

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/339625403>

FACTORS DETERMINING HIGH PERFORMANCE ORGANIZATIONS WITHIN SMALL-SCALE PLASTIC COMPONENTS MANUFACTURING INDUSTRY IN INDIA

Article in *International Journal of Psychosocial Rehabilitation* · February 2020

DOI: 10.37200/IJPR/V24I4/PR201078

CITATIONS

0

READS

18

2 authors:



Balaji Jayaraj

Lincoln University College, Malaysia

4 PUBLICATIONS 0 CITATIONS

[SEE PROFILE](#)



Amiya Bhaumik

Lincoln University, Malaysia

138 PUBLICATIONS 638 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Quality of Leadership Skills Training and Development Program [View project](#)



Digital Technology Adoptions [View project](#)

Factors Determining High Performance Organizations with in Small-Scale Plastic Components Manufacturing Industry in India

¹Balaji Jayaraj, Lincoln University College, Malaysia

²Amiya Bhaumik, Lincoln University College, Malaysia

Abstract

The world economic forum in the very recent global competitiveness report found that India is ranked as 39th out of 138 countries globally. Having the “*population of 1292.7 (Millions), GDP 2090.7 (US\$ billions), GDP per capita 1617.3(US\$), GDP (PPP) % World GDP 7.02*”. It is understood from the global competitiveness report that during the year 2012-2013 India was ranked 59th out of 144 countries and from then India has improved their performance and currently in 38th rank in 138 countries globally [1].

Keywords: Organizational Performance, Manufacturing, India

INTRODUCTION

It is very interesting to note from the above figure that India has huge market size growth with score of 6.4 out of 7. But at the same it is very clear from the figure that infrastructure and macroeconomic environment are holding the very least score in development. Very specifically the authors in the global competitiveness report found that “In the manufacturing sector, and millions of unprotected and informal worker” [1]. It is also found that the slow growth with infrastructure in the Indian market hurts the growth and performance of the Indian manufacturing industry [2]. Another major challenge is identifying the right skilled person for the manufacturing industry [1].

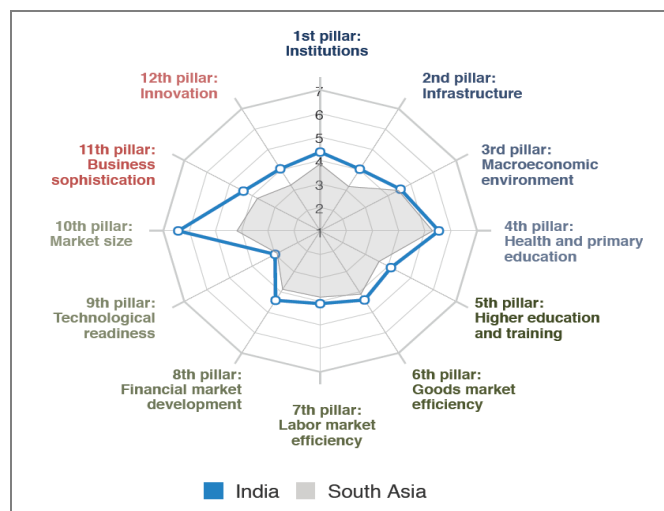


Figure 1: Stage of Development in India [1]

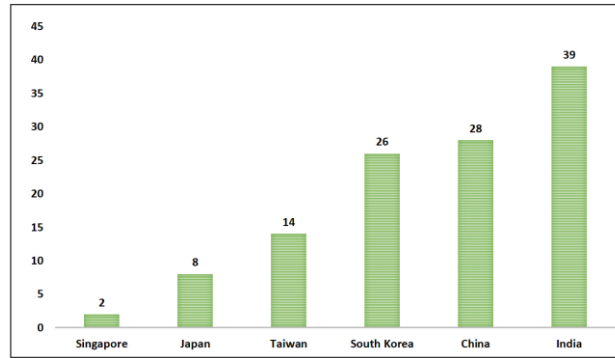


Figure 2: Global Competitiveness Indicators: Ranking among 138 countries [1]

The above figure indicates the comparison of India with other South Asian countries. The other south Asian countries are ahead of India in terms of global competitiveness is because of their continuous improvement in “overall health and primary education levels and upgrading infrastructure” [2]. It is understood in order to be globally competitive India also should focus on the development of the infrastructure.

India is a huge market for business however it faces major challenge of insufficient capacity to innovate. In the organizations the less importance is given for the new ideas and thought process to be very specific there is no much focus on the internal organization continuous improvement and renewal. It is also found that continuous improvement and renewal is key factors for attaining the high performance organizations [3]. Another problematic factor of doing business in India is internal organization policy instability due to the poor internal organization policy the most of the Indian organizations are not able to have the quality management system and also the top executives in the organizations are not able to give importance to the long term-orientation. Mostly due to the policy instability the organizations in India are not in a position to make best organization culture and behavior so within the organization there is no much focus on the openness and action-orientation [3].

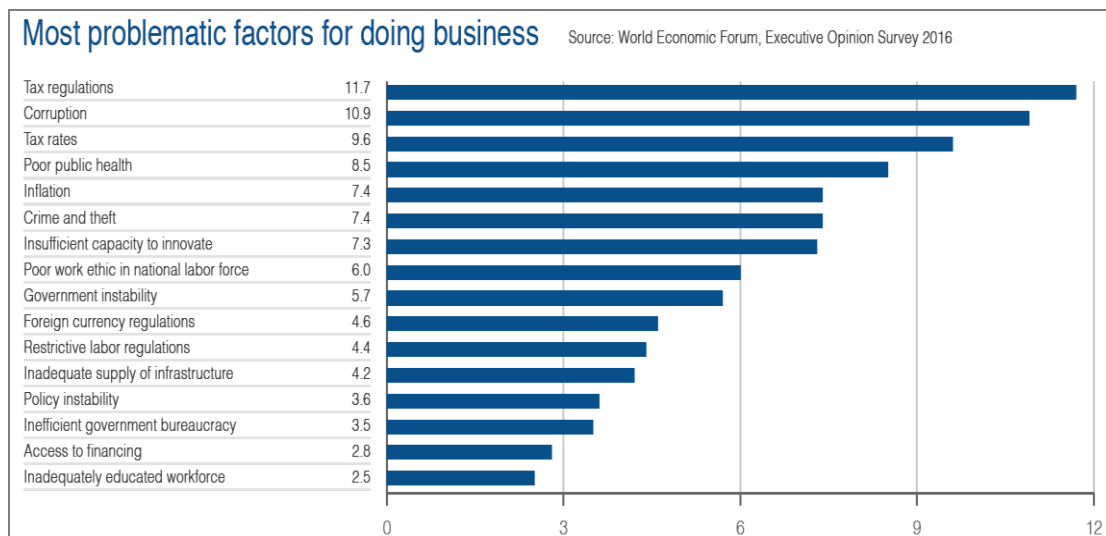


Figure 3: Most problematic factors for doing business in India [1]

From the above figure it is very clear that there is no enough educated workforce available in the Indian market. The author found specifically that small-scale plastic components

manufacturing industry in India “need quality operation process in order to overcome with global firms challenges and also to be globally competitive” [5]. In the very recent study by the American Management Association it is clear that, in order to have the quality operation process the organization must focus to improve their performance “When sufficient numbers of appropriately skilled workers cannot be found or trained, organizational performance is bound to suffer” [6]. The first and foremost key problem in the Indian market is there is lack of educated and skilled work force specifically as found by the authors that identifying the right skilled person is very important to attain the organization performance.

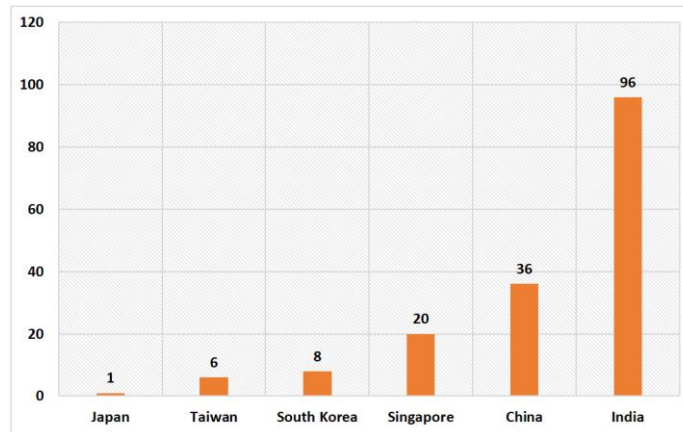


Figure 4- Intensity of Local Competition: Ranking among 138 countries [1]

The above figure reflects the high intensity among local competitors in India; this is mainly due to lack of innovation that leads to poor internal organization continuous improvement and renewal and the internal organization policy instability. Then there is no quality work force and proper organization culture and behaviour. Due to this entire problem in the Indian market the intensity of the internal competition is high. This research will focus on these problems towards attaining the high performance organization

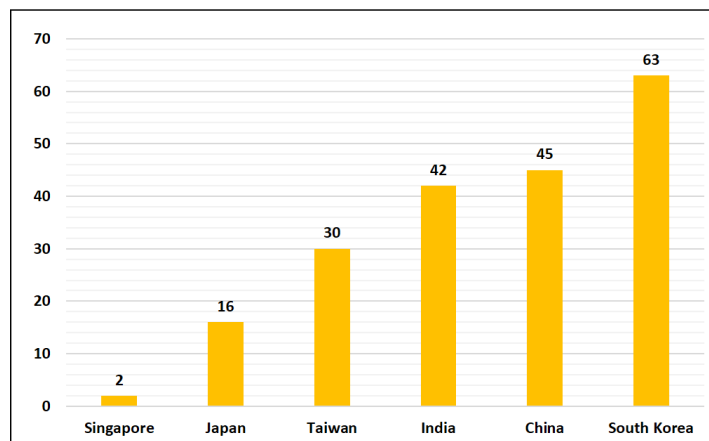


Figure 5: Performance of Organizations: Ranking among 138 countries [1]

The above figure shows that India is in 42nd rank and also it is interesting to note India is ahead of China and South Korea in terms of Performance of Organizations. However, the key problem factors are identified from **figure 3**, which has an indirect influence towards attaining the high performance organizations. The identified key problematic factors of doing

business in India are having a direct relation with the author Waal (2018) five key factors of high performance organization. However, when focusing specifically to the small-scale plastics components manufacturing industry in India. The authors have found that, Indian small-scale plastics components manufacturing industry are the major supplier of the plastic components to some of the global firms [7]. Recently the Ernst and Young LLP also found in their research that “there is a need to make the Indian supplier base better in quality and competitive”. The American consumer durables company said the small-scale plastic components supplier in India must focus more on their management quality, innovation and skilled work force and infrastructure in order to achieve the economies of scale also to be competitive [8].

RESEARCH OBJECTIVES AND QUESTIONS

From the above studies, the following objectives have been stated:

1. To examine the effect of management quality on organization performance among the employees with small-scale plastics components manufacturing industry in India.
2. To examine the importance of openness and action-orientation on organization performance among the top management executives with small-scale plastics components manufacturing industry in India.
3. To examine the effect of long term orientation on organization performance among the top management executives with small-scale plastics components manufacturing industry in India.
4. To examine the importance and value of continuous improvement and renewal on organization performance among the top management executives with small-scale plastics components manufacturing industry in India.
5. To examine the role and effect of work force quality on organization performance among the human resource manager with small-scale plastics components manufacturing industry in India.
6. To examine whether the experiences moderate the relationship between “Management quality, Openness and action-orientation, Long term-orientation, Continuous improvement and renewal, Work force quality and Organization performance with small-scale plastics components manufacturing industry in India.

This research also aims to answer the below questions:

1. What is the influence of management quality on organization performance among the employees with small-scale plastics components manufacturing industry in India?
2. What is influence of openness and action-orientation on organization performance among the top management executives with small-scale plastics components manufacturing industry in India?

3. What is the influence of long term-orientation on organization performance among the top management executives with small-scale plastics components manufacturing industry in India?
4. What is the influence of continuous improvement and renewal on organization performance among the top management executives with small-scale plastics components manufacturing industry in India?
5. What is the influence of work force quality on organization performance among the human resource manager with small-scale plastics components manufacturing industry in India?
6. What is the moderating experience on relationship between the “management quality, openness and action-orientation, long term-orientation, continuous improvement and renewal, work force quality” on organization performance with small- scale plastics components manufacturing industry in India?

LITERATURE REVIEW

The Boston Consulting Group found in their research that to attain the high performance organizations the internal operation management is very important [8]. The authors have defined very precisely “Operations management is the activity of managing the resources that create and deliver services and products” [9]. Few authors have defined very specifically “Operations management is concerned with those activities that enables an organization (and not just one part of it) to transform the range of basic inputs (materials, energy, customers requirements, information, skills, finance etc) into outputs for the end customer”. From the authors definition it is well understood that, operations management functions are the backbone for the organizations. The authors went on saying the operation management is not only limited with specific function “rather it is a company-wide and inter-firm activity embracing number of different areas and utilizing these in order to satisfy customers and other important stakeholders” [10]

Specifically the authors have said there is a general assumption that in the manufacturing industry the operations activities take place only in the production and assembly department but in reality the actual manufacturing of a product operations include “inventory management, supply and logistics, capacity and scheduling, quality control, management process technology, managing human resources by ensuring that the right skills base is in place and is developed, as well as range of operations include related to information processing and office administration” [10]. It is well understood from the authors that it is very important for the small-scale plastics plastic components manufacturing industry in India must focus and develop all the department activities and functions to have a effective operations management process in order to satisfy the global firms, local market customers and stake holders.

The balance score concept is underpinned to analysis and measure the organization performance. The authors have defined “the balance score card is a strategic planning and management system that organizations use to communicate their strategy, aligning the organization to day to day work, prioritize projects, products and services and measure and monitor progress towards strategic targets” [11].



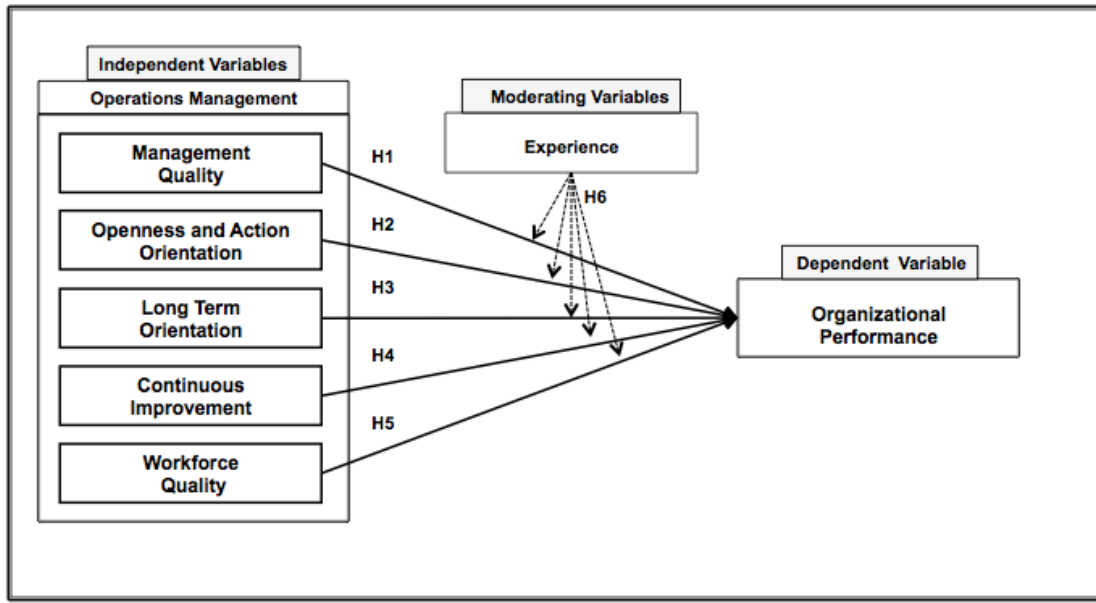
Figure 6: Balanced Scorecard [11]

Waal (2018) five factors of high performance organization can be measured using balance score concept. This balance score concept will be used in this research to analyze the key operational activities of Indian plastics components manufacturing industry in India. Among these four factors in the balance score card the internal business process and learning process has direct relation with five factors of high performance organization.

The internal business process in the balance scorecard specifically focuses on the “how to improve internal efficiency”. It has direct influence with management quality and long term-orientation. The learning growth specially focuses on “can we continue to learn and create growth for the company” [11]. It has direct influence with internal organization continuous improvement and renewal and openness and action-orientation. The key five factors of high performance organization will be analyzed and measured using the balance scorecard concept with small-scale plastics components manufacturing industry in India.

MODE OF RESEARCH CONDUCTED

“The research frame works provide a research focus to development-led work within the planning system”. The research framework is a structure that can hold or support theory of a research study [12]. It is understood from the authors that research framework is very important in order to structure the research hypotheses and research strategy, methods. The independent variables are understood from the author A.A. De Waal which is directly related to attain the organization performance.



It is understood from the authors that “research hypotheses is a statement created by researchers when they speculate upon the outcome of research or experiment” [13].

1. **H1-** The management quality positively effect on organization performance with small-scale plastics components manufacturing industry in India.
2. **H2-**The openness and action-orientation positively effect on organization performance with small-scale plastics components manufacturing industry in India.
3. **H3-**The long term-orientation positively effect on organization with small-scale plastics components manufacturing industry in India.
4. **H4-**The continuous improvement and renewal positively effect on organization performance with small-scale plastics components manufacturing industry in India.
5. **H5-**The workforce quality positively effect on organization performance with small-scale plastics components manufacturing industry in India.
6. **H6-** The experience moderate effect of “management quality, openness and action-orientation, continuous improvement and renewal, long term-orientation, work force quality” on organization performance.

Research strategy describes how the research will be carried out to achieve the objectives and to answer the research questions” [13]. In business research, there are two research strategies qualitative and quantitative. The quantitative method is focused on using the questionnaire and the data analysis procedures such as graphs or statistics whereas; the qualitative method is focused on collecting data by setting an interview directly and the data analysis procedure such as categorizing data [13]. In this research the primary data will be collected from the employees and the top management executives of Indian small-scale plastics components manufacturing industry in India. The secondary data will be collected from the existing literature review and academic concepts. Specifically, for this research the method of collecting data will be by setting an interview with the employees and top management

executives of Indian plastics components manufacturing industry in India. The nature of analyzing the collected data will be adapting to the categorizing data method.

In this research the data will be collected by non-standardized interview form specifically by one to one; face to face interview. The main reason for adapting to semi-structure interview for collecting primary data is because the authors said that, the researcher will be able to frame themes and cover some key questions during the interviews and also it allow the researcher to “open discussions” [14]. The semi-structure interview will be with operation management team of Indian small-scale plastic components manufacturing Industry and also the Indian based global firms ‘quality supplier excellence officers’. Furthermore, by adapting to semi-structure interview the researcher will be able to collect the data and it will be trustworthy in comparison with giving or sending questionnaires via email.

REFERENCES

1. Schwab, K. (2016). The Global Competitiveness Report 2016-2017 [Online] Available from www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017–2018.pdf Accessed 5 October 2017
2. IBEF (2017). Manufacturing [Online] Available from <https://www.ibef.org/download/Manufacturing-September-2017.pdf> Accessed 5 September 2019
3. Waal, A. (2018) "Success factors of high performance organization transformations", *Measuring Business Excellence*, 8 (18). Pp. 1
4. Johnson, S. (2014) ‘External Environment and Organizational Structure’ [Online] available at <http://smallbusiness.chron.com/external-environment-organizational-structure-66111.html> Accessed 23 November 2017.
5. Singh, G. (2010). ‘India’s firms fight for globalization’, *Plastics News*, 22, 2, pp.12-1 Null, Business Source Complete, EBSCOhost, viewed 23 November 2017.
6. American Management Association (2007) ‘High Performance Organizations’ [Online] available at http://www.amajapan.co.jp/j/pdf/HRI_HIGH-PERFORMANCE_Organization.pdf Accessed 23 November 2017
7. Joshi, S. (2016). ‘Pune polymer industry kal bhi aajbhi kal bhi’ *Popular Plastics & Packaging*, 61, 4, pp. 17-20, Business Source Complete, EBSCOhost, Accessed 25th November 2016
8. Bhalla, V., Caye, J., Dyer, A., Dymond, L., Morieux, Y., and Orlander, P. (2011). ‘Boston Consulting Group’, ‘High Performance Organizations [Online] Available from <https://www.bcg.com/documents/file84953.pdf> Accessed 23rd November 2017.
9. Slack, N., Brandon-Jones, Alistair;Johnston, Robert. (2013), *Essentials of Operations Management*, Financial Times/ Prentice Hall.
10. Brown, S, Bessant, J, & Lamming, R. (2013). *Strategic Operations Management* (3), Routledge, Florence, US. Available from: ProQuest ebrary Accessed 26th November 2016
11. Strategy Management Group (2017). ‘Balance Scorecard Basics’ Online available at <http://www.balancedscorecard.org/BSC-Basics/About-the-Balanced-Scorecard> Accessed 23rd November 2017

12. Valliappan Raju, Phung, Dr. Siew Poh, "Conceptualizing the Application for Ethereum Blockchains: Front End Application Development". Eurasian Journal of Analytical Chemistry 13 no. 6 (2018): emEJAC181124.
13. Valliappan Raju, Dr. Siew Poh Phung, Dr. Noraini, Exploratory Study on Aviation Sector's Decision-Making Process Pertaining to Marketing Information System, International Journal of Engineering and Technology, Vol 8, No 1.10 (2019), DOI: 10.14419/ijet.v8i1.10.28395
14. Tait, P. (2014). Review of Research Frameworks [Online] Available from <https://historicengland.org.uk/content/docs/research/review-research-frameworks-historic-environment-sector-england-pdf/> Accessed 20 November 2017
15. Saunders, M., Lewis, P. and Thornhill, A. (2016), '*Research Methods For Business Students*', 6th edition', Pearson Education Limited: London
16. Valliappan Raju, Amiya Bhaumik. "Relevance of Staff Engagement & Leadership towards Organizational Development: In the Context of Indian Banking Industry". Eurasian Journal of Analytical Chemistry 13 no. 6 (2018): emEJAC181160.
17. Sekaran, U., & Bougie, R. (2013). *Research Methods for Business: A Skill Building Approach* (6th ed.). John Wiley & Sons, Inc.