in this research is used to see the effect on overall financial performance both from internal sources or internal business processes such as net profit margin and external sources such as sales growth. As those internal source and external sources focused on net profit margin and sales growth are having improvement, these improvements will contribute to overall financial performance indicated with earnings per share, thus make the earnings per share have significant improvement. Therefore the financial performance in overall after obtaining the ISO 9001:2000 certification is increased significantly.

4. CONCLUSIONS AND SUGGESTIONS

4.1 Conclusions

After analyzing and discussions, this research gives the following conclusion:

1. This study shows the result that there is no significant improvement on the level of operating efficiency (net profit margin) before and after obtaining ISO 9001:2000 certification, where the average net profit margin after obtaining ISO 9001:2000 certification has improved compared with the average net profit margin before obtaining ISO 9001:2000 certification,

but the improvement is not significant

2. This study shows the result that there is no significant improvement on the level of growth (sales growth) before and after obtaining ISO 9001:2000 certification, where the average sales growth after obtaining ISO 9001:2000 certification has improved compared with the average sales growth before obtaining ISO 9001:2000 certification, but the improvement is not significant
3. This study shows the result that there is significant improvement on the level of overall financial performance (earnings per share) before and after obtaining ISO 9001:2000 certification, where the average earnings per share after obtaining ISO 9001:2000 certification has improved significantly compared with the average earnings per share before obtaining ISO 9001:2000 certification.
4. This research has similar results with the previous research done by Divesh S. Sharma (2005). The similarity is that there is a significant improvement in the level overall financial performance (earnings per share) after obtaining ISO 9001:2000 certification. The obtainment of ISO 9001:2000 certification causes a significant increase on overall financial performance. While the level of operating efficiency (net profit margin) and the level of growth (sales growth) are also improved after obtaining ISO 9001:2000 certification, same with the research by Divesh S. Sharma, but the improvement is not significant.
5. This research has different results with the previous research done by Cendrawati and Hartanto (2011). The difference is Cendrawati and Hartanto (2011) found that there is a significant reduction in the financial performance measured in ROI after obtaining ISO 9000 certification. While in this research finds that the financial performance are improved after obtaining ISO 9001:2000 certification.
6. This research can give more contribution to the knowledge as a result of this research put emphasis on the learning process because this research is

different with many previous researches done. This research analyze the first time companies get the updated ISO 9000, which is ISO 9001:2000 certificate, not the first time companies get any kind of the previous ISO 9000 certificate, mostly companies in the samples already have ISO 9000 series since the ISO 9000:1994 version. But this ISO 9001:2000 version has many necessary and important revisions compared to the previous version, so companies must put more effort to maintain and update the standards to obtain the new updated ISO 9000 version.

4.2 Research Limitations

There are few limitations in this research, which are:

1. The sample in this research is only manufacturing firms that listed in BEI, so cannot represent the whole companies in Indonesia.
2. This research did not examine the other financial measures such as inventory turnover, cost of goods manufactured/services provided, and internal and external failure costs that could more directly capture the effects of ISO 9000, or even use financial performance such as ROI, and ROA.
3. The observation period that is taken in this study is just 2 years before and 3 years after obtaining ISO 9001:2000 certification.
4. There may be other factors that may affect the company's financial performance, such as economic condition.

4.3 Suggestions

Based on the previous conclusions, this research proposes some suggestions, which are:

1. The further research is suggested to increase the scope of the research sample, so not only taking samples from manufacturing companies, and if able to take more samples. Thus the results obtained can represent all companies in Indonesia.
2. The further research is suggested to add more financial measures as variables that are having more direct effect from the obtainment of ISO

9001:2000 certifications.

3. The further research is suggested to lengthen the observation period, not only 3 years after obtaining the ISO 9001:2000 certification.
4. To provide a more precise analysis of the factors affecting profitability, further researcher should consider the other factors that may affect the company’s financial performance.
5. The further research is suggested to research the effect of standardizations to financial performance, such as ISO 14001. This ISO 14001 is standardizations for environmental, and in the future, there is growing awareness on environmental protection, the company that is aware with environmental is usually have more trust from the people.

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