Quality management is becoming more and more critical day by day. Globalization of Indian Market has brought in opportunities as well as challenges. Competition level has increased so much that the companies have to be alert in all aspects. Most importantly they have to be on their toes in the quality issues attributed to the paradigm shift in the market dynamics. The scenario is no different in the industrial sector. There also the market is becoming more dynamic. More number of producers is available for all types of products or components. Each company, irrespective of their size, is trying to win over the other in the same field.

Liberalization has broken all the barriers of trade and business houses started crossing the boundary between the nations. This certainly has created lot many opportunities and at the same time the producers felt threatened of losing their domestic market with the entry of foreign giants to meet with the needs of their existing customers. The opportunity is to allow the local manufacturers to export their products to the foreign market, but to make it possible the companies have to look at their business system more closely and try to improve in all respect, including their manufacturing set up and processes.

Small and Medium Enterprises (SMEs) play a major role in boosting the economy of a country. The large scale companies are heavily dependent on SMEs for supply of several components or intermediate products which they use in the final assembly of their products. Being the suppliers of such big firms and reputed players, SMEs are compelled to think about making improvements in the working system and thereby produce products with better quality and consistency.
To make these possible SMEs started following several quality management principles. Most effective of them are ISO 9001 certification and following Total Quality Management principles. The companies with small size have some typical characteristics and hence getting ISO certificate and following TQM principles may not be as easy and cost effective as the large scale firms.

Though lot of work has been carried out in the field of ISO and TQM, it gives still a confusing picture about the reality. There are contradicting views about various aspects of ISO 9001 certification and TQM. Moreover ISO 9001 is no more a new standard now and has acquired enough maturity. Hence it was decided to carry out a detailed research with the help of a survey of ISO certified companies with a few TQM followers and also thought of including a few companies which are neither ISO certified nor they are following TQM principles with a view to assess as to how are they managing the issue of Quality?

The area of research is selected to find out why the SMEs in the manufacturing sector are motivated to go for ISO 9001 and TQM and what kind of benefits are derived by them. The study is intending to find out how other companies are managing the aspect of quality without ISO or TQM. Moreover to check whether, ISO and TQM can benefit them in improving the system and producing better quality products.

The tool used for the research is a detailed questionnaire with number of sections, for ISO certified companies, TQM companies and non certified companies. The questionnaire regarding ISO is focusing on what were the motivating factors for the companies to go for the certification. What was there perception about the impact of certification on the company? The section of TQM attempts to find out the various key elements of TQM and barriers and benefits of TQM for SMEs. The last part of the questionnaire is for the companies without ISO certification and TQM implementation. Basically it focuses on how such firms are managing with the quality issue.
Total 170 responses from the manufacturing firms were received. The data was systematically gathered, tabulated and statistical analysis was carried out with the help of several statistical tools.

It is concluded that ISO 9001 and TQM are helping SMEs to grow in terms of their business, working system, employee satisfaction, customer satisfaction, etc. It was found that there is a difference between the perceptions about the benefits and the real benefits derived by the certified firms.

It was also concluded that TQM is not much prevalent in SMEs. The major hurdles in following TQM are lack of clarity, resistance to change, lack of effective measurement criteria, costly consultancies etc.

The concept of having quality circles is prevalent but it is not to a great extent. There is a serious lack of awareness about 5S housekeeping standard or practices.

With the help of responses from non certified companies, it is concluded that such companies are also worried about the quality of their products and hence they have their own quality plans for the manufacturing.

Chapter 1 is about the introduction and it gives the background of the evolution of Quality management, contributions of various Quality Gurus and quality costs. Chapter 2 gives a brief about the Small & Medium Enterprises (SMEs) and their contribution towards the economy, their characteristics, opportunities and challenges faced by them. Chapter 3 is devoted to details about ISO 9001 and TQM. Chapter 4 is the literature review in which findings of various research papers and articles are summarized systematically. Chapter 5 is for the statement of problem and methodology, where the objectives of the study are mentioned along with the details about how the entire research is carried out. The hypotheses are also formulated in the same chapter. Chapter 6 is about the data analysis and interpretation, in which statistical data analysis is carried out and interpretations are written. Hypothesis testing with ‘t’ test and factor analysis is carried out and findings of the same are mentioned. Chapter 7 is for
conclusions and recommendations. This chapter consists of major conclusions derived with the help of survey data and its statistical analysis with the help of various statistical tools. It also consists of a few important observations made with the help of literature review. Limitation of study, recommendations and future scope of study is also mentioned in this chapter.