



## QUALITY MANAGEMENT PRACTICES OF THE PORT OF APARRI AND ITS IMPACT ON THE ORGANIZATIONAL CLIMATE

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**ABSTRACT:** *Quality management practices are a way of managing the entire organization to excel in all dimensions of service that are important internally and externally. Hence, in order to realize the region's potential as a major transshipment facility, the Port of Aparri is seen as a catalyst for the region's growth. The researchers utilized quantitative-correlational study which aimed to determine the Quality Management Practices of the Port of Aparri and its impact on the organizational climate. A total enumeration of all employees in Bureau of Customs- Port of Aparri and its sub-ports with a total of 23 were taken as respondents, a survey questionnaire was utilized through Google forms in gathering data and information among the respondents. The following statistical tool were utilized such as Frequency and Percentage Distribution, Mean and Pearson-R to numerically interpret the gathered data. The results of the study shows that the research team's perceived factors really affect the organizational climate of the Port of Aparri, as evidenced by the interpretations of the gathered data, which indicate that all data on factors collected at the Port of Aparri have a strong agreement. The Port of Aparri should continue their excellent practice in quality management as revealed in the findings, to maintain the conducive organizational climate in the port, to attract more vessels from nearby countries and to maintain and further improve the equality service they provide. With this, the port will surely achieve its vision to be the premiere trade gateway of the North.*

**Keywords:** *Factors, Quality Management, Organizational Climate, Port*

### INTRODUCTION

According to Section 206 of the Customs Modernization and Tariff Act, the reason for developing more ports in the country is to cater more transactions and facilitate smoother shipments in a specific district or region.



Customs districts must establish and maintain adequate quality, safety, and performance improvement programs. Essential components of such programs include adherence to the basic principles of quality management. Implementing quality management tools ensures high customer satisfaction, which leads to better business, a safe working atmosphere, and satisfied employees. The Executive Order 707 s. 2008 was passed to accommodate more transactions and to make shipments run more smoothly. It states that "the conversion of the Port of Aparri into a Customs Principal Port of Entry will complement efforts to accelerate further not only the economic growth but also the overall development of the Cagayan Special Economic Zone.

Quality management guarantees the port's efficiency. Remember, if an organization is earning, employees are also gaining. Implementing quality management tools ensures high customer satisfaction, which leads to better business, a safe working atmosphere, and satisfied employees. Processes for quality management make it easier to work in the workplace. Quality management helps remove methods that waste the employees' time and do not add to the organization's productivity and allow employees to work better with less time. Some factors that are attributed to the performance of the port are based on its quality management practices. Providing training, which is a key to competitiveness, makes it possible to increase the performance of employees at the port in the changing operational port climate. Workers need to be trained adequately.

Customer satisfaction, as entailed in the study *An Analysis of Port Service Quality and Customer Satisfaction: "The Case of Korean Container Ports"* is known as the result of the quality of the service, which means that it relates positively to the quality of the services provided to the customer. The port's efficiency and capability should be continuously established. These practices should harmonize with priorities, and employees should be motivated and driven to improve.

## **METHODOLOGY**

This study used quantitative-correlational research to examine the relationship between the two factors, namely, quality management practices, and organizational climate. This research



study is composed of 23 respondents in the Port of Aparri in Barangay Punta, Aparri, Cagayan. The respondents of this research study include all employees at the Bureau of Customs – Port of Aparri, such as but not limited to: the customs guard, customs inspector, customs appraiser.

The research team utilized an online survey questionnaire developed by the researchers to gather data. The demographic profile is the first section of the questionnaire. The respondents place a checkmark in the space provided corresponding to their profile. The second part is the factors categorized under Quality Management Practices, which includes: training, customer satisfaction, continuous improvement, and employee engagement, where the respondent will answer the questions provided. And, the factors categorized under Organizational Climate: Strategic Alignment, Organizational Culture, and Departmental Leadership, where the respondents will answer the questions provided.

The primary step taken by the research team to collect data is to establish letters of communication for the school's Vice President for Academic Affairs to approve the conduct of the research study; the school's Research Office Director to approve the conduct of the research study; the Port of Aparri's District Collector and Port Manager to approve the conduct of the research study; Secondly, the sending of documents through email and uploading of a survey questionnaire in the google form for the data collection tool to be answered by the respondents. And finally, for the statistical treatment and interpretation of the data gathered from the respondents to the research team through email right after disseminating the google forms.

The research team utilized three statistical tools to interpret the data gathered. To assess the response towards their perception on the different factors to the quality management practices by the port of Aparri and its organizational climate the mean was used. Lastly, identify the relationship between the quality management practices and the organizational climate of the Port of Aparri, Pearson-r has been used.



## RESULTS AND DISCUSSION

**TABLE 1: QUALITY MANAGEMENT OF THE PORT OF APARRI**

Quality Management Practices	Mean	Interpretation
Training	3.80	Very High Quality
Customer Satisfaction	3.81	Very High Quality
Continuous Improvement	3.84	Very High Quality
Employee Engagement	3.73	Very High Quality
<b>Overall Mean</b>	<b>3.80</b>	<b>Very High Quality</b>

The table reveals the Port of Aparri's strong commitment to quality management through high-quality employee training programs and exceptional customer service, aligning with international standards and promoting efficiency in port operations (Overall mean: 3.80, "Very High Quality"). The positive perception of employee training is supported by international organizations such as WCO and FEPORT, endorsing the importance of training (Mean: 3.80) (World Customs Organization, 2015; Federation of European Private Port Companies and Terminals, 2018). The port's dedication to high-quality training reflects a proactive approach to ensuring a skilled workforce and promoting employee commitment and efficiency (International Labor Office, 2012).

Customers' highly positive experience with the port's service quality is evident with an overall weighted mean of 3.81, indicating "Very High Quality" in terms of customer satisfaction. Customer satisfaction is a critical aspect that influences the overall relationship between companies and customers, and it is assessed through their service experience (Mean: 3.81) (Dwyer and Oh, 1987; Farrelly and Quester, 2005; Gaski and Nevin, 1985; Chong, Siong, et al., 2003). Modern ports' role as part of the supply chain is crucial, and effective port operations are integral to supply chain management (United Nations Trade Organization, 2014).

The comprehensive assessment of the port's quality management practices also reveals a "Very High Quality" approach to continuous improvement, with an overall weighted mean of 3.84. The port's adoption of Total Quality Management (TQM) and compliance with the ISO 9000 series contribute to structured and effective management practices (Mean: 3.84) (S. T. Ung & Y. T. Chen, 2010). The port's emphasis on continuous monitoring, review of policies, strategies, and utilization of quality improvement teams further showcases its commitment to



staying adaptable in a dynamic environment (Asian Journal of Shipping and Logistics, 2011; Robert E. Hamm, 2016).

Moreover, the table highlights the port's excellence in employee engagement practices, with an overall weighted mean of 3.73. The "investing in people" strategy advocated by WCO contributes to a positive and cohesive work atmosphere, fostering strong relationships and empowering employees (Mean: 3.73) (World Customs Organization, 2015; Perryman, Robinso, and Hayday, 2004).

In summary, the Port of Aparri's quality management practices exhibit a "Very High Quality" approach in employee training, customer service, continuous improvement, and employee engagement. International standards and scholarly literature support the port's commitment to excellence, positioning it for continued success and competitiveness in the port sector.

**TABLE 2: ORGANIZATIONAL CLIMATE OF THE PORT OF APARRI**

<b>Organizational Climate</b>	<b>Mean</b>	<b>Interpretation</b>
Strategic Alignment	3.73	Strongly Agree
Organizational Culture	3.67	Strongly Agree
Departmental Leadership	3.60	Strongly Agree
<b>Overall Mean</b>	3.67	Strongly Agree

The table presents three different aspects of the Port of Aparri's organizational climate, namely strategic alignment, organizational culture, and departmental leadership. Each aspect achieved an overall "Strongly Agree" rating with respective weighted means of 3.73, 3.67, and 3.6180, indicating high levels of agreement and satisfaction among employees. Overall, the coherence of these findings underscores the Port of Aparri's positive organizational climate as evident on the overall comouted mean of 3.67 (strongly agree), where strategic alignment, a supportive organizational culture, and strong departmental leadership contribute to a highly agreeable and satisfied workforce. The discussion and the cited supporting literaturereinforce the importance of these factors in promoting employee commitment, performance, and overall organizational effectiveness. By adhering to these principles, the port is well-positioned for continued success and excellence in the competitive port industry.

Regarding strategic alignment, the table reveals that employees strongly agree that they understand their goals and how their activities support the organization's purpose, as well as



the port's strategies being in line with fulfilling its objectives. This positive perception aligns with management's contingency theory, which emphasizes the significance of balancing organizational strategy with external environmental factors to enhance performance (Acur et al., 2012; Chen and Huang, 2008). Additionally, the cited literature emphasizes the importance of strategic alignment for regulatory mandates, efficiency improvements, and overall growth in the port sector which is shown that the port is adhering to it (Peters, 2017; Port Regulators, 2015).

In addition, organizational culture, highlights strong agreement among employees that they are committed to collective objectives and live by the port's corporate vision, goals, and values. This positive organizational culture is linked to improved employee performance and adaptation, guiding behavior toward common goals and objectives (SHRM, 2020; Daft, 2010; Gordon and Cummins, 1979).

Furthermore, departmental leadership, reflects strong agreement that the organization is open to suggestions from employees and co-workers, and it motivates people to deliver its vision. The employees also recognize the organization's responsiveness in addressing problems promptly. However, they also indicate a slight discrepancy with the statement about providing guidance without pressure and taking responsibility when a team member fails. Leadership is highlighted as the process of guiding individuals and groups toward achieving agreed-upon objectives (Shrivastava and Nachman, 1989; Yukl, 2013).

**TABLE 3: TEST OF RELATIONSHIP OF THE QUALITY MANAGEMENT PRACTICES AND ORGANIZATIONAL CLIMATE OF THE PORT OF APARRI**

Source of Relationship		Strategic Alignment	Organizational Culture	Departmental Leadership
Training	<i>r</i>	0.623	0.687	0.569
	<i>p-value</i>	*0.001	*0.000	*0.005
Customer Satisfaction	<i>r</i>	0.777	0.745	0.615
	<i>p-value</i>	*0.000	*0.000	*0.002
Continuous Improvement	<i>r</i>	0.803	0.759	0.618



	<i>p-value</i>	*0.000	*0.000	*0.002
<b>Employment Engagement</b>	<i>r</i>	0.822	0.831	0.702
	<i>p-value</i>	*0.000	*0.000	*0.000

The correlations and p-values in the table provide strong evidence that the Port of Aparri's strategic alignment, organizational culture, and departmental leadership significantly impact its training programs, customer satisfaction, continuous improvement, and employee engagement. These findings are supported by scholarly research and underscore the importance of these aspects in driving high-quality management practices within the port.

Regarding training, the results show that strategic alignment has a positive correlation of .623 ( $p < .001$ ), organizational culture has a positive correlation of .687 ( $p < .001$ ), and departmental leadership has a positive correlation of .569 ( $p < .005$ ). These significant positive correlations indicate that when the Port of Aparri demonstrates a strong commitment to strategic alignment, organizational culture, and departmental leadership, it tends to have higher-quality training programs. This finding is consistent with scholarly literature, which suggests that alignment between organizational strategies and employee training is crucial for achieving desired outcomes (Chen & Huang, 2008; Acur et al., 2012).

Regarding customer satisfaction, the results show that strategic alignment has a strong positive correlation of .777 ( $p < .000$ ), organizational culture has a positive correlation of .745 ( $p < .000$ ), and departmental leadership has a positive correlation of .615 ( $p < .002$ ). These significant positive correlations suggest that when the Port of Aparri demonstrates strong strategic alignment, a positive organizational culture, and effective departmental leadership, it leads to higher levels of customer satisfaction. This finding aligns with scholarly research emphasizing the importance of organizational culture and leadership in influencing customer satisfaction (SHRM, 2020; Daft, 2010).

Regarding continuous improvement, the results show that strategic alignment has a strong positive correlation of .803 ( $p < .000$ ), organizational culture has a positive correlation of .759 ( $p < .000$ ), and departmental leadership has a positive correlation of .618 ( $p < .002$ ). These significant positive correlations indicate that a strong commitment to strategic alignment, a positive organizational culture, and effective departmental leadership are



associated with higher levels of continuous improvement. Scholarly literature supports this relationship, emphasizing the role of strategic alignment and leadership in driving continuous improvement efforts (S. T. Ung & Y. T. Chen, 2010; Asian Journal of Shipping and Logistics, 2011).

Regarding employee engagement, the results show that strategic alignment has a very strong positive correlation of .822 ( $p < .000$ ), organizational culture has a very strong positive correlation of .831 ( $p < .000$ ), and departmental leadership has a positive correlation of .702 ( $p < .000$ ). These significant positive correlations indicate that strong strategic alignment, a positive organizational culture, and effective departmental leadership are strongly associated with higher levels of employee engagement. Scholarly literature supports these findings, highlighting the role of strategic alignment and positive organizational culture in promoting employee engagement (World Customs Organization, 2015; Perryman, Robinso, and Hayday, 2004).

## **CONCLUSIONS**

The research study conducted at the Port of Aparri provides valuable insights into the quality management practices and organizational climate within the port. The findings demonstrate the port's strong commitment to excellence, evident in high-quality employee training programs and exceptional customer service, aligning with international standards. This commitment positions the port for continued success and competitiveness in the ever-evolving port sector.

Moreover, the study reveals a positive organizational climate at the port, with employees strongly agreeing on aspects related to strategic alignment, organizational culture, and departmental leadership. These factors contribute significantly to employee engagement and continuous improvement efforts, fostering a cohesive and motivated workforce.

By adhering to principles of quality management and ensuring a positive organizational climate, the Port of Aparri shows a proactive approach to enhancing efficiency, customer satisfaction, and overall organizational performance. The correlations between quality





management practices and the organizational climate further support the importance of alignment and leadership in driving positive outcomes.

## **RECOMMENDATIONS**

- The findings from this research study offer valuable implications for port management, emphasizing the significance of investing in quality management practices and fostering a supportive organizational climate. As the port industry continues to evolve, these factors will play a crucial role in maintaining competitiveness and achieving sustainable growth. The study serves as a foundation for continuous improvement efforts, enabling the Port of Aparri to adapt and thrive in a dynamic and challenging operating environment.
- The port should continue investing in high-quality employee training programs that align with international standards and best practices. Regularly assess the training needs of employees and provide relevant skill development programs to keep up with advancements in the industry. This will ensure a skilled and competent workforce capable of handling the changing operational port climate.
- The port should maintain its commitment to continuous improvement by adopting Total Quality Management (TQM) principles and complying with ISO 9000 series standards. Implementing structured and effective management practices will facilitate the port's ability to adapt to changing circumstances and remain competitive.
- Building on the positive perception of organizational culture, the port should continue promoting a work environment that fosters collaboration, innovation, and commitment to collective objectives. Encourage open communication and employee involvement in decision-making processes, fostering a sense of ownership and responsibility among the workforce.
- The port should ensure that all employees understand their goals and how their activities support the organization's purpose. Regularly review and align strategies



with external environmental factors to enhance overall performance and efficiency.

- Leadership plays a vital role in motivating employees and driving organizational success. Provide leadership training and development programs to departmental leaders to enhance their ability to provide guidance and support to their teams without pressure. Encourage a culture of accountability and taking responsibility for both successes and failures.
- Customer satisfaction is a crucial aspect of the port's success. Implement regular customer feedback mechanisms to assess service quality and identify areas for improvement. Address customer concerns promptly and strive to exceed their expectations.
- Strengthen collaboration with international organizations such as the World Customs Organization (WCO) and the Federation of European Private Port Companies and Terminals (FEPORT) to stay updated on industry best practices and standards. Participation in relevant conferences and forums can provide valuable insights and networking opportunities.
- Recognize and reward employees for their contributions and achievements, fostering a sense of pride and motivation. Prioritize employee welfare and well-being to maintain a positive and cohesive work atmosphere.

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