CHAPTER VII

CONCLUSION
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7.1 Introduction

This chapter presents the consolidated findings of the study and the conclusions about the research objectives. It also includes the contributions of the study. The chapter ends with limitations of the study. The scope of the further research is outlined.

The Present Study focuses on the “Performance Assessment and Optimization of Health, Safety and Environmental Management Systems in Micro. Small and Medium Enterprises in Maharashtra”. It Attempts to understand the problems of the Micro, Small and Medium enterprises and their performance assessment before and after implementation of Health, Safety and Environmental Management System.

The Researcher has sought the inputs from the MSMEs to understand various problems associated for the implementation of health Safety and Environmental Management Systems. The Study aimed at difficulties in the implementation of the Health safety and environmental management system with reference to ‘ISO 14001’ and ‘OHSAS 18001’ standards in MSMEs.

7.2. OEM Expectations

Automotive segment in India is growing every year with increasingly demanding legislation on quality and environment and safety. Most of the Automobile makers are demanding their suppliers to have the compliance to the Environmental and safety norms with the implementation of the QMS-EMS-OHSMS. MSMEs find it extremely difficult to establish these management systems because of the investment in the resources and manpower, specific requests and performances.

The adaption of the Environmental Management system (EMS) is growing in the MSMEs today because of the increasingly demanding environmental legislation. MSMEs are nowadays are required to seriously take into consideration not only environmental aspects related to the products manufactured and also forced to reduce environmental impacts by implementing environment friendly waste disposal practices. The majority of studies find that small enterprises have an increased risk of accidents compared to large enterprises. Trained and experienced workers who die or become injured result in disruptions to work progress and undeniably represent a reduction in industry performance.
7.3. Implementation of the Management Systems

The implementation of ISO 9001 (QMS), ISO 14001 (EMS) & OHSAS 18001 (OHSMS) and nowadays ISO 50001 (Energy Management Systems) requires MSMEs to have additional documented management systems, periodic audits, objectives and targets and different human resources. Fulfilment of these requirements are very stringent and needs to be in line with organizational objectives.

Few academic studies have investigated the development of the Environmental management system and occupational health and safety management systems in multi-national organizations in the past. The investigation was carried out with reference to single system of EMS or OHSAS.

Very few studies have focused the development of the small industries and their problem associated with it for the system implementation.

Majority of the OEMs are demanding their Tier-I & II suppliers to have the EMS & OHSMS along with the implementation of the QMS. MSMEs find it extremely difficult to establish these management systems because of the investment in the resources and manpower, specific requests and performances.

The implementation of QMS, EMS & OHSMS requires MSMEs to have additional documented management systems, periodic audits, objectives and targets and different human resources. Fulfillment of these requirements are very stringent and needs to be in line with organizational objectives.

These three standards contain the same basic principles and a general common structure. They all require the definition of roles and responsibilities, to train personnel, to define written procedures, to control and keep records of documentation and data, to continuously improve by applying “root cause” analysis to corrective and preventive action, to perform internal audits, and so on.

MSMEs have less available resources than large organizations and thus may not be fully aware of or understand mandatory Environment, Health and Safety legislation and voluntary system standards.
7.4 Constraints of MSME to implement the Standards.

MSMEs have everyday financial challenges, which they are finding it difficult to deal with. At the same time, there is also legal requirements, which are required to be complied.

Some MSME organizations are opting for the adaptation of the voluntary management system standards. The certifications bodies audit the system implementation requirements by MSMEs to check compliance.

Most of the MSMEs find it difficult to understand and take the help of the consultants. MSMEs, lack the resources for the implementation and unaware of the legal requirements. All these issues may endanger the safety of the workers and lead to dangerous situations, which can lead to fatalities at workplace.

Due to the size of the company, certain MSMEs may not have dedicated staff to manage the four disciplines of SHEQ and sometimes the owner must fulfil this role in addition to the other business pressures this person already manages. Although a number of consultants exist that, provide advice on any one of these disciplines, often at costly prices, it is not common to find one consultant that is a specialist in all four disciplines combined. Some companies are so small that the additional expenditure on SHEQ aspects may be deemed an unnecessary spend, or grudge spend, to the potential detriment of the company. Aspects of SHEQ affect a company’s bottom line, and costs of getting it wrong could result in loss of productivity and morale, rehabilitation or recall costs, and sometimes litigation. Support to MSMEs is important due to their valuable contribution.

Certain companies struggle to understand, others lack the resources to implement, and others are unaware of the legal or voluntary SHEQ requirements. All these could potentially expose the company to financial risks through government penalties or loss of competitive advantage.

The implementation of ISO 9001 (QMS), ISO 14001 (EMS) & OHSAS 18001 (OHSMS) and nowadays ISO 50001 (Energy Management Systems) requires MSMEs to have additional documented management systems, periodic audits, objectives and targets and different human resources. Fulfilment of these requirements are very stringent and needs to be in line with organizational objectives.
7.5 Integration Process and Performance Optimization of MSMEs

Integrated Management system is very much advantageous as compared to the individual management system. It can be handled by interdepartmental cross-functional team. The savings in the resources and manpower is evident. Interdepartmental barriers are reduced with cross functionality. The documentation required is also common for the management of the integrated management system. The cost savings can be done in the external audits man-days.

Integration Methodology

There can be three different types of the integrations based on the needs felt by the MSMEs.

**First Level Integration:** With No overlapping of the procedures of the Quality, Environment and Safety management systems. However, common management reviews can be done. Management representatives may be one or three in numbers based on the size of the MSMEs. Identifications of the training needs can be done for all the three management systems.

**Second Level Integration:** Some part of the Quality, Environment and safety management system may be integrated with respect to the addressing common procedures with specific mentions to the clause requirements of the all three management systems. Objectives and Targets may be set according to the requirements of the individual management system. Work instructions and forms may be integrated at level 3 documents based on the necessity. There will probably still be three sets of objectives and targets.

**Third Level Integration:** One Common Policy for the three-management system. Level 1 documents that is management manual and level 2 Procedure manual is integrated with specific mentions of the clause requirements of the environmental aspects and impacts and hazard identification and risk assessment of the health and safety management systems. Objectives and targets are set in common for all the three management systems. Common task force is formed to carry out the smoother integration process of management system as well as carry out the audits and related processes.
7.6 Limitation of the Study

The research tool was self-administered questionnaires. Hence, the researcher has no control over the tool, once they were in the possession of the respondents. There is always possibility that the mind-set, environment may affect the responses of the respondents.

Although every effort was made to make the questionnaire as simple as possible, the possibility of the respondents not being comfortable with the terminology/wordings or options of the questions cannot be ruled out.

Most of the MSMEs are having very less manpower with very low rate of literacy; hence, they find it difficult to manage the questionnaire in English, for the same it was explained to them in local language so that the proper responses can be taken for the analysis. Therefore, it is always possible to prepare the bilingual questionnaire so that proper responses can be received from MSMEs.

Purposive Quota Sampling technique was used. Purposive Quota means predetermined particular employee level in MSMEs. The geographical scope is Maharashtra state with special reference to the Aurangabad and Pune city and Marathwada region.

7.7 Scope of the Further Research.

The domain of the study is an exploratory investigation into the implementation if the environmental management system and occupational health and safety management system (EMS and OHSAS) along with the Quality Management System (QMS) in MSMEs. The present study focusses on the analysis of the legal compliance from MSMEs; review of the performance assessment prior and after implementation. The problems associated with the implementation of the different systems in MSMEs, and the integration of the management systems for performance enhancement etc.

In this study, the problems of the MSME related to the financial constraints for the implementation and maintenance of the integrated management systems is not examined. Further studies can look at studying this aspect.
The scope of the study is limited to the fulfillment of the study objectives and testing of the stated hypothesis.

Further research area can be complying the legislation in the integrated management systems. Development of the audit teams for the implementation of the combined audits internal as well as external. At the same time, the development of the common procedures and effective implementation of the combined management systems can be future scope of the study. Therefore, further scope of the research can be increasing effectiveness of the integrated management systems in MSMEs for enhancement of the performance, which will be helpful for the MSMEs for fulfillment of the global expectations of OEMs of excellent products at the same time safe and environment friendly working environment.