

HUMAN RESOURCE PRACTICES FOLLOWED BY THE SMALL & MEDIUM SCALE MANUFACTURING ENTERPRISES FOLLOWING TQM PRINCIPLES

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ABSTRACT

Quality is the buzz word in today's world. Each organization in order to survive or progress further is in need of focussing on Quality. To make sure that they do things right various quality standards are followed. ISO 9001 and TQM are the models used by the companies to meet with their objective. Requirement for TQM is to make a sea change in the organization as it will bring fruits only if it is followed in all the corners and by each and every one. To change the culture of the organizations and to foster the implementation of TQM several practices are initiated and/or followed by them. This research paper indicates the level to which the HR (Human Resource) practices are followed by SMEs with the help of a survey of manufacturing companies of Gujarat and surrounding states.

KEYWORDS: Human Resource (HR), ISO9001, SMEs, TQM

INTRODUCTION

Total Quality Management is the approach to meet with the quality milestones with which customers can be satisfied. The quest for quality is not new as this is a prerequisite for any business to be successful. It was only dependent on Inspection to begin with, where in defective commodities were identified and were not sent to the market. Quality control was the new philosophy which was considered better compared to Inspection. In Quality Control the organizations were required to control the manufacturing processes by proper monitoring and then by removing the weaknesses of the same. It certainly helped in reducing the number of defective commodities but it still did not give any guarantee that no defectives would be produced. ISO (International Standards Organization), a quality assurance model came up in to existence, which introduced a system standard, wherein the focus was broadened to all the processes and not restricted to only manufacturing processes. Since it talks about all the processes, it surely helps in improving the quality and consistency of the product and services. Total quality management is an enhancement to the quality assurance standard. This philosophy demands a cultural change in the entire organization. Everyone in the organization including top management has to contribute and be cooperative and supportive to achieve the organizational objectives. With involvement of the empowered employees and positive employee-management relationship, better results are achieved by the organizations. This surely demands managements to devise new HR policies which will facilitate TQM implementation.

ROLE OF HR PRACTICES IN THE TQM IMPLEMENTATION

As stated above HR policies are to be devised in order to facilitate TQM implementation. The organization would be able to do it only if the human resource is utilized most effectively. The management needs to:

- Inform all the employees about the purpose of implementing TQM
- Provide necessary training to them to meet with the expectations of the management.
- Make the employees aware about the vision and mission of the organization.
- Educate the employees about the benefits which the organization would derive with the TQM and how these benefits would be passed on to them.
- Motivate the employees to be a part of decision making process by giving constructive suggestions.
- Device practices to tackle with the expected resistance to change by the employees.
- Recognize the efforts of the employees and praise them in order to motivate other employees to fall in the same line.

LITERATURE REVIEW

Yogesh Chauhan [1] in his research paper mentioned that ‘It requires participation of all the members of the organization which leads to employee satisfaction and the human force stays highly motivated in turn helps in improvement in the productivity. It also requires effective leadership and the top management has to be committed towards the philosophy of TQM.’

TQM is the application of quantitative methods and human resources to improve all the processes within an organization and exceed customer needs now and in the future. According to the British Standard BS 7850, TQM is defined as “Management philosophy and company practices that aim to harness the human and material resources of an organization in the most effective way to achieve the objectives of the organization.” This definition of TQM does not mention quality specifically: that quality is synonymous with the objectives of the organization is implicit. [2]

TQM is an organization-wide challenge that is everyone’s responsibility. All personnel must be trained in TQM, statistical process control (SPC) and other appropriate quality improvement skills so they can effectively participate on project teams. People must come to work not only to do their jobs, but also to think about how to improve their jobs, people must be empowered at the lowest possible level to perform processes in an optimum manner. [3]

Faisal Talib et.al [4] observed that the first nine CSFs operationalized by the highest number of authors were: top-management commitment, customer focus and satisfaction, training and education, continuous improvement and innovation, quality information and performance measurement, supplier management, employee involvement, employee encouragement, and process management. It is concluded that top-management commitment is listed as the top CSFs with customer focus and satisfaction close behind. Regular participation of top-management team in the process will motivate employees to take active part in quality activities. This is never ending task. They should adopt new strategies to improve company responsiveness to customer’s complaints. After that, factors like quality information and performance measurement, supplier management, employee encouragement (reward and recognition), and process management should be incorporated. Managers can get the full benefits of TQM by training all employees at all levels in order to develop awareness, interest, and action towards TQM program. Thus, role of top management commitment and leadership might be fruitful in the development and successful implementation of appropriate training program on TQM.

Daniel I. Prajogo, Amrik S. Sohal [5] in their paper on TQM and Organization performance cited Prajogo and Sohal [6] who found two competing views regarding TQM and innovation. One suggests that TQM is positively related to innovation performance because it establishes a system and culture that will provide an environment which gives way to innovation (Mahesh, C.[7]; J.W. Dean & D.E. Bowen[8]; Kanji, G.[9]; Tang, H. [10]; Roffe, I. [11]). On the other side of it some views say that implementation of TQM principles and practices could hinder organizations from being innovative (Samaha, H. [12]; Harari, O. [13]).

METHODOLOGY

An industrial survey was carried out with 20 Small and Medium Scale manufacturing organizations from Gujarat and surrounding states. The overall survey was conducted with a huge sample of 182 respondent firms in the required category of SMEs. However as the SMEs are still not in favour of TQM, very few SMEs were observed implementing TQM principles. The tool used for the survey was a prescribed questionnaire with mostly closed ended questions. A dedicated section was designed associated to TQM related questions. The respondents were given with a list of general practices to be followed by the companies in order to successfully implement TQM principles. They were asked to give their response according to the extent to which their companies follow those practices in their organization. In this paper only HR related practices are discussed.

FINDINGS

The results of the survey [14] on the aspect of HR practices followed by the respondent firms are indicated in the following part of description. They were asked to indicate on a 5 point scale the extent to which they follow practices while implementing TQM principles in their organizations.

- **Top Management Ensures that Every Employee is Aware of Company's Mission and Business Objectives**

From Figure 1 it can be observed that majority (95%) of the respondents agreed that the extent to which the top management took care about company's employees' awareness about company's mission and business objectives was quite (moderate to very high)high. Whereas only 5% felt that it was low.

- **Top Management Strongly Promotes Staff Involvement in Quality Management and Improvement Activities**

From Figure 2 it can be seen that, 60% of the respondents felt that this practice was followed to a high extent. 15% of the respondents felt that it was to a very high extent. No respondent said that the extent to which it was followed is very low or low.

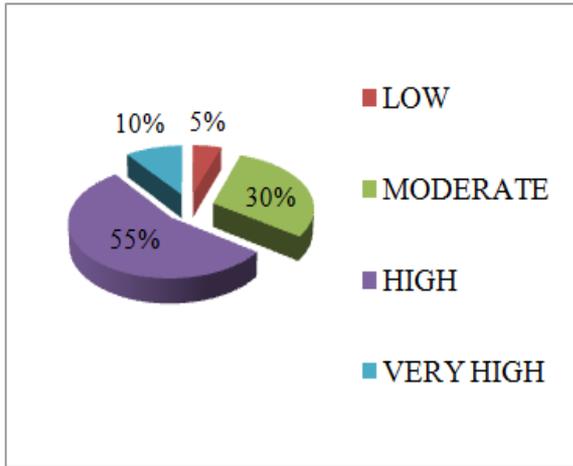


Figure 1: Pie Chart Pertaining to Statement 1

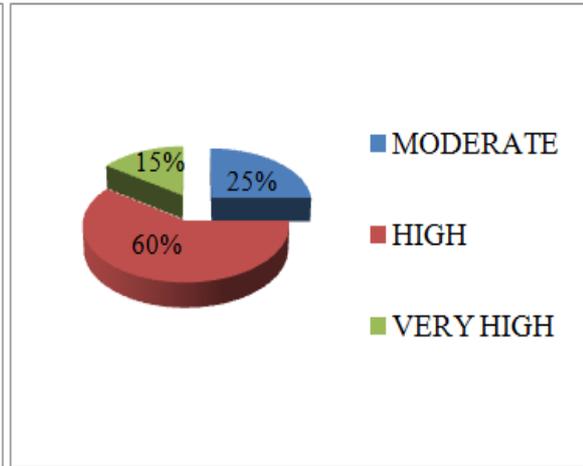


Figure 2: Pie Chart Pertaining to Statement 2

- Managers and Supervisors Empower Employees

From Figure 3 it is evident that this practice is followed to a quite high extent according to the majority of respondents. A total of 95% of the respondents felt that managers and supervisors empowered employees from moderate to very high extent.

- Communication Links are Established between Employees and Top Management

Figure 4 suggests that majority (80%) of the firms agreed to a high to very extent that communication links are established between employees and top management, Rest of them felt to a moderate extent.

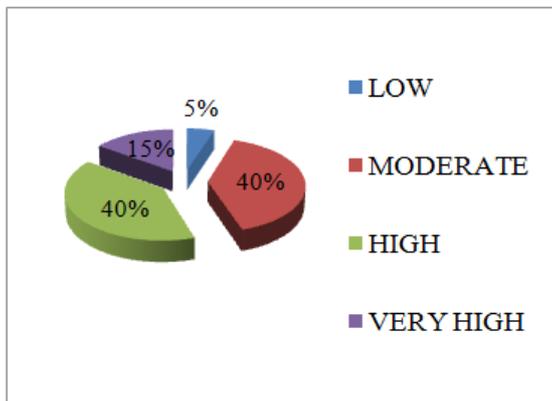


Figure 3: Pie Chart Pertaining to Statement 3

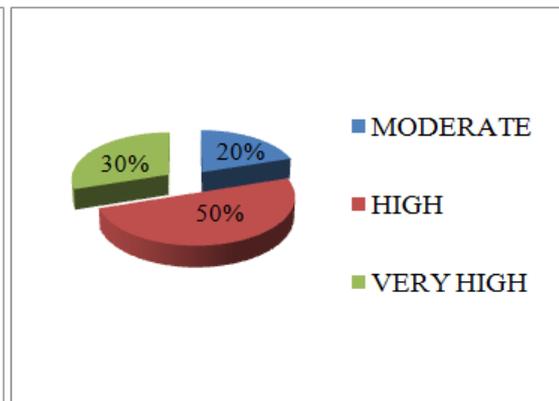


Figure 4: Pie Chart Pertaining to Statement 4

- Top Management Takes care of Employees' well Being (e.g. Welfare, Health and Safety Provision, etc.)

From Figure 5 it is observed that 75% companies are practicing this to a high to very high extent. Whereas 20% companies follow this to a moderate extent.

- Employees are Given Information and Training which they Need to do the Job Effectively

Figure 6 shows that 15% of the respondents felt that it was done to a very high extent whereas a total of 95% felt that it was done from moderate to a high extent.

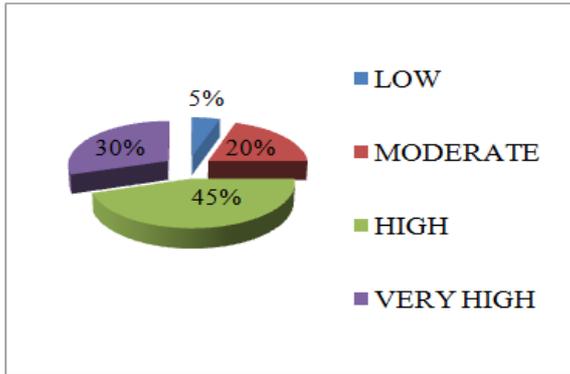


Figure 5: Pie Chart Pertaining to Statement 5

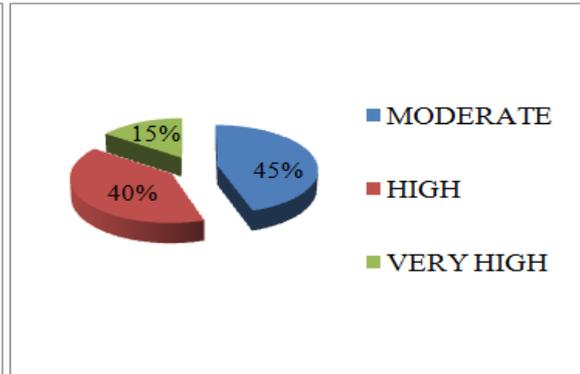


Figure 6: Pie Chart Pertaining to Statement 6

- **Employees’ Views are Listened to and Acted Upon**

Figure 7 highlights the fact that 15% of the respondents agreed that it was practiced to a very high extent, 45% said it was to a high extent while 35% said that it was practiced to a moderate extent.

- **Employee Performance are Measured and Recognized**

From Figure 8 it is seen that 20% of the respondents felt that it was done to a very high extent. In 40 % of the companies this is done to a high extent, while 35% felt that it was done to a moderate extent.

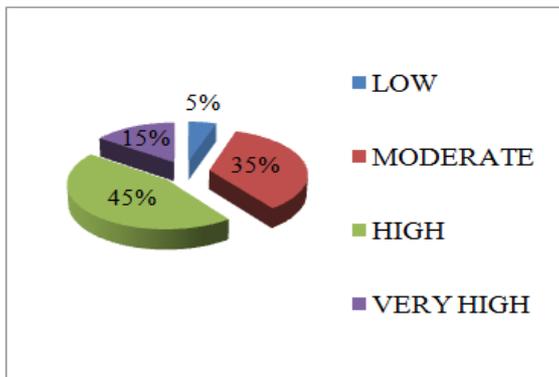


Figure 7: Pie Chart Pertaining to Statement 7

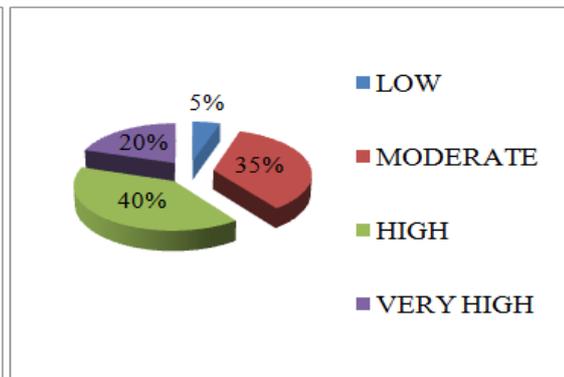


Figure 8: Pie Chart Pertaining to Statement 8

- **Employees are Trained on Total Quality Concepts**

Training is an essential practice in any organization for continuous improvement. Majority of the respondents said that employees were trained on total quality concepts. 10% felt that it was done to a very high extent whereas a total 90% felt that it was done to a moderate or high extent. (Figure 9)

- **A Pleasant Environment Exists in all Working Areas**

Working environment is an important factor to be taken into account while striving for the betterment of the organization. Majority of the respondents agreed that a pleasant working environment existed in all working area with 35% of them feeling that it existed to a very high extent. A total of 60 % felt that it existed to a moderate or high extent. (Figure 10)

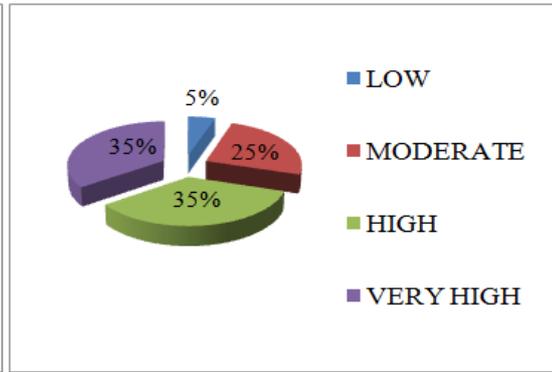
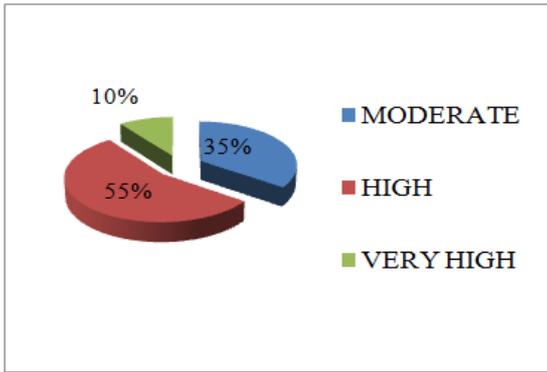


Figure 9: Pie Chart Pertaining to Statement 9

Figure 10: Pie Chart Pertaining to Statement 10

- **Positive Values Such as Trust, Honesty, Loyalty, Dedication etc. are Followed in the Company**

When asked about this statement, almost all the respondents agreed that these values were followed in their company in varying extents. From Figure 11 it is seen that 35% of the respondents felt that the values were followed to a very high extent. Whereas a total of 65% felt that the values were followed to moderate or high extent.

- **Teamwork and Involvement are Normal Practices in the Company**

Almost 75% agreed to a high to very high extent that teamwork and involvement are normal practices in the company. (Figure 12)

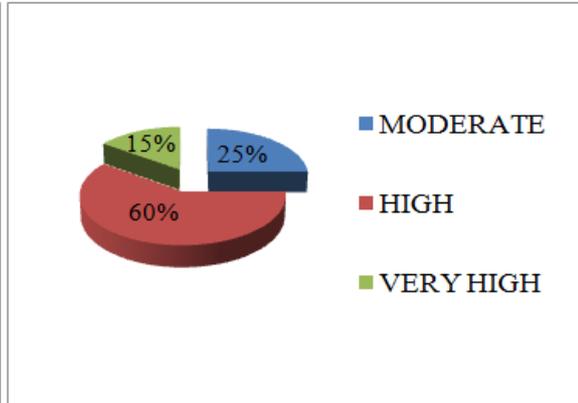
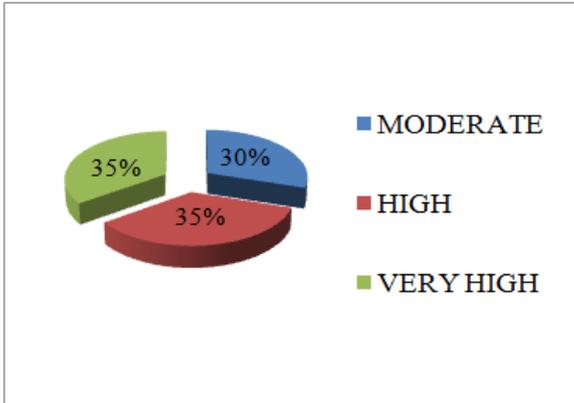


Figure 11: Pie Chart Pertaining to Statement 11

Figure 12: Pie Chart Pertaining to Statement 12

- **The Company Adopts ‘Employee Satisfaction’ Initiatives (Such as Suggestion Schemes, Profit Sharing, etc.)**

It is observed from Figure 13 that only 45% of the respondents agreed to a high to very high extent that the company adopts employee satisfaction initiatives such as suggestion schemes, profit sharing etc. 25% respondents were on the lower extent.

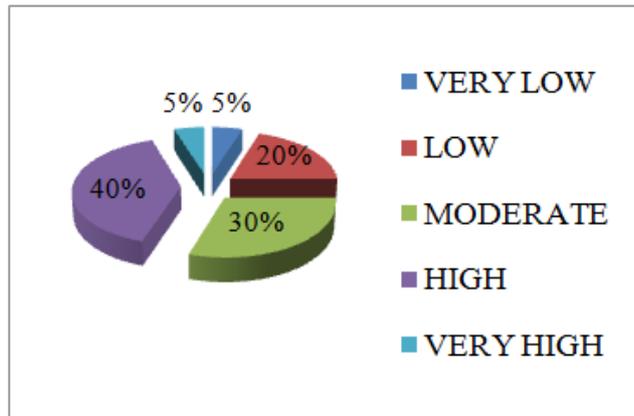


Figure 13: Pie Chart Pertaining to Statement 13

CONCLUSIONS

Following table is for descriptive statistics for various HR actions which the companies are taking while they follow TQM principles. [14]

Table 1: Descriptive Statistics of HR Practices Followed in TQM Firms [14]

Practice Followed	N	Min.	Max.	Mean	S.D.
Communication links are established between employees and top management	20	3	5	4.10	.718
Positive values such as trust, honesty, loyalty ,dedication etc are followed in the company	20	3	5	4.05	.826
A pleasant environment exists in all working areas	20	2	5	4.00	.918
Top management takes care of employees' well being (e.g. welfare, health and safety provisions, etc.)	20	2	5	4.00	.858
Top management strongly promotes staff involvement in quality management and improvement activities	20	3	5	3.90	.641
Team work and involvement are normal practices in the company	20	3	5	3.90	.641
Employees are trained on total quality concepts	20	3	5	3.75	.639
Employee performance are measured and recognized	20	2	5	3.75	.851
Top management ensures that every employee is aware of company's mission and business objectives	20	2	5	3.75	.786
Employees' views are listened to and acted upon.	20	2	5	3.70	.8013
Employees are given information and training which they need to do the job effectively.	20	3	5	3.70	.733
Managers and supervisors empower employees	20	2	5	3.65	.813
The company adopts employee satisfaction initiatives (such as suggestion schemes, profit sharing etc)	20	0	5	3.15	1.137

It shows that most of the companies have laid emphasis on establishing communication links between employees and top management, which will certainly fetch good results for the company as the gap between employees and management can be reduced with this. Further the firms have also practiced imbibing positive values such as trust, honesty, loyalty, dedication etc. These values surely help any firm to bring better results.

The ranking of the different HR practices followed in the firms believing in TQM can be viewed from the table 1. It is observed that profit sharing and suggestion schemes are not yet considered as important practice in our country for

employee satisfaction. [14] Additionally it can be surely concluded that firms implementing TQM principles need to devise better and positive HR policies which will reduce the gap between the management & employees. It will also result in to improved morale with motivated employees, which will help organizations to achieve their objectives.

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