

Human Resource Management and Total Quality Management in the Family-Owned Businesses

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Abstract – *With time, as the business environment has become more complex and layered, a significant auxiliary change in the financial systems has become the imbuelement of competition. Inside these multi-layered financial systems, there is elevated competition with the rise of new age of family-owned organizations. In this scenario, the significance of HRM becomes even more relevant and profound. In the current environment, it has become obligatory to make HRM as a vital accomplice in this particular sector of the economy, i.e. the family-owned business (FOB) segment. A critical management challenge for this segment today is how to efficiently, effectively and competitively utilize Human Resource.*

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1. HUMAN RESOURCE MANAGEMENT:

With time, as the business environment has become more complex and layered, a significant auxiliary change in the financial systems has become the imbuelement of competition. Inside these multi-layered financial systems, there is elevated competition with the rise of new age of family-owned organizations. Notwithstanding the prevalent position of homegrown, mostly family-owned organizations in the financial movement in India, newer, modernized family-owned organizations that have come into the scenario in the recent years, have been a wellspring of competition. This set of new family-owned organizations, the kind of which had been majorly unfamiliar to the existing financial system, have induced and propagated competitiveness as well as high growth in the acquisition of customers, given their utilization of radical innovation, Risk assessment, and competitor management. In financial systems around the world today, trendy expressions are Competition, Consolidation, and Sustenance.

In this scenario, the significance of HRM becomes even more relevant and profound. In the current environment, it has become obligatory to make HRM as a vital accomplice in this particular sector of the economy, i.e. the family-owned business (FOB) segment. A critical management challenge for this segment today is how to efficiently, effectively and competitively utilize Human Resource.

The quality of human resource in all certainty, is a basic element in the accomplishment of the targets of the family-owned organizations – both in terms of professional financial goals as well as management of the non-financial resources of the family-owned organizations. In a highly competitive and innovative business environment, better approaches for business require new capabilities. The current aptitudes, even-though slightly more forthcoming for changes, still seem pitifully outdated. Presently, the efficient management of scholarly capital of family-owned organizations will become possibly the most important factor in the turn-around that is both a requirement as well as a result of the increasingly competitive and digitized business environment. While there is plurality of options available to the clients, and they have the options to choose whatever best suits their needs and is convenient to them, the onus is on the family-owned organizations to consider and value even the singular necessities of the clients. In this perspective, a perceptiveness as well as receptiveness of ventures has to be imparted and instilled in the employees to enable them to come to terms with the changes that financial systems overall are going through including auxiliary change. It may also be seen that coming to terms with mechanical development and liberation of financial system requires shedding of the existing obsolete administrative methodologies and calls for assimilating relevant demonstrable management

skills – both financial management as well as human resource management.

While it is easier to suggest that there shall be a certain change in the attitude and aptitude to facilitate the assimilation of the human resource, i.e. the manpower in the new system, however, the greatest test in man-management arises when it comes to managing change for the staff who are unable or reluctant to walk that additional mile to soak up the shift in attitudes and aptitudes. The cardinal guideline of Human Resource Management is to consider every employee as a human being who has learning & career requirements, goals and desires which he is eager to fulfil and hence can have a tendency to jump at all the chances to be satisfied by his relationship with the organization. While the employee is an integral part of the organization and channelizes his energies towards the growth and development of the organization, then the organization should likewise perceive this privilege as an opportunity and utilize the available scope for articulation of the laborers as integral resources and give them satisfactory occasions to have a stake in the management of issues straightforwardly influencing their lives. Hence, management of human resources encompasses various domains including work, training, pay, appraisal, upkeep, and so forth, while additionally accomplishing the facets of deeper human relations which are requirements for achievement of higher caliber and performance efficiency.

When we look at the categorization of Human Resource management into various segments, the basic diversification of Human Resource Management is as per the following:-

- i) Human Resource Planning
- ii) Recruitment and Selection
- iii) Position
- iv) Recruitment, Transfer and Promotion
- v) Preparing
- vi) Management Development
- vii) Profession Development and Planning
- viii) Occupation Analysis
- ix) Occupation Design and Human Engineering
- x) Execution Appraisal
- xi) Human Resource Audit
- xii) Employee's Health, Safety and Welfare
- xiii) Total quality management

- xiv) Human Resource Development
- xv) Quality of working life
- xvi) Quality Circle

Total quality management, as can be seen, is one of the significant parts of human resource management. In view of the same, a significant number of the organizations in India have begun enlarging available resources for making quality cognizance and including employees at all levels in quality improvement process. This enables them with increased ability to handle the competition from the unfamiliar competitors worldwide and furthermore gives more profound fulfillment to their clients.

1.2 TOTAL QUALITY MANAGEMENT:

In any context, be it business or non-commercial, quality is a basic concept that forms the basis for calculation of the degree of success of any enterprise. While quality in itself is a powerful idea, so is its management. It is with this perspective that Total Quality Management (TQM), as a tool of efficiency, is being acknowledged all through the world nowadays. It calls for continuous improvement of quality with the collaboration of laborers through development in item design and dispatch, along with increased thrust on innovation in order to meet the changing necessities of the clients.

The introduction of ISO: 9000 standardization norms by the International Standards Organization is an endeavor to help the modern organizations in receiving Total Quality Management to improve their quality and thereby profitability, and to serve their clients proficiently. "TQM might be characterized as making a hierarchical culture focused on the continuous improvement of abilities, collaboration, processes, item and administrations quality and consumer loyalty."

TQM alludes to meeting the prerequisites of clients in a reliable manner by ceaseless improvement in the quality of processes, products and systems, everything being equal. For accomplishing total quality, three things are basic:-

- a) Client Orientation: - TQM targets fulfilling the clients' necessity which never stays consistent or constant, it continues to change with the adjustments in various factors as required, including adjustments in conditions, needs, design and so on. Subsequently, the changed conditions of clients are met, and that eventually is a consistent objective of the business operation.

b) Continuous Improvement: - The adjustment in clients' prerequisites might be wanted for better quality item/administrations, greater size, decreased expense, and so forth. So, a specialist organization needs to adapt to the new prerequisites – in a quick and effective manner. The management needs to deal with competition while being on the lookout for more lucrative offers for the clients so that they don't move to any other specialist organization. Family owned business organization in India, stands at the brink of a change in outlook. The use of innovation and item development are achieving auxiliary changes in the Indian financial system. Emergence of newer challenge such as open source & cloud-based ERP, Digital block-chain, young & diverse workforce etc. is causing family-owned organization sector to undergo enormous change, thereby changing the conventional idea of doing business.

Data Technology and the interchanges in organizing systems have progressively impacted the working of family-owned organizations of all kinds everywhere across the world. Digital Platform ways of working, use of e-commerce, e-banking, e-security measures, Privacy laws, block-chain technology etc. are basic instruments which in turn are a portion of the progression which the Indian family-owned organization is embracing nowadays.

c) Inclusion, whereby everything is equal: The upgrade of aptitudes of employees won't just improve product quality, in addition, it'll cut down the expense on items through effective utilization of machines and materials and decrease of wastages. The employees should likewise be cognizant of the requirement for development in the quality of work. Quality Circle (QC) is a remarkable model in this context. It is a direct result of employees' inclusion in delivery of quality that TQM alludes to as individuals' process. Presumably, TQM is arranged by the top administrators, with the individuals placed at the center and lower levels; as such, it must be taken into consideration prior to dispatching the TQM.

1.3 PRINCIPLES OF TQM:

TQM, as referred earlier, is a multi-faceted concept. As such, it is perfunctory that the principles governing it shall also be multi-directional. Following points highlight the principles of TQM-

(i) Client Centric Approach – Consumers are the definitive authority appointed to decide if items or administrations are of predominant quality or not. Regardless of the number of resources which are pooled in preparing

employees, redesigning machines and PCs, consolidating quality plan process and norms, bringing new innovation, and so forth; toward the day's end, the clients have the last say in making a decision about the company. Hence, the organizations must ensure execution of TQM over all fronts while remembering that the clients are at the center of the business enterprise.

(ii) Employee Involvement – Ensuring involvement of the whole employee organization in accomplishing the objectives and business goals will prompt the employee for strengthening the business objectives and functions. It may be seen that dynamic investment from the employees in dynamic business environment and tending to quality related issues leads to qualitatively more improved output. In this direction, employee strengthening, and inclusion can be expanded by making the workspace more open and freer.

(iii) Continuous Improvement – A significant part of TQM is continuous improvement. Continuous improvement will prompt for adaption of improved and more excellent processes- both of production as well as disbursement of the product. Continuous improvement will guarantee that the organizations can discover new ways and strategies to ensure delivery of better-quality items, and creation of further avenues with a certain degree of seriousness towards fulfillment of the clients' desires.

(iv) Vital Approach to Improvement – Businesses must design and adapt a vital methodology towards quality improvement to accomplish their objectives, vision and mission. A key arrangement for fulfillment of this objective is important to guarantee that quality turns into the central part of all business processes.

(v) Coordinated System – Businesses contain different departments with varied usefulness and multiple purposes. These functionalities are interconnected with different levels of processes around which TQM centers. Everybody in the company ought to have an exhaustive comprehension of the quality strategies, norms, goals, and significant processes. It is critical to advance a quality work culture as it assists various other operations in the business to further facilitate accomplishment of greatness and outperform the client desires. A coordinated system thereby guarantees

consistent improvement and assists the organizations in gaining a serious edge.

1.4 HR ISSUES IN FAMILY-OWNED BUSINESSES:

Today, the extent of family-owned businesses has expanded to incorporate a portion of the world's biggest organizations and their financial weight stays huge. In all business sectors, family-owned businesses form the majority of the economy and so far as quantities of individual endeavors is concerned, they represent a critical extent of GDP in their business sectors. Moreover, these businesses face particular obstructions focused on family elements and desires. Deeper examination affirms that all in all, more modest firms utilize proficient HRM practices compared to bigger firms.

Point to be seen is that family is usually a dismissed variable in hierarchical examination; an exploration stream is arising here which by and large affirms a negative connection between family firm administration and the utilization of expert HRM practices. Here, we arrive at the question – what is a family-owned business (FOB)? Definitions among different roots and organizations fluctuate in the subtleties however, at the core, they are comparative. All in all, a family-owned business (FOB) can be viewed as any company in which a solitary family claims a huge share of casting a ballot; shares about 25% or more for a listed company; has at any rate one seat on the board and can impact or control significant business decisions being made by the company.

Most of the businesses in Asia, the Middle East, Italy and Spain that are owned or controlled by families. Some of the huge family owned businesses are Wal-Mart, Toyota, Ford, Hyundai, Samsung, and so on. Besides these, in mainland Europe and most agricultural nations too, family-owned businesses hold a higher status.

Discovery of HRM practices inside numerous small-scale assembling firms can contribute as well as go on to be as modern as those in bigger organizations. Also, while firms of all sizes fundamentally utilize casual recruitment and selection procedures (predominantly employee references and the meeting); HRM practices are regularly more complex than what they can be anticipated even among little firms. Additionally, variety in level of complexity of HRM practices is exhibited even among more modest organizations. From the above, it is evident that the variety in family proprietorship and management may assist with clarifying the distinctions in HRM rehearse.

1.4.1 HRM Practices in Family-Owned businesses

The Government is insightful that a well-working family-owned business (FOB) area could start to lead

the pack in producing occupations and financial development while raising pay levels for an enormous portion of the populace. Since provincial business segment (Family-owned business outside the western area) include 75% of the total number of enlisted Family-owned businesses in the nation, the Government perceives the significance of Family-owned businesses to be an important factor in impartial territorial development. Family-owned business now make up 19% of the companies in the Fortune Global 500, which tracks the world's largest firms by sales Over 50% of the companies in the BSE 100, the top 100 companies by market capitalization listed on the Bombay Stock Exchange, are family-owned. Family-owned business in the many casual areas or unregistered sector is a lot higher.

At the area level, Family-owned businesses represent 65% of total tea creation, half of clothing and article of clothing fabrics, over 70% of the street transportation area, 80% of homegrown exchange exercises, 45% of the travel industry and diversion administrations, and half of the neighborhood development industry.

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