



Analysis of supplier partnership with employee morale

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Abstract

Employees are proved to be an Internal and also significant Customer of a business organization. Their human resource is a key for the sustenance and growth of the organization. Therefore keeping the employees in the motivated and excited state is challenging but a major requirement to any organization. Since the employees are real executors of organizational agenda using the supplies, there is a requirement of studying the relationship between morale of employees and supplier. Materials are frequently a major source of quality problems, which indicates the importance of supplier relationship in Total Quality Management. Successful implementation of TQM demands strength full and long term relationship with suppliers because; suppliers are regarded as almost its integral part of the company. One of the crucial deterrent in successful implementation of TQM is Supplier Partnership. MSMEs play critical role in the economic development of a country. Quality management of these MSMEs is would be critical for their stability. The aim of the paper is to examine the level of Supplier Partnership against employee morale of MSMEs of Ballari, Karnataka. The universe comprised executive and non executive workforce of the firm. Sampling was carried out using convenient sampling technique with sample size of 50 in line with the Cochran formula. Data was collected using observation and informal interview methods. Descriptive statistics and Chi-square test was used to analyse the data. The research envisaged that all the factors of supplier partnership are associated with employee morale of the MSMEs. The study revealed that, participation in supplier's quality management process, Pre-Procurement quality check and Collaboration at the MSMEs has significant influence on employee morale.

Keywords: Supplier partnership, Factors of Supplier partnership, employee morale, etc

1. Introduction

Materials are frequently a major source of quality problems, which indicates the importance of supplier relationship in Total Quality Management (Arawati 2000). Successful implementation of TQM demands strength full and long term relationship with suppliers because; suppliers are regarded as almost its integral part of the company (Ljungstrom, 2002). Companies need to choose few suppliers reasonably, based on the evaluation of their capability and commitment to quality improvement (Oztas *et al*, 2004). Companies are required to move from the traditional approach of supplier partnership to the contemporary by supplier development programme (Claunch, 1993). Companies should consider supplier audit documents and related evidences for quality improvement confirmation. They have to support the suppliers through suggestions, training and updating new technology for longer relationship with them (Su, Chen *et al*, 2001). In addition, it is suggested to go for joint quality planning and implementation of quality programs.

The study on quality management system of the firm would help the MSMEs of the region to know the findings and adopt necessary changes or practices in their quality management system.

Based on the emphasised significance of supplier partnership

in incepting TQM in the previous studies, the following practices were considered in the design of the questionnaire in order to examine the level of supplier partnership in the MSMEs under study.

Table 1: Showing Supplier partnership (SP) items used in the study

A	Collaboration: Establish long term co-operative relationship with suppliers.
B	Preference over quality than Price: Prefer quality of materials than price in selecting suppliers.
C	Supplier background: Obtain sufficient background information before selecting the suppliers.
D	Participation in Supplier’s quality management process: Participate actively in supplier Quality improvement activities.
E	Pre-Procurement quality check: Examine the quality of materials from suppliers every time

Employee Morale

Employees are proved to be an Internal and also significant Customer of a business organization. Employee morale is an important determinant for Employee performance. Organizational excellence is determined by measuring the holistic performance of an entity. But, when it comes to its measurement, performance has gradually gained more objectivity sense. Therefore new methods of reporting performance is gaining significance these days. Employee Performance is one such performance measure targeting quality in any processing systems of the organization. Therefore, major employee performance factor employee morale is used in the study.

Problem Statement

Quality and quality management are quite necessary elements any organization shall have to practice. As per the current and previous studies on quality management, among quality management practices, supplier partnership has been playing crucial role in influencing quality and other practices quality management in the organization. What would be in case of MSMEs? And how it would be in MSMEs? Especially at non metros, are the inquisitive corners need to be pondered. Therefore, the current study tries to explore and describe the nature of supplier partnership and its influence in terms of

employee morale of the firms under the study.

Hypotheses

H0: There is no association of supplier partnership on employee morale.

H1: There is an association of supplier partnership on unit employee morale.

2. Methodology

Type of the Study: Descriptive-Survey research

Population: MSMEs of Ballari

Sample Size: 50 as per Cochran formula

Sampling Technique: Convenient Sampling

Data Collection Instrument: Visit observation, interaction, informal interview, etc.

Data analysis and Hypothesis Testing: Descriptive and Inferential statistics, Chi-square Test and Freedman test

3. Results

As per central limit theorem, distribution of data is normal. In order to test research hypothesis, Chi-square - test was used.

Table 2: Chi-square Test for association of supplier partnership with market positioning.

Association	P-Value	X ²	Accept/Reject Ho
Supplier partnership and employee morale	0.000	23.4	Reject
Sub Components of Supplier partnership			
Collaboration	0.000	22.7	Reject
Preference over quality than Price	0.000	17.7	Reject
Supplier background Information	0.006	17.2	Reject
Participation in Supplier’s quality management process	0.04	23.5	Reject
Pre-Procurement quality check	0.000	24.4	Reject

The table indicates that, p value is less than 0.05. Therefore we reject null hypothesis that is it is found that there is an association of supplier partnership with employee morale at

the firms.

The following table ranks the factors of supplier partnership as per Friedman’s Test

Table 3: Ranking of factors of Supplier partnership

Factors of Supplier Partnership	Priorities
Collaboration	3 rd
Preference over quality than Price	4 th
Supplier background Information	5 th
Participation in Supplier’s quality management process	2 nd
Pre-Procurement quality check	1 st

Table indicates that Pre- Procurement quality check, participation in supplier’s quality management process and

Collaboration at the MSMEs has significant influence on employee morale at the firms.

4. Discussion

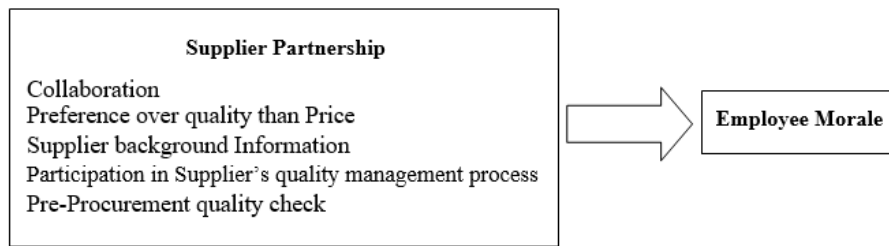


Fig 1: Model representing the association of Supplier partnership and Employee Morale

Significance of Supplier partnership on Employee Morale

Employees are proved to be an Internal and also significant Customer of a business organization. Their human resource is a key for the sustenance and growth of the organization. Therefore keeping the employees in the motivated and excited state is challenging but a major requirement to any organization. Since the employees are real executors of organizational agenda using the supplies, there is a requirement of studying the relationship between morale of employees and supplier. Materials are frequently a major source of quality problems, which indicates the importance of supplier relationship in Total Quality Management. Successful implementation of TQM demands strength full and long term relationship with suppliers because; suppliers are regarded as almost its integral part of the company. One of the crucial deterrent in successful implementation of TQM is Supplier Partnership. The study signified that the supplier partnership has a significant relationship with employee morale at the MSMEs. All the factors of supplier partnership are critical with employee morale. However, Pre-Procurement quality check, participation in supplier's quality management process and Collaboration at the MSMEs has significant influence on employee morale.

Significance of Pre-procurement quality check on employee morale

Quality inspection of inbounds is equally important with that of the in process quality inspection. The study precludes that examining the quality of materials from suppliers every time before use has significant influence on the employee morale at the firms. Therefore, pre-procurement quality check would realize employee morale.

Significance of participation in supplier's quality management process on employee morale

Quality management has direct relationship with effectiveness and efficiency of the firms. Suppliers quality management is corner stone for quality management of the firms. Compromise in quality of supplies cost heavy for any firm. The current study pointed out that participation in supplier's quality management process for Quality improvements has significant influence on the employee morale of the firms. Therefore, the firms may emphasize their priority of participation in quality management activities of the firm for its indelible employee morale.

5. Conclusion

Employees are proved to be an Internal and also significant Customer of a business organization. Their human resource

is a key for the sustenance and growth of the organization. Therefore keeping the employees in the motivated and excited state is challenging but a major requirement to any organization. Since the employees are real executors of organizational agenda using the supplies, there is a requirement of studying the relationship between morale of employees and supplier. The study revealed that the supplier partnership towards quality has a significant relationship with employee morale at firms. All the factors identified under supplier partnership are associated with employee morale. However, Pre-Procurement quality check, participation in supplier's quality management process and Collaboration at the MSMEs has significant influence on employee morale. All in all, firms need to consider all the factors of supplier partnership for employee morale of the MSMEs.

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