



## IMPACT OF QUALITY CIRCLES AND COMMUNICATION IN AN EFFECTIVE HUMAN RESOURCE MANAGEMENT: AN EMPIRICAL STUDY

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### Abstract

Make in India is the topic of the hour. In India where there is a scare-city of skilled labour, make in India is only possible with effective utilization of present employees. In the present competitive environment, the companies are facing lot of skill shortage, talent crunch and attrition those reached historically height ever, that made the companies feel that their employees also more important equally with external customers, so every company is to devise innovative HR practices to attract best talent, giving them nice environment to work with, that enables the company to retain talents, the above said practices are conceived and implemented and found successful by the leading companies in India. Effective communication and Quality Circles are the two important tools through which; the barriers in-between employees of the organisation can be reduced and best operating procedures can be incorporated into the organisation. In this context, this research paper focuses on to investigate employees' perception of, impact of Quality Circles and Communication in an Effective Human Resource Management.

**Key Words:** *Quality Circles, Communication, Competitive Environment, Skill Shortage, Talent Crunch, Attrition.*

### INTRODUCTION

Human resource management plays a key role in the strategic management of the organizations. However, it was not always like that. At first, the term in use was "personnel administration", which was later replaced by "personnel management". Not only does this reflect a change in terminology but also a changing management paradigm. Guest elucidates well the differences between Personnel Management and Human Resource Management based on different practices and policies. For example, Personnel Management tends to assume a short-term and reactive perspective of time and planning, whereas Human Resource Management assumes a long-term and proactive prospect. Human resource management practices include number of concepts, in this research paper an attempt is made to study Quality Circles and Communication.

### Quality circle

Quality Circles (QC) or Quality Control Circles (QCC) pioneered by Japanese. Japanese nomenclature: Quality Control Circles (QCC), generally now known as Quality Circles (QC) or some call it as Small Group Activity (SGA).

1962: First QC Circle was registered with QC Circle Head Quarters in Japan.

1974: Lockheed Company, USA started Quality Circle movement.

1977: International Association of Quality Circles (IACC) was formed in USA.

1980: BHEL, Hyderabad first in India to start Quality Circles.

1982: Quality Circle Forum of India (QCFI) was founded.

Participative management technique within the framework of a company-wide quality system in which small teams of (usually 6 to 12) employees voluntarily form to define and solve a quality or performance related problem. In Japan (where this practice originated) quality circles are an integral part of enterprise management and are called quality control circles. "A Quality Circle is volunteer group composed of members who meet to talk about workplace and service improvements and make presentations to their management with their ideas." (Prasad, L.M, 1998).

Quality circles enable enrichment of the lives of the workers or students, creates harmony and high performance. Typical topics are improving occupational safety and health, improving product design, and improvement in the workplace and manufacturing processes. These are related especially to the quality of output or services in order to improve the performance of the organization / department and motivate and enrich the work of employees. This group carries on continuously as a part of organization wide control activities, self and mutual developments and control and improvement within the workplace, utilizing quality control techniques with all the members participating. Generally six to twelve volunteers from the same work area make up a circle. The members receive training in problem solving, statistical quality control and group processes. Quality Circle generally recommends solutions for quality and services which may be implemented by the management. Thus Quality Circle is not merely a suggestion system or a quality control group but extends beyond that because its activities are more comprehensive. Furthermore, it is not a taskforce because it can be made a permanent feature of the organization or a department.



### Objectives of Quality Circle

The perception of Quality Circles today is 'Appropriateness for use' and the tactic implemented is to avert imperfections in services rather than verification and elimination. Hence the attitudes of employees influence the quality. It encourages employee participation as well as promotes teamwork. Thus it motivates people to contribute towards organizational effectiveness through group processes. The following could be grouped as broad intentions of a Quality Circle: 1. To contribute towards the improvement and development of the organization or a department. 2. To overcome the barriers that may exist within the prevailing organizational structure so as to foster an open exchange of ideas. 3. To develop a positive attitude and feel a sense of involvement in the decision making processes of the services offered. 4. To respect humanity and to build a happy work place worthwhile to work. 5. To display human capabilities totally and in a long run to draw out the infinite possibilities. 6. To improve the quality of products and services. 6. To improve competence (which is one of the goals of all organizations). 7. To reduce cost and redundant efforts in the long run. With improved efficiency, the lead time on convene of information and its subassemblies is reduced, resulting in an improvement in meeting customers due dates. Customer satisfaction is the fundamental goal of any library. It will ultimately be achieved by Quality Circle and will also help to be competitive for a long time.

### Benefits of Quality Circles

There are no monetary rewards in the QC's. However, there are many other gains, which largely benefit the individual and consecutively, benefit the business. These are:

- **Self-development:** QC's assist self development of members by improving self confidence, attitudinal change, and a sense of accomplishment.
- **Social development:** QC is a consultative and participative programme where every member cooperates with others. This interaction assists in developing harmony.
- **Opportunity to attain knowledge:** QC members have a chance for attaining new knowledge by sharing opinions, thoughts, and experience.
- **Potential Leader:** Every member gets a chance to build up his leadership potential, in view of the fact that any member can become a leader.
- **Enhanced communication skills:** The mutual problem solving and presentation before the management assists the members to develop their communication skills.
- **Job satisfaction:** QC's promote creativity by tapping the undeveloped intellectual skills of the individual. Individuals in addition execute activities diverse from regular work, which enhances their self confidence and gives them huge job satisfaction. Healthy work environment: QC's creates a tension free atmosphere, which each individual likes, understands, and cooperates with others.
- **Organizational benefits:** The individual benefits create a synergistic effect, leading to cost effectiveness, reduction in waste, better quality, and higher productivity. All these benefits are lasting in nature, which bring about progress over a period of time.

### Role of Communication in Human Resources Management

The environmental dynamism that operates and influences organizations is creating unpredictable situations occurring as a response to employees and sub-organization changes, requiring a coordination perspective. Good coordination presupposes the existence of adequate and effective communication at all levels of management. All relationships are based on organizational communication. It uses structural components of the organization and other technical factors, psychological, economic, cultural and educational. In the organization's structure, organizational communication is a specific form of interpersonal communication, "Organizational Communication is a process usually deliberated between people messaging, groups and organizational levels within organization in order to achieve both individual targets and those collective. (Cornescu, Mih escu, Stanciu, 2003). The quality of these communications influences functioning of whole organizations. Organizational communication is important and necessary for areas of communication to identify and use incentives that can motivate employees, provide employees information they need in their work contributes to the establishment of effective and fair relations between employees and managers, making possible individual performance and improvement by correcting mistakes, training of staff focused towards the objectives assumed.

### Three roles of communication (Paus, 2006)

- interpersonal roles, which is expressed in relationships with employees - these roles are the leading figure of a liaison or representative;
- role of information that focuses in Actions for development and information network - this in manager can monitor, disseminator of information and spokesman;



- Decision-making roles, manifested in choosing the optimal action - the manager will be the one to initiate actions to resolve the failure, will allocate resources and negotiate conflicts.

After studies in some Western countries (**Cornescu, Mihailescu, Stanciu, 2003**): "a successful manager dedicates to communication between 55 and 95% of his time. In average, a manager uses over 70% of his time to talk, listen, write and read so to communicate. This percentage differs from the hierarchical position of managers and is even greater as it is at a higher level.

## REVIEW OF LITERATURE

Human resource is the most important resource for any organization; therefore its role is to contribute to their professional development and to lead to organizational goals in a motivating environment for both the group and for each individual party. All elements needed to obtain effectiveness of the organization can be achieved through Quality Circles and communication, which constitute the essential conditions for human resources activities. An attempt is made to review some of the latest research studies to identify the research gap.

**Teo,S.T.T., Clerc,M.L. and Carmen Galang,M.G.(2011)**, paper entitled "Human capital enhancing HRM systems and frontline employees in Australian manufacturing SMEs" published in *The International Journal of Human Resource Management* analyzed, Investment in human resources (HRs) through embracing human capital enhancing (HCE) human resource management (HRM) system is positively linked to organizational performance. Moreover, Front line employees are strategically significant and important source of competitive advantage.

**Attique Arshad, Sarwar Mehmood Azhar and Khurram Jawad Khawaja (2014)**, paper entitled, "Dynamics of HRM Practices and Organizational Performance: Quest for Strategic Effectiveness in Pakistani Organizations" published in *International Journal of Business and Social Science* analyzed Management thinking and integrated HRM can pave the ground for application of strategy at all level of business organization. By this approach, people's talent can be utilized to get desired objectives. The effectiveness of HRM practices and their strategic fit with organizational objectives are likely to attract stakeholders inside or outside of organization to perform diligently.

**Tuncay Kararti (2014)**, paper entitled "Convergence or Divergence? Analysis of Human Resource Practices in SME Turkey" published in *International Journal of Advanced Multidisciplinary Research and Review* analyzed, Turkish organizations attempt to implement U.S.-originated time unit practices with some modifications. Most organizations realize the advantages and uses of job analysis, training, and pay-for-performance systems however implement these time unit practices while not adequately considering structure and national specific characteristics and contingencies. While not denying the role of globalisation and transnational organizations on causing organizations to control in similar ways that, still, it looks premature and imprudent to assert one best formula exists.

**Sangeeta Trehan and Karan Setia (2014)**, paper entitled "Human Resource Management Practices and Organizational Performance: An Indian Perspective" published in *Global Journal of Finance and Management* analyzed, HRM practices must be married with not just the strategic objectives and market orientation of the organization but also the organizational culture, especially in the Indian context. Reflecting a multidisciplinary interest, we emphasized through this paper looking into the mechanisms by which human resource practices ultimately impinge upon the organizational performance.

**Achmad Sani and Vivin Maharani (2015)**, paper entitled "Relationship between Human Resource Management (HRM) Practices and Organizational Performance Moderated by Organizational Commitment" published in *Australian Journal of Basic and Applied Sciences* concluded that, (1) HRM practice affect on organizational performance. Employee who has been involved in training will try to improve performance. (2) Commitment mediates the effect of HRM practices on performance. Employee's welfare improvement and "humanize the human" can makes employee strive to provide more value to organization to improve performance. It indirectly affect on organization performance.

**Abdul Morlai Kanu (2015)**, paper entitled "An Investigation into the Prevalence of HRM Practices in SMEs: Sierra Leone an Example" published in *Developing Country Studies* analyzed, that there is a statistically significant relationship between HRM practices and SMEs performance including sales and employment. This means that SMEs that engage in formal HRM practices are more likely to influence employment and sales. On the contrary, there is no statistical relationship between HRM practices and wage satisfaction. The list of HR practices that can affect employees' individual, as well as the organization's performance either independently or in bundles is quite long. However, not every HR practice can be a source of sustained competitive advantage (**Ahmad & Schroeder, 2003; Cardon & Stevens 2004**).

### OBJECTIVES OF THE STUDY

- To identify and examine the extent of HRM practices in the Nagarjuna Fertilizers Limited, Kakinada.
- To study the perception of employees towards various aspects of HR Practices; and
- To forward certain conclusions based on findings that have been arrived.

### HYPOTHESIS

H0: There are no systematic HR practices been practising in Nagarjuna Fertilizers Limited, Kakinada.

### METHODOLOGY

To fulfil afore said objectives, the data were collected both from primary sources as well as secondary sources. The secondary data were collected from the various journals, books, periodicals and web. The primary data were collected with support of well designed questionnaire from the sample respondents. The sample consisted of 65 respondents working in Nagarjuna Fertilizers Limited Kakinada. The data were collected personally by the researcher, using the non-probability incidental sampling with an assurance that the information obtained would be kept confidential. The data were collected with an assumption that they would possess an accurate and comprehensive perception of the HRM practices employed. The sole purpose of this sampling was to get an honest picture of the HRM practices of the organization. Employee's perception towards different aspects of HR practices were analysed with support of SPSS package.

### DATA ANALYSIS AND DISCUSSIONS

<b>Table-1: Descriptive Statistics of Quality Circles and Communication</b>				
	Mean	Std. Deviation	t	Sig. (2-tailed)
The concept of forming Quality circles among workers is to produce quality products with -out wastage	4.02	.739	43.786	.000
The management tools like Quality Circles motivates employees for innovative methods for optimum utilization available resources	3.89	.640	49.003	.000
These QC tools will remove boredom monotony. Subsequently creates zeal and dynamism among the workforce	4.17	.417	80.573	.000
In a way the adoption of quality circles will updates machines with full scale mechanization, which will reduce cost of production	4.14	.429	77.857	.000
The management strategies are always communicated with immediate supervisors line managers for proper implementation and execution	3.88	.600	52.122	.000
Development of the subordinates is seen as an important part of their job by the manager officers in the organization	4.17	.417	80.573	.000
A good communication system Enhances innovation through surveys, suggestions grievance programmes and employee participation	4.12	.451	73.712	.000
Always exchange of ideas thoughts and feelings between two or more entities will give us great results	4.12	.451	73.712	.000
To be an effective communicator you must be able to read the body language of your receiver the environment and then adapt you message accordingly	4.12	.451	73.712	.000
In the new global and diverse work place requires excellent communication skills for survival	3.97	.352	90.863	.000

The above table - 1 depicts the Average scores and standard deviations of each and every dimension related to Quality Circles and Communication process in the Nagarjuna Fertilizers Limited, Kakinada . The average score of These QC tools will remove boredom monotony. Subsequently creates zeal and dynamism among the workforce (4.17) is greater than the remaining dimensions which suggest that the employees who were responding, are opined more optimistic on this dimension than the remaining dimensions. Further, this score is greater than four, which also reveals that respondents are more than

satisfied level whereas for the dimension The management strategies are always communicated with immediate supervisors line managers for proper implementation and execution (3.88) the score is less than the remaining, which suggests that for this aspect, respondents are nearer to satisfied level. The respondents are satisfied for all the other variables.

**Table-2: KMO and Bartlett's Test**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.681
Bartlett's Test of Sphericity	Approx. Chi-Square	426.284
	Df	45
	Sig.	.000

From **table-2** it is cleared that in KMO statistics the measure of sampling adequacy value is 0.681. That means there is eligibility for making comparison due to pattern of correlations are relatively compact. According to the result of Bartlett's test it is known that there is probable significant relation between dimensions of the company's and we can execute further steps for analysis. Regarding communalities if 1.000 is the basis, extraction values indicates relativity of factors which are less than 1.000.

**Table-3: Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.338	43.382	43.382	4.338	43.382	43.382	3.163	31.635	31.635
2	1.956	19.563	62.945	1.956	19.563	62.945	3.076	30.762	62.397
3	1.288	12.881	75.826	1.288	12.881	75.826	1.343	13.428	75.826
4	.722	7.216	83.041						
5	.540	5.398	88.439						
6	.505	5.045	93.484						
7	.278	2.777	96.262						
8	.198	1.980	98.242						
9	.118	1.181	99.423						
10	.058	.577	100.000						

Extraction Method: Principal Component Analysis.

**Table-3** shows the Eigen values associated with each factor represent the variance explained by that particular linear component and also display the Eigen value in terms of the percentage of variance explained so factor 1 explains 43.382 % of total variance; It should be clear that the this factor explain relatively large amount of variance then followed by the second factor with percentage 19.563 and third factor 12.881. Therefore there are three factors extracted among all with Eigen value greater than 1. About total variance of factors when we observe Eigen values, three factors got large variance and the remaining factors are varied but shown as very negligible.

<b>Table-4: Rotated Component Matrix<sup>a</sup></b>			
	Component		
	1	2	3
Always exchange of ideas thoughts and feelings between two or more entities will give us great results	.862		
In the new global and diverse work place requires excellent communication skills for survival	.826		
A good communication system Enhances innovation through surveys, suggestions grievance programmes and employee participation	.813		
To be an effective communicator you must be able to read the body language of your receiver the environment and then adapt your message accordingly	.667		
In a way the adoption of quality circles will updates machines with full scale mechanization, which will reduce cost of production		.861	
The management tools like Quality Circles motivates employees for innovative methods for optimum utilization of available resources		.855	
These QC tools will remove boredom or monotony. Subsequently creates zeal and dynamism among the workforce		.851	
The concept of forming Quality circles among workers is to produce quality products without wastage		.747	
Development of the subordinates is seen as an important part of their job by the manager officers in the organization			.889
The management strategies are always communicated with immediate supervisors line managers for proper implementation and execution			.502
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 4 iterations.			

**Table-4** shows the Rotated Component Matrix. On the basis of Varimax rotation with Kaiser Normalization, four factors emerged. These factors are constituted of all those variables that have factor loadings greater than 0.5. Thus, the first factor consists four dimensions like Always exchange of ideas thoughts and feelings between two or more entities will give us great results, In the new global and diverse work place requires excellent communication skills for survival, A good communication system Enhances innovation through surveys, suggestions grievance programmes and employee participation, To be an effective communicator you must be able to read the body language of your receiver the environment and then adapt your message, these four variables are combined together to get one factor and it is conceptualized as “Factor 1”. Further for the second component there are four dimensions like In a way the adoption of quality circles will updates machines with full scale mechanization, which will reduce cost of production, The management tools like Quality Circles motivates employees for innovative methods for optimum utilization of available resources, These QC tools will remove boredom or monotony. Subsequently creates zeal and dynamism among the workforce, The concept of forming Quality circles among workers is to produce quality products without wastage dimensions combined together to get one factor extracted and it is conceptualized as “Factor 2”, Further for third component there are two dimensions in which the values are greater than the remaining dimension values thus these two dimensions like Development of the subordinates is seen as an important part of their job by the manager officers in the organization, The management strategies are always communicated with immediate supervisors line managers for proper implementation and execution are combined together to get one factor extracted and it is conceptualized as “Factor 3” .



## CONCLUSION

The advent of liberalized economic environment and the opening up of the economy in India have brought about radical changes in all spheres of the corporate world. The deregulated economy has liberally widened the scope for competition among the rivals. The logical growth of this process begets an obvious outcome of allowing the fittest to survive and the feasible to exit. The business and corporate entities in the world of globalization are thus quick fixed in the realms of standards and benchmarking. Quality Circles is the major tool for the organisations in establishing standard operating procedures and overcoming day to day problems in the organisations and a good communication system Enhances innovation through surveys, suggestions grievance programmes and employee participation. Innovation and Standardization are the two aspects which creates competitive advantage to the organisations. As seen in the research paper all the questions regarding the quality circles and communication has got significant loadings reveal that employees' feel that quality circles and communication are the heart of the organisations.

## LIMITATIONS AND FUTURE SCOPE OF THE STUDY

There are certain limitations of the study that must be acknowledged. First the sample selected for the study involves only the employees and there no involvement of management. Secondly, when compared to employees of male the female percentage is very low. Thirdly, the sample size 65 is very low. The data collected from the respondents is through non-probability incidental sampling which restricts the generalization of findings to other groups. In future the study may involve more number of management participants, and involvement of equal number of female employees.

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