BARRIERS TO TQM IMPLEMENTATION IN MSME -SPECIAL REFERENCE TO JALGAON MIDC

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ABSTRACT
Most of the MSMEs have inadequate implementation of modern technology compared to large enterprises. Therefore, management technique i.e. TQM has been introduced to implement in MSMEs for establishing a good quality management system, developing human resources and increasing business performance. Despite the reasonable benefits of total quality management (TQM) joined by quality specialists and practitioners, these benefits are difficult to achieve in practice. Many MSME has found it difficult to implement TQM successfully. This research was conducted in MSMEs in JALGAON. The purpose of this paper is to understand TQM barriers and prioritize their relative importance by ranking them in the MSME. The questionnaire was used as a tool for collecting data in this research. This section indicates certain presumable difficulties acting as a barrier in implementing TQM principles. 8 presumable difficulties were mentioned in the questionnaire and response was to be given about the degree of agreement on a five-point scale. It was observed that 'resistance to change' was considered to be the most significant barrier in the way of TQM.

KEYWORDS: TQM, BARRIERS, MSME.

INTRODUCTION

Small scale sector provides approximately 40% of the state's GDP. It accounts to nearly 40% of our industrial output, nearly 6% of GDP, and 35 % of national exports while employing nearly 30 million people. The small scale sector in India covers several manufacturing over 8000 products, from conventional to high-end technical instruments. Owing to the feeling that the small scale sector was an important tool in employment generation, value creation and poverty alleviation (M.V.Rawlani et al. 2016). At present there is too much competition between industries regarding price, cost, and quality. There are various problems in industry such as lack of skilled workers, improper material inventory system, improper utilization of material, lack of training facilities, improper layout, deficiencies of safety equipment. TQM'S tools are the main tools that will be applied to this study. TQM is a management philosophy that seeks to unite all organizational functions (finance, design, engineering, and production, marketing, customer service, etc.) to focus on meeting customer needs and organizational goals.The purpose of this study is to review the difficulties experienced in the implementation of TQM leads in MSME in JALGAON. This study provides insight into the difficulties experienced in implementing TQM. Such knowledge offers opportunities to organizational decision-makers and human resources practitioners to plan proper intervention policies to offset these barriers to achieve a high success rate of TQM implementation. The results of such insights and compatible response strategies are likely to improve the success rates of TQM initiatives in JALGAON. The study also provides opportunities for academicians to search the dynamics of these barriers to further extend the knowledge in the area of TQM implementation in MSMEs in emerging economies.

LITERATURE REVIEW

Thiripurasundari, K and V. Gurumurthy (2009) highlighted the demanding situations of MSMEs in India.On one side the globalization is an opportunity as well as another side it is a challenge for the indigenous MSMEs. The Indian MSMEs are facing a big problem due to the higher production of foreign manufacturing concern. The financially strong MSMEs will survive strongly at the globalized platform. "Lack of top-management commitment" is major barriers in not only in manufacturing but also in service industries (Beer, 2003). Top-management should be committed and fully involved in quality management initiatives and continuous quality improvement (CQI) programs. The degree to which employees adopt a TQM strategy will be contingent upon the degree to which top managers are involved and committed to TQM principles. Van der Wiele and Brown (2002) found that management-related issues are at the core of what affects the long-term sustainability of quality management. Lack of top-management commitment may begin from various causes like a lack of experience and training, resistance to change, and a hesitation to initiate improvement programs. Faisal Talib Zillur Rahman (2015) observed that the barriers under "managerial issues" are crucial and should be given priority for minimizing them in the organization. After "managerial issues," "people-oriented issues" and then "organizational issues" barrier categories should be given full attention for achieving the maximum benefits of implementing a TQM program. Yogesh Chauhan , P. M. George , H. J. Jani,(2014) concluded that **very** rare SMEs are following TQM in addition to getting ISO9001 certification. Therefore, researchers will conduct an analysis of MSMEs that have implemented TQM in their work processes to find out the obstacles faced by MSME business people and their effects on financial and nonfinancial performance. Sun and Cheng (2002) concluded in their research paper that: TQM contributes less in SMEs than it does in big firms. Also TQM is more successfully implemented in big firms than SMEs. More efforts are needed to investigate how to implement TQM in SMEs successfully. Despite progress stories of TQM, still, the concept has not been adopted by SMEs (Dale and Duncalf, 1984). The main reason for low use of TQM in SMEs are, cost limitations and lack of sources (Wilkinson, 1994); second, lack of information on TQM, Specially oriented to SMEs; third, lower level of awareness and understanding (Taylor, 1996).

OBJECTIVES OF THE STUDY

1) Analysis of impacts of TQM.
2) To identify the difficulties in following TQM principles.

METHODOLOGY

An industrial survey was taken out with 20 MSME companies in the sector of manufacturing. The sampling was carried out based on preference. The overall survey was conducted with a sample of 110 respondent firms in the required category of MSMEs. Still as expected a very few MSMEs were following TQM principles. The tool used for the survey was a designated questionnaire with mostly closed-ended questions. One section out of which, was connected to TQM related questions. The respondents were given a list of presumable difficulties faced by them while implementing TQM. They were asked to rate the factors that were considered as barrier to TQM implementation in their organization on a five-point scale, with 1 referring to 'Strongly disagree' and 5 as 'Strongly agree'. Those TQM impeding factors (shown in Table 4) having mean score higher than 3.0, indicate significant barriers to TQM adoption in Indian manufacturing SMEs. The responses received from the survey had been analyzed on the software program SPSS and the following is the data analysis.

Table-1: Category of Business

Sr No.	Category of Business	Frequency	Percent	Valid Percent	Cumulative Percent
1	Medium (Above Rs. 5 Crore & upto Rs. 10 Crore)	2	10	10	10
2	Small (Above Rs. 25 Lakh & upto Rs. 5 Crore)	10	50	50	60
3	Micro (Up to Rs. 25 Lakh)	8	40	40	100
	Total	20	100	100	

From the above table it is transparent that the majority of the entrepreneurs had a small business (25 lakh -5 crores) i.e. 50%, succeeded by Micro business (up to 25 lakhs). On the other hand, 10% of the people are concerned in Medium type businesses (more than 5 crores).

Table-2: Type of Industry

Sr. No.	Type of Industry	Frequency	Percent	Valid Percent	Cumulative Percent
1	MATS	15	75	75	75
2	PIPE	2	10	10	85
3	CHEMICAL	2	10	10	95
4	DAL MILL	1	5	5	100.0
	Total	20	100.0	100.0	

Table-3: Statistics of respondents

Descriptions	N	Min	Max	Strongly agree %	Agree %	Neutral %	Dis-agree %	Strongly disagree %
Resistance to change	20	1	5	10	55	15	15	5
Lack of commitment from top management	20	1	5	10	40	30	10	10
Lack of understanding	20	1	5	10	30	40	10	10
Lack of communication	20	1	5	5	30	35	15	15
Lack of empowerment of employees	20	1	5	5	20	40		15
Lack of training	20	1	4	0	25	40		25
Training with no purpose	20	1	4	0	20	40		25
Lack of Resources	20	1	5	5	20	25		30
Valid N (list wise)	20							

RESULTS & DISCUSSIONS

Based upon the analysis of questionnaire, the following points are derived:

1. Resistance to Change

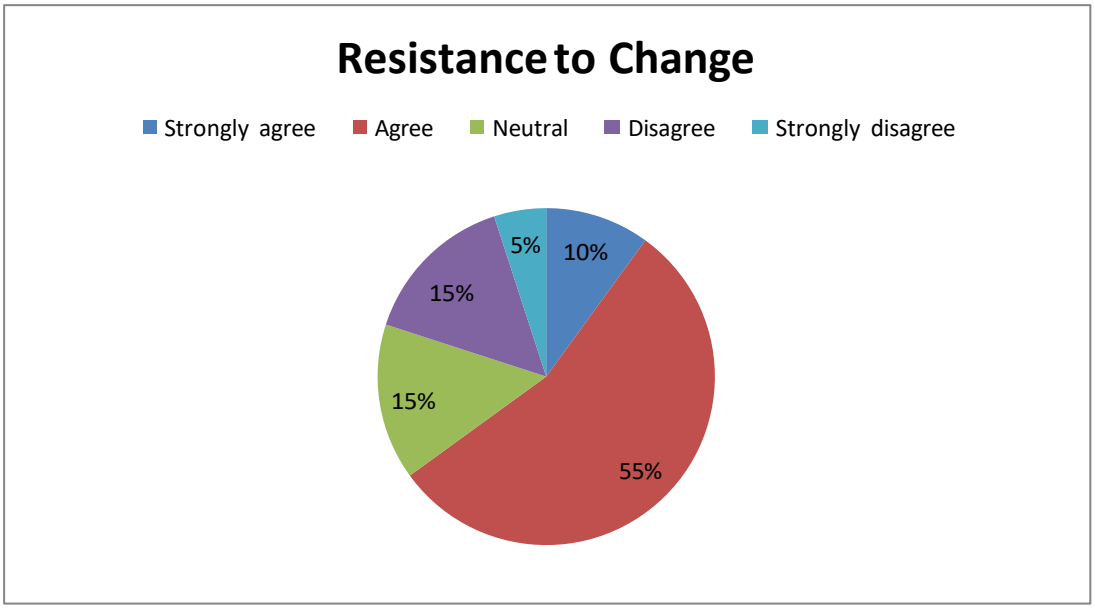

Fig-1 Resistance to Change

Resistance is very much normal while using something new. It is even more when the whole working system has to be changed. 55% of respondents agreed while 10% of the respondents strongly agreed regarding Resistance to change. It can be observed in figure 1 that 15% of respondents remained neutral in their response while 15% still disagreed.

2. Lack of Understanding

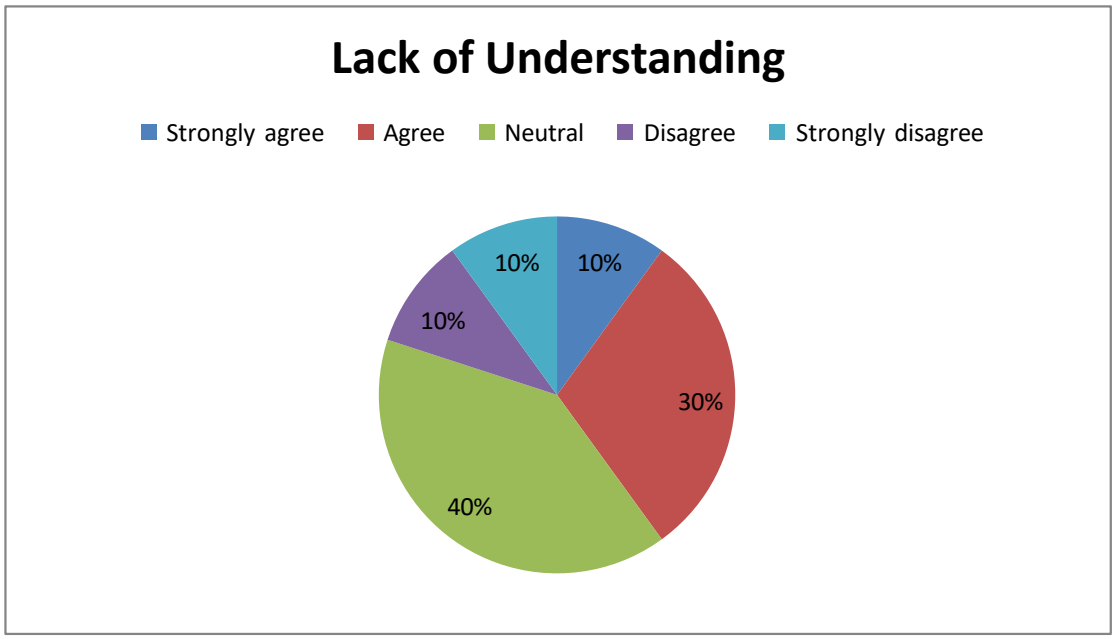

Fig-2 Lack of Understanding

The majority of the respondents felt that there was a lack of understanding while implementing TQM. From the chart we can see that 30% of the respondents agreed that there was a lack of understanding while 40% felt it was to a moderate (neutral) extent.

3. Lack of Resources

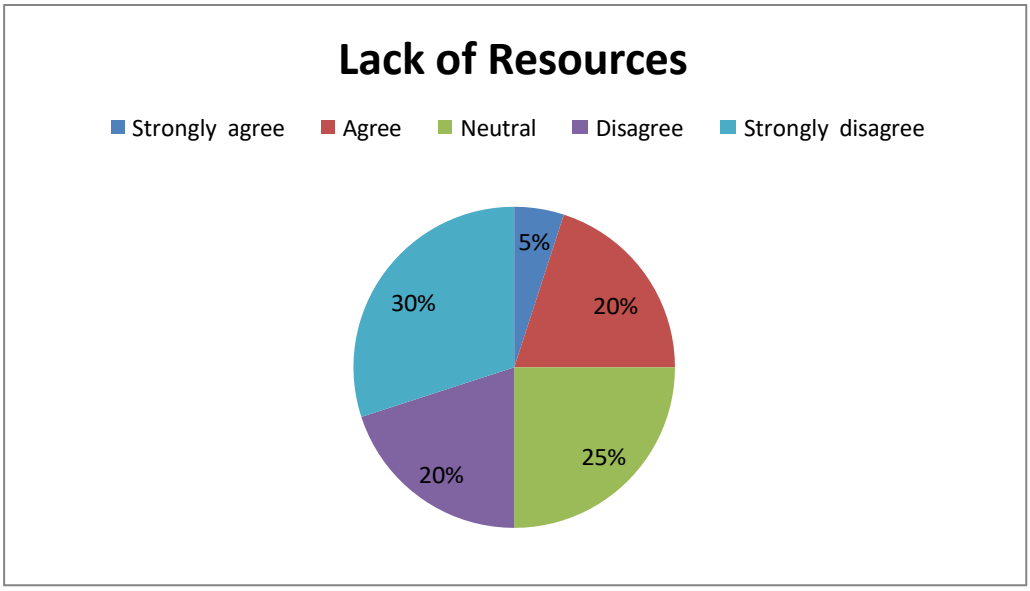

Fig-3 Lack of Resources

It is observed that 20% of the respondents agreed with a lack of resources, while 5% strongly agree can be seen from the above figure 3. However, 25% of the respondents were neutral. Nearly half of the respondents felt that a lack of resources is not to be considered as a major obstacle in implementing TQM. (Fig.3)

4. Lack of commitment from top management

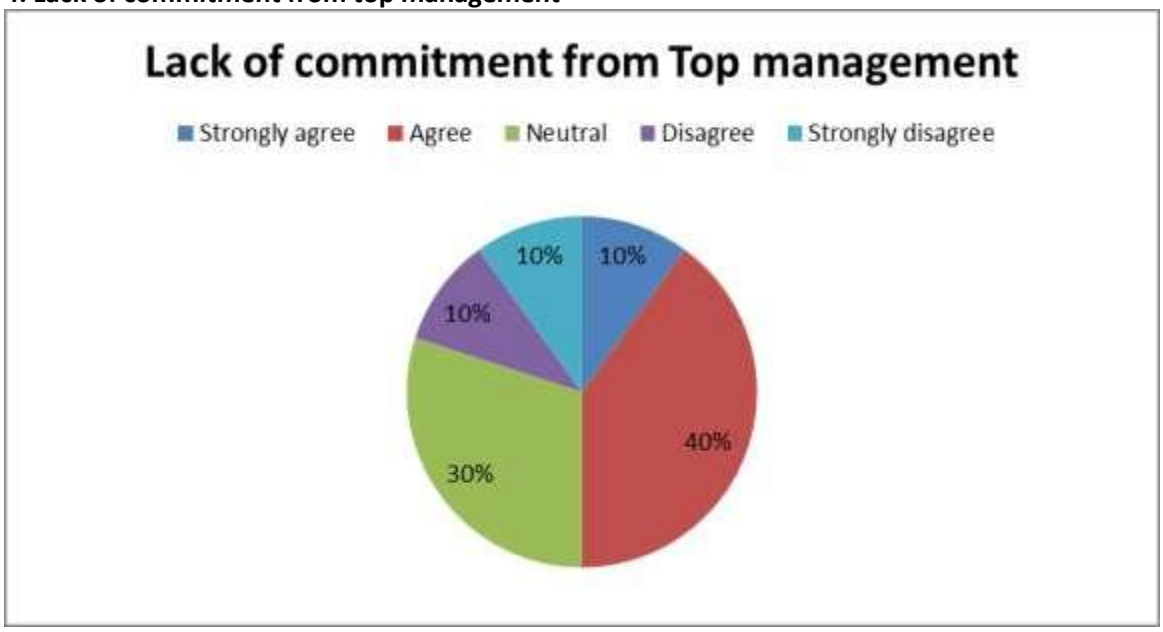

Fig-4 Lack of commitment from Top management

40% of the respondents agreed that there was a lack of commitment from top management for TQM activities while However, 30% of the respondents were neutral from figure 4. Nearly 10% of the respondents felt that it was to a low or very low extent (strongly disagree). Nearly three fourth of the respondents felt that a lack of commitment from top management to be considered as a major obstacle in implementing TQM.

5. Lack of Communication

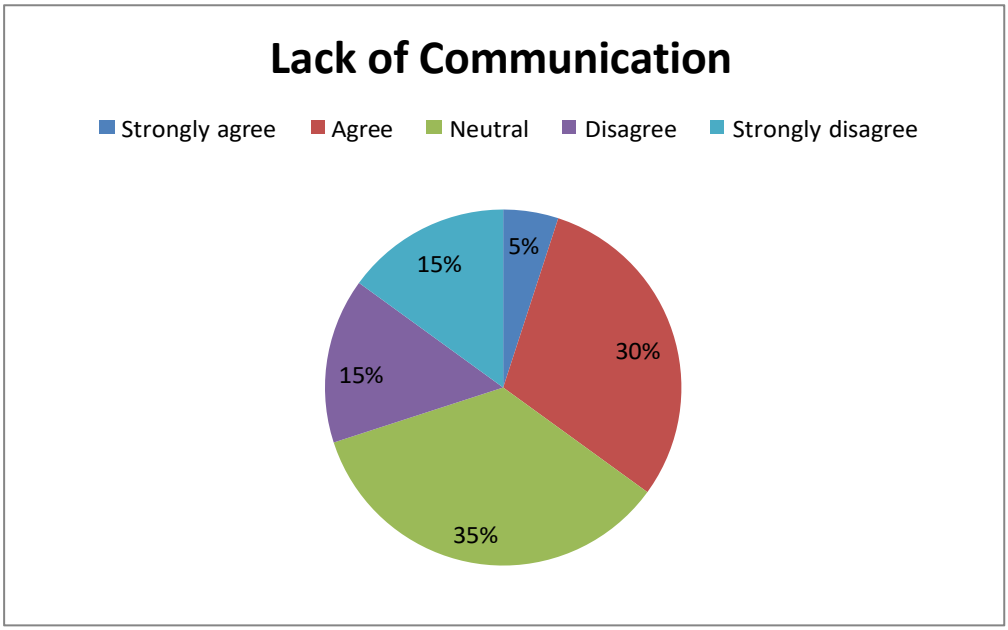

Fig-5 Lack of Communication

30% of respondents agreed while 5% of the respondents strongly agreed regarding the lack of communication. It can be observed in figure 5 that 35% of respondents remained neutral in their response while 15% still disagree.

6. Lack of Empowerment of Employees

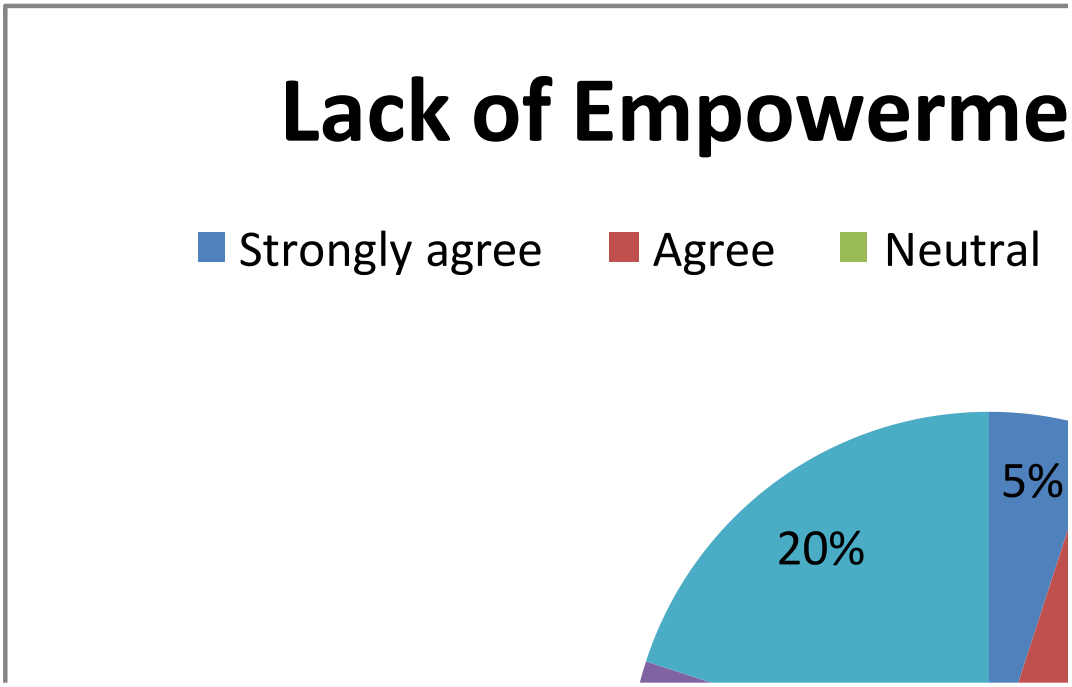

Fig-6 Lack of Empowerment of Employees

20% of respondents agreed while 5% of the respondents strongly agreed regarding the lack of empowerment of employees. It can be observed in figure 6 that 40% of respondents remained neutral in their response while 15% still disagreed & 20% strongly disagree.

7. Lack of Training

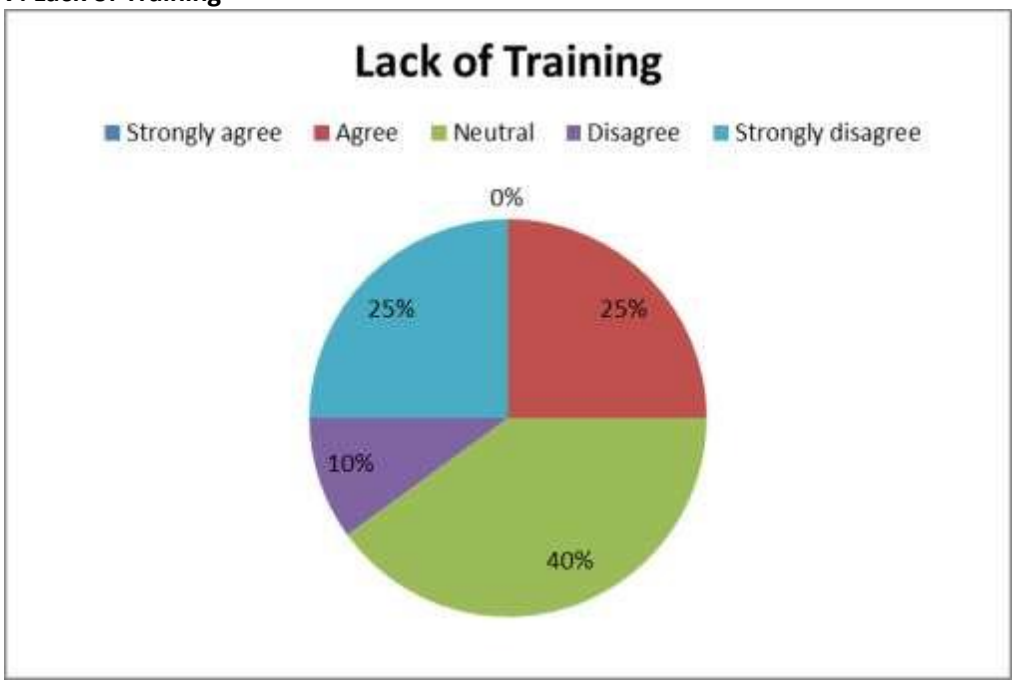

Fig-7 Lack of Training

40% of the respondents felt that there was difficulty in having people for training to a moderate (neutral) extent while 20% of respondents agreed. A total of 10% still disagreed & 25% strongly disagree. (Fig.7)

8. Training with no purpose

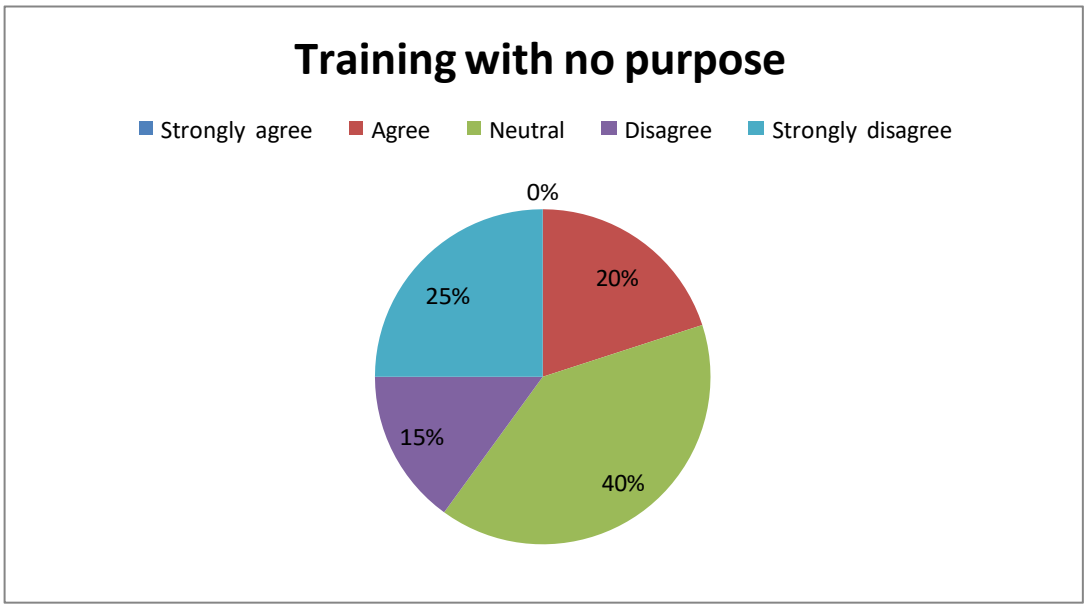

Fig-8 Training with no purpose

15% of respondents disagreed while 25% of the respondents strongly disagreed regarding Training with no purpose. It can be observed in figure 8 that 40% of respondents remained neutral in their response while 20% still agreed.

Table-4: Descriptive Statistics for Ranking of Difficulties In implementing TQM

Descriptions	N	Minimum	Maximum	Mean	Std. Deviation
Resistance to change	20	1.00	5.00	3.5000	1.05131
Lack of commitment from top management	20	1.00	5.00	3.3000	1.12858
Lack of understanding	20	1.00	5.00	3.2000	1.10501
Lack of communication	20	1.00	5.00	2.9500	1.14593
Lack of empowerment of employees	20	1.00	5.00	2.7500	1.16416
Lack of training	20	1.00	4.00	2.6500	1.13671
Training with no purpose	20	1.00	4.00	2.5500	1.09904
Lack of Resources	20	1.00	5.00	2.5000	1.27733
Valid N (list wise)	20				

CONCLUSIONS

It may be concluded that very few MSMEs are following the TQM principle. Table-4 depicts the descriptive statistics for ranking of difficulties faced by the firms (MSMEs) in implementing TQM principles. It can be observed that the biggest difficulty is "resistance to change". Other difficulties in descending order of the degree to which they were faced by the MSMEs in following TQM are, lack of commitment from top management, lack of understanding, lack of communication, lack of empowerment of employees, lack of training and training with no purpose, lack of resources.

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