3. THEORITICAL FRAME WORK

3.1. INTRODUCTION

Several theories were emerged based on the evolution of new concepts and strategies in every field of study. Growth in every field is comprehensive one because of inevitable competitive environment. The growth and changes makes modernization and quality revolution at every area in business. This arise new evolutionary concepts and theories in management. Even though the concept emerged in the similar functional area that makes different impact at various countries business environments, it is also to noted that the strategy is success for similar business in one place that may cause failure in other place. In this chapter, the researcher described evolution of civilization, evolution of economic concepts, industrialization, industrial competition, evolution of quality, quality standards, importance of HR in quality management, and strategies followed in HR to improve quality in detail.

3.2. EVOLUTION OF CIVILIZATION

Many different elements must come together before a human community develops to the level of sophistication commonly referred to as civilization (history world, n.d). The first is the existence of settlements classifiable as towns or cities. This requires food production to be efficient enough for a large minority of the community to be engaged in more specialized activities - such as the creation of imposing buildings or works of art, the practice of skilled warfare.
Distinctively, all the administration of a centralized bureaucracy capable of running the machinery of state.

### 3.3. INDUSTRIALIZATION

The Industrial Revolution is an era that began in England at the end of the 18th century, but it has yet to end. Most of the people migrated from rural area to urban and town, and lead to the growth of cities. Industrial revolution improved the life of many people in many ways by improving their economic status.

There are three phases of the Industrial Revolution in modern world history, based on when various countries and regions went through the process (industrial revolution, n.d): The first phase (1770s to 1860s) started with Britain and then spread to other countries in Northern and Western Europe and the United States. The second phase (1870s to 1950s) brought in Russia, Japan, and other parts of Eastern and Southern Europe, Australia, and New Zealand. The third phase (1960s to present) brought in the so-called Asian Tigers (Hong Kong, Singapore, Taiwan, South Korea) and has seen tentative development in key economic sectors in Turkey, India, Brazil, Chile, and Argentina.

In India, during the period of 1947 to 1964, Industrialization was started. For that, this time the government found that industrialization as the key role to alleviating poverty. The external economy and technical progress are also being acquiring. Large amount of agricultural commodities were exported and priority given to heavy industries. The Industrial Development and Regulation (IDRA) Act 1951 was laid in foundation. It regulates all activities related to industries.
Industrialization in India made radical changes in every individual’s activities. There were developmental activities in all respects like organization, education, health care, financial sector, and the like. Most probably, every state and each demographic region were changed. The industrial revolution is caused in India to poverty alleviation and enhancement in people life (Economics, n.d.).

Civilization makes radical changes in the human community that cause for entire change in all activities. Toffler (1981) describes how civilisations are shaped by “waves”. The agricultural revolution was the first wave that transformed the human; Industrial revolution wave, transformed the society; The technological and social changes wave began in the mid-1950s, known as information revolution, transformed organizations by a deep shift in believes, from religious conservation, trust in permanent, tangible things like gold, or paper to electronic blips. People belonging to one wave challenged and attack the belief and principles of the earlier wave.

3.4. INDUSTRIAL COMPETITION

Growing integration of the world economy into a single, huge marketplace definitely will increase the intensity of competition in all manufacturing and service industries. In addition, Indian firms are now under great pressure to change from indigenous, costly and probably less effective technology to a high, more effective and costly technology (Venkata Ratnam 1995). The higher level of technological development shows the faster rate of human innovations, in all spares and activities of life. In the past two decades or so, rapid technological
advancements across the world was created unprecedented challenges and opportunities for the policy formulations and corporate strategies (Jain 1994). Technological changes not only determine the survival of business but also for maintaining business competitive edge and growth. The rate of change in the market is clearly outstripped the speed to which a conventionally managed organization can respond (Day 1990). There is a strong need to change the infrastructure, the bureaucracy at operating levels and the existing culture. There is a qualitative shift taking place in the way companies compete and businesses are conducted. The once dominating mass markets are becoming more and more fragmented and traditional market boundaries are blurring. Previously self-contained markets are now being transformed into linked global markets. (Srinivas R. Kandula, 2006) Competitive advantages are getting harder to sustain as product life cycles shorten, and global competitors contest for more markets. New market opportunities are being created from demographic, life style and technological changes (Webber 1993).

3.5. EVOLUTION OF QUALITY

In the early 19th century, Frederick W. Taylor’s concept of “scientific management” greatly influenced the nature of quality in manufacturing organizations. It is focusing on production efficiency and decomposing jobs into small work task, the modern assembly line destroyed the holistic nature of manufacturing. To ensure that product’s quality, “quality control” departments are established and it is assumed the tasks of inspection.
During 1920s, Bell Telephone laboratories follow statistical approaches to quality control which the system is early adopted in Western Electric Inspection Department (James R. Evans). In 1924, Walter Shewhart introduced statistical control charts to monitor production. Meanwhile, in 1930, Harold F. Dodge and H.G.Roming introduced sampling technique tables for accepting quality assurance (Bhat, 2009). World War II caused a dramatic increase in emphasis on quality control. During this time American Society for Quality Control started emerging in US. In 1950s, the quality movement evolved into quality assurance. Edwards (1950) introduced Statistical Quality Control (SQC) method in Japanese manufacturing systems to enable them to compete in the world markets. Joseph Juran instigated “cost of quality” approach, to find the complete identification and measurement of costs of quality. In the mid 1950s, Armand Fiegen Baum projected “Total Quality Control” which enlarged the focus of quality control from manufacturing to product design and incoming raw materials. During 1960s, the concept “zero defects” is developed by Philp Crosby, and aimed to focus on employee motivation and awareness. In the 1970s, quality assurance method is used in services such as government operations, health care, banking etc. In the late 1970s, there is a dramatic change in quality assurance to a strategic approach to quality. The “reactive” approach of findings and correcting defectives in product manufacturing is changed to “proactive” approach of focussing on preventing defects. This new strategic approach closely linked quality to productivity and profits. And also this approach placed greater emphasis on
consumer satisfaction and involved all levels of management as well as workers in a continuing effort to increase quality.

3.5.1. Quality Revolution in India

Walter Shewart, the father of statistical quality control, frequently visited India during the year 1947 and 1948, which initiated statistical quality control (SQC) in Indian industry through his visit to factories, personal discussions and lectures (Bhat, 2009). Edward Deming, applied Japanese means of Plan-Do-Check-Act cycle (Deming cycles) in India in the early 1950s. After the formal launch of TQM movement in the United States at the early 1980s triggered a movement for quality in India in 1982. The movement on Quality Circle is consolidated by the Quality Circle Forum in India (QCFI). Prof. Ishikawa, founder of quality movement in Japan who addressed CII in 1986; with the impact of this some Indian companies began to setup “Quality Improvement Teams” for setting the path of continuous improvement. The mid 1980s CII set up the TQM division with the help of supported companies, which pledging to start the journey of TQM. During 1987 European market emerged ISO 9000 standards for reality and visible strategies to set a global trend towards standardising and certifying quality system. European markets are big markets for Indian industries. For that, all quality fads are emerged from there in this regard. The TQM movement today encompasses not only in engineering industries, but also in the sectors of servicing and information technology industries. Today, TQM has acquired a thrust area in quality movement as it is realised that through ISO 9000 certification alone, companies cannot become world class or competitive.
3.6. QUALITY STANDARDS

During the year 1987, international standard organization has published a quality management system to meet global requirement. In 1990s large number of the organizations in the world adopted the quality system. Initially ISO 9000 series of standards were being adopted by the European country’s organization. In this every corporate sector possessed their own quality policy to meet the global customer requirement. Quality is defined as “the totality of characteristics and features of a product or process, which facilities the realization of given requirements” (Mohanty and Lakhe, 2002). It means quality is not only concerned with the physical goods quality but also concerned with services.

ISO 9000 quality management system is being adopted in overall system of operational system from purchasing of material to final delivery of finished goods in organization (Brain Rothery, 1993). International Standard Organization determined lots of standards for several processes. In this are, most common activities are manufacturing and services.

3.6.1. ISO Standard Details

The ISO series of standards are some structured framework for quality management. So, the features of the ISO series vary from one another. The ISO series consists of five major parts, numbered as ISO 9000 through ISO 9004. In which ISO 9000 and ISO 9004 established only for the guidelines for operation. And also ISO 9001, ISO 9002 and ISO 9003 series are define the standards (Mohanthy and Lakhe, 2002). In detail, the ISO series is much wanted to the firms
because it gives the frame work. So, the firm can identify “where their position now and where would they go”. The series ISO 9000 is giving frame work related to the system operation and its performance, followed by ISO 9001 describe the work and the expenses, ISO 9002 related with purchasing system and production process, ISO 9003 includes quality in a production’s final inspection and testing, which assure the quality of final output.

3.7. IMPORTANCE OF HR FUNCTIONS IN QUALITY MANAGEMENT

3.7.1. Recruitment

Recruitment is the generating of applicants or applications for specific positions to be filled up in the organization. In other words, it is a process of searching for and obtaining applications for jobs so that the right people in right number can be selected (Khanka 2003).

3.7.2. Career and Development

A career can be defined as all the jobs held by a person during his working life. It consists of a series of properly sequenced role experience leading to an increasing level of responsibility, status, power, and rewards. According to (Edwin B. Flippo 1984), “a career is a sequence of separate but related work activities that provide continuity, order, and meaning in a person’s life”. From this, the subjective elements in the concept of career in the sense that changes in attitudes, motivation and values occurs in a person. In every perspective, career is the focus of every individual. Which Career is determined by many factors like, education,
experience, performance, parents, caste links, and occasionally some luck. And also some creative personnel and artists are independently shaping their career.

3.7.3. Training and Development

Training is the act of increasing the knowledge and skill of an employee for doing the job (Khanka 2003). So, training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization to acquire and apply required knowledge, skill and attitudes to perform their job effectively.

3.7.4. Motivation

Motivation is one’s willingness to exert efforts towards the accomplishment of goals. Fred Luthans (1995) defined motivation as a “process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or incentive”.

3.7.5. Job Satisfaction

The term satisfaction describes a positive feeling about a job, resulting from an evaluation of its characteristics (Stephen P. Robbins 1998). A person with a high level of job satisfaction holds positive feelings about the job, while a dissatisfied person holds negative feelings. When people speak of employee attitudes, they usually mean job satisfaction.
3.7.6. Leadership

According to, Robbins (1998) leadership is “the ability to influence a group towards the achievement of a vision or set of goals”. The source of this influence may be formal, such as that provided by the possession of managerial rank in an organization.

3.7.7. Communication System

Communication is a process by which all forms of information are transferred from one person to the other. So, for the communication to take place there must be some information to be conveyed and there must be two or more persons-one to deliver the message and the other to receive it (Subba Rao 2010). Communication is said to be perfect, only when the receiver understands it in the sense the sender expected him to understand.

3.7.8. Performance Appraisal System

In 1883, the New York City Civil Service in USA introduced a formal appraisal programme shortly before World War I. During the time Walter Dill Scott, the US Army: adopted the “Man-to-man” rating system for evaluating military personnel (Wonston Oberg 1972). This early employee appraisal system was called “merit rating”. The common terms includes merit rating, behavioural assessment, employee evaluation, personnel review, staff assessment, progress report, and performance appraisal.
3.8. STRATEGIES FOLLOWED IN HR TO IMPROVE QUALITY

The role of Human Resource Department is changed over the years based on business strategy and technological upgradation. Before the industrialization or industrial revolution, Human Resource Departments in the organization are motivated their employees to do work well and survival. After the era of scientific management, they concentrated upon systematic productivity improvement by focussing on work methods design, establishment of standards for daily work, selection and training of workers and piece work incentives for employees (Bhat, 2009). Several companies followed F.W.Taylor’s assumptions like people are part of the process, based on that guidelines, the managers must carefully watch externally what people do. This new thinking is causes for higher quality, lower cost, less waste, better utilization, increased capacity and reduced employee turnover, and absenteeism, faster implementation of change, greater human skills development and better individual self-esteem. Because the people are design and improve the process, based on that the employees committed their self by people’s control and expectation. So, the employees are remaining more productive. Nowadays, the concept of Total Quality Management is employees’ side of work in the organization than the business. Because, all companies are focusing on customers satisfaction and flexibility to meet ever-changing customer demands. This brings new approaches in employees of the organization and it causes for organizations’ work design changes and employee development. In the previous period, Human Resource Departments in the organization are considered as a support function. But, today all the progressive companies are recognise Human
Resource Department is playing a key role and believe that its strategies can only develop all competitive things. Some of the given below strategies are followed by world level organizations.

3.8.1. High Performance Work Team

In the High Performance Work Team, the jobs are designed to the individuals; they can form a group either formal or informal to do work with similar skilled employees. Every individual employee can understand their own responsibility and task. These kinds of working systems can help the Human Resource Department to find the employees effectiveness and their personal job satisfaction. When the organizations assign responsibility and task to their employees, they contribute more exposure on their full-fledged effort to attain the task. This is also a kind of strategy followed by the organizations to improve and sustain the quality.

3.8.2. Employees Suggestion System

In employee suggestion system, every employees’ can expose, evaluate and implement their own ideas. This method can increase the product as well as process quality and improve other elements of work such as safety (Bhat, 2009). Some of the companies rewarded the employee when they implementing some innovative ideas rather than small, but it must be lead the organization to useful improvement. In Japan, many companies and managers are awaiting for the employees suggestion. Most of the time employees can not develop the
suggestions during the regular working time. So, they find time outside their regular work schedules to develop ideas.

3.8.3. Employee Empowerment

Employees are having authority to take decision at work based on what they feel is right, control over their work, take risks and learn from mistakes. The empowerment strategies make more belief and trust on the organization’s employees. Most of the organizations are allowing their own employees to take decision at critical situation without any consultation with top management. Empowered employees are highly wisdom and they know “what to do and when to do it and tools to accomplish the goals”. Empowerment required to the organization at entire work force, because the organization’s quality to be recognised as long.

3.8.4. Training and Education

Training and education are become an essential responsibility to Human Resource Department. In Total Quality Adopted Organization, even though empowered employees requires new knowledge and skills. In general, the companies provides training to the employees for quality awareness, leadership, project management, communication, team work, problem solving, interpreting and using data, meeting customer requirements, process analysis, process simplification, waste reduction, cycle time reduction, error proofing and so on that affect employees effectiveness, efficiency and safety (Bhat, 2009). And also the
plan of training consists skills requirement to strategies initiative of the company to meet customer needs.

3.8.5. Team Work and Co-operation

Traditionally, the organization’s Human Resource Departments focused highly on individual work performance and give professional status to the individual privileges. Instead of the consumer serving mission of an organization, the employees are focussing on competition between individuals, favouritism, and self-centredness. Individual work based competition are happened in the organization. Since, a person who is having experience and knowledge, they can only do the better. It caused barrier of essential process improvement of an organization. So, the organizations have been decided and form a complementary skill people as a team to perform the goal better. After the team formation is over in the organization, some mismatch things are happened among the employees. Hence, essential formations of team based activities are like Quality circles, problem-solving team, management teams, work teams, project teams and virtual teams.

3.9. CONCLUSION

The concepts and theories were formulated in every field based on practices and research. Every evolution leads to make new fads at equal interval of each decade. The trading policies and concepts made while one transact the excessive things to one other. The trading policies make an opportunity to all people throughout the world, the access of product from anywhere. The emergence of
industrial competition leads to globalization and liberalization. Meanwhile, all companies establish the business in many countries. And hence competition is increased for a similar product in the market. The man power requirements in the companies increased in a rapid level. Similarly, the maintenance of product quality is an essential one for every company. There are number of quality standards emerged for every activities of the company. Quality is become an essential one for every organization. So, all companies implemented the quality concepts in their functional activities that made radical change in the companies, each and every sector also.