

Abstract

This study conducted an empirical investigation to examine the impact of Human Resource Management Practices (HRMPs) and the implementation of Quality Management System Practices (QMSPs) on the Perceived Business Performance (PBP) in the Sri Lankan ISO 9001 QMS certified manufacturing firms as such study has not yet fully explored in Sri Lankan context. The research was designed as a cross-sectional study to collect quantitative data employing a survey method from a sample of 269 ISO 9001 QMS certified manufacturing firms and 228 responses were received. Moreover, ten firms were selected and interviewed CEOs to collect qualitative data. Structural Equation Modelling (SEM) was used with the Amos program to test the hypotheses of this study.

The findings revealed a direct significant impact on QMSPs and PBP. HRMPs have a significant effect on QMSPs. QMSPs mediate the relationship between HRMPs and PBP. Moreover, firm size and firm age have no influence on HRMPs and PBP and also QMSPs and PBP. Furthermore, HRMPs have no impact on PBP. The study recommends that to obtain better results with the implementation of QMSPs and drive the QMSPs effectively the manufacturing firms need to give considerate attention to HRMPs as a strategic resource of the firm to develop competencies and capabilities of the staff as HRMPs play a complementary role. The findings of this study provide an original contribution to the theory and practical knowledge in the fields of HRM and QMS practices and Perceived Business Performance.

Key Words: Quality Management System Practices, Human Resource Management Practices, Perceived Business Performance, Manufacturing Firms, Structural Equation Modelling