

QUALITY MANAGEMENT IN MARKET ECONOMY

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ABSTRACT: *As an important branch of management, the quality management takes a very important role. The relevance of quality management in a market economy is paramount. Quality management refers to the systematic processes and practices implemented by organizations to ensure that their products or services meet or exceed customer expectations. In a market economy, where competition is intense and customer preferences play a crucial role, quality management becomes a strategic tool for success. This article explores the history of quality management, its importance, the roles it plays, and the principles it addresses, without which we cannot run a business efficiently and effectively in today's market economy configuration.*

KEY WORDS: management, quality, principles, market economy

1. INTRODUCTION

The accepted definition of quality management is provided by ISO 8402, stating that quality management is the set of activities of the management function that determines the quality policy, objectives, and responsibilities and implements them through means such as planning, monitoring, ensuring, and improving processes.

Management can be considered as a set of approaches, methods, and processes for allocating resources with the aim of achieving the objectives established in the organization's planning.

2. Quality management relevance in market economy

In a broader definition, management can be defined as a set of activities that includes planning, organizing, leading, controlling, and decision-making process for the efficient use of human, material, financial, and informational resources. This highlights the correct conception of

methods, techniques, and management tools to achieve objectives.

The importance of management lies primarily in the fact that it is the main value generator. Management is the synthetic economic science that aims to increase economic efficiency. Through its theoretical and methodological content, management is characterized by inter-disciplinarity, leading to the integration of a series of concepts and theses from scientific fields such as statistics, sociology, mathematics, and legal sciences.

In its historical evolution, management began as an art, and as experience accumulated, principles, methods, and specific empirical investigation and action procedures were developed, giving it the characteristics of a science. Herbert C. Hichs formulated a phased evolution of management as follows:

- first stage, before 1880, is called pre-scientific management;

- period from 1880 to 1930 is considered the second stage, known as scientific management;
- subsequent stages, post-1930, are considered schools of human relations, and after 1950, as a process of expansion, refinement, and continuous theoretical and practical development.

As an important branch of management, the quality management takes a very important role. The relevance of quality management in a market economy is paramount. Quality management refers to the systematic processes and practices implemented by organizations to ensure that their products or services meet or exceed customer expectations. In a market economy, where competition is intense and customer preferences play a crucial role, quality management becomes a strategic tool for success.

3. Functions and principles of the quality management

Quality management has principles and functions, being defined as the organizational structure, procedures, and resources needed.

In the current competitive context of the global economy and global markets, the performance of products, services, and works is conditioned and dependent on quality.

Regarding the concept of quality, there are numerous definitions, among which the quality is:

- the relationship between expectations and achievements;
- the degree of suitability for the intended use;
- the totality of characteristics and properties of products, services, works to meet certain fixed or conditioned requirements.

Quality has a normative role, namely to guarantee the conformity of products/works/services for the consumer, both in economic, financial, production, or construction sectors. This

normative role of quality cannot be negotiated directly and immediately with the manufacturer/supplier, the role belonging to an intermediary bidder who offers quality management services.

Quality management has the following objectives:

- Generating and increasing quality
- Evaluating, ensuring, and improving quality
- Identifying, evaluating, and preventing problems that could lead to a decrease in quality

To achieve these objectives, the quality management system is ensured by appropriate organizational structures, procedures, processes, and necessary resources.

Quality management aims primarily to guide the institution/company/activity towards performance in all dimensions of its operations. It is established and functions as an internal organizational system correlated with an external quality assurance system. This system includes planning activities, coordination, organization and control, as Vladimir Gutu, professor states.

Quality management is a fundamental organizational strategy based on the idea of achieving superior quality and is achieved only through the persistent involvement of the entire organization in processes of continuous improvement. The main objective is to increase efficiency and effectiveness in meeting customer needs.

“Quality is never an accident. It is always the result of intelligent effort driven by the desire to produce a superior product“, said Q.E. Erikson.

Quality management is the process of designing, ensuring, and controlling quality. In a clear definition provided by DEX, the quality of any process and product is a goal of the time and a guarantee of success. Quality is presented as the totality of essential qualities and features by virtue of which a thing is what it is.

The market economy in 2023 unfolds in a complex and dynamic context, reflecting the changes and challenges brought by technological, political, and social developments. This year, we observed an accentuation of existing trends and the emergence of new economic paradigms, in a complex landscape where innovation, sustainability, and adaptability to change are the keys to success for both companies and individuals.

The market economy has the following dimensions:

- ✓ **Globalization and interconnectivity:** The market economy in 2023 is strongly influenced by globalization and interconnectivity. Companies operate in extended international markets, and trade exchanges are accelerated by modern technologies. Digitalization and online platforms have become essential pillars in facilitating trade and economic interactions on a global scale;
- ✓ **Technological innovations and AI (artificial intelligence):** The technological sector plays a crucial role in the market economy in 2023. Technological innovations, such as artificial intelligence, blockchain, and quantum technologies, have a significant impact on how businesses are conducted and processes are managed. Companies embracing advanced technologies gain a substantial competitive advantage;
- ✓ **Sustainability and social responsibility:** Another crucial aspect is the emphasis on sustainability and social responsibility. Consumers and investors are increasingly interested in the ecological and social practices of companies. Consequently, many businesses are incorporating social responsibility initiatives into their strategies to meet the growing expectations of the public;
- ✓ **Political changes and regulations:** Global political changes have a direct impact on the market

economy. Shifts in trade policies, international agreements, and government regulations influence how companies operate and make strategic decisions;

- ✓ **Education and human resources:** With rapid technological advancements, the demand for qualified and flexible human resources is on the rise. Continuous education and skill development become essential to meet the requirements of an ever-changing work environment;
- ✓ **Financial Market including cryptocurrencies:** The financial market is strongly influenced by financial technologies and the emergence of cryptocurrencies. Blockchain and cryptocurrency-related activities are increasingly integrated into the traditional financial system.

Figure 1 represents the inevitable circular dependency of all the dimensions that the market economy has.



Fig. 1 - Dimensions of market economy

Regarding the evaluation of management quality in all this context, this is a complex issue due to its distinctive nature, as well as to the fact that it is present in all productive and non-productive activities.

The ways to improve the quality of managerial activity consist of refining the system through its scientific redesign, as follows:

- renewing development strategies in line with development strategies;
- rationalizing the decision-making process;
- intensifying the operational component by shortening the duration of the information-decision-action cycle;
- efficient utilization of specific resources;
- developing the necessary infrastructure to enhance managerial quality.

The development of information systems for management involves creating databases and software products to facilitate access to information, process it, and develop reports and methodologies that contribute to the progress of managerial functions.

In any organization, the characteristics of competitiveness are determined by the quality of the product offered, the degree of user satisfaction, as well as the quality of the human and material resources involved.

Providing high-quality services, using human, material, and financial resources as rationally as possible are the objectives pursued by any organization. All these are key objectives in strategic managerial planning. The implementation of quality management in any organization is essential, necessary to respond to diverse competent demands from the international global market and also helps achieving the best results in the development of the educational process at all levels, especially at the university level.

Quality management in information technology is relevant today, as information cannot develop chaotically, without pertinent goals and tasks and an adequate and agile management.

Service quality is essential not only for commercial companies but also for non-commercial institutions; however, quality will have a different aspect depending on each organization. It is defined in relation to the user or consumer.

Quality management is a dynamic, repeatable process that requires continuous reassessment of processes and evaluations, and quality improvement is an ongoing process to achieve performance.

The Quality Management (Q.M.) principle consists, in a strongly linked interdependency, of the following elements, as shown in Figure 2, by:

1. Customer focus
2. People
3. Evidence
4. Leadership
5. Relationship
6. Improvement
7. Decision making



Fig. 2 – Quality Management principles

1. People

This principle recognizes the importance of the people within an organization. It emphasizes that an organization's success is deeply connected to the engagement, motivation, and development of its people. By valuing and investing in the well-being and skills of employees, organizations can enhance overall performance and achieve better quality outcomes;

2. Customer Focus

Customer satisfaction is at the core of this principle. Organizations should understand and meet the needs and expectations of their customers. By placing customers at the center of decision-making processes, organizations can ensure that their products or services consistently meet or exceed customer requirements;

3. Evidence

The principle of evidence-based decision-making stresses the importance of using data and information to make informed choices. By relying on factual evidence, organizations can minimize guesswork, identify trends, and make decisions that are grounded in objective information. This contributes to more effective problem-solving and continuous improvement;

4. Relationship

Building strong relationships, both internally among team members and externally with stakeholders, is crucial. Effective communication and collaboration foster a positive working environment. Healthy relationships contribute to the overall quality of the organization's output and help in resolving issues efficiently;

5. Leadership

Leadership plays a pivotal role in driving quality. Effective leaders set a clear vision, inspire their teams, and create a culture of quality throughout the organization. Strong leadership ensures that quality goals align with overall

business objectives and are consistently pursued;

6. Improvement

Continuous improvement is a fundamental aspect of quality management. This principle encourages organizations to regularly evaluate and enhance their processes. By identifying areas for improvement, implementing changes, and learning from the outcomes, organizations can adapt to changing circumstances and stay competitive;

7. Decision Making

Informed decision-making involves using data, analysis, and a systematic approach. This principle underscores the importance of making decisions based on reliable information. By employing structured decision-making processes, organizations can minimize risks, optimize outcomes, and contribute to the overall quality of their operations;

A performant quality management is done through:

- a leader with a clear vision oriented towards clear objectives.
- existence of robust planning and rigorous financial planning;
- implementation of efficient and effective processes;
- proper engagement and development of human resources;
- continuous monitoring and evaluation of performance.
- proactive approach to continuous improvement;
- making informed and responsible decisions.

4. CONCLUSIONS

To lead, organize, and manage an organization, it is necessary to systematically and transparently direct and focus it. Implementing and maintaining a management system aimed at the continuous improvement of performance, which includes all stakeholders, is essential.

All these aspects lead to efficient management, which is essentially the way

an organization is led, reflected in both financial and non-financial components. Efficient management is established through organizational culture and the working system.

Performance models in quality were born in the private sector in 1980 (Malcolm Baldrige) and represent a development of total quality models. Total quality management, in its essence, is a performance management model, which in the global contest of the market economy leads to making changes to enhance performance, and striving for ongoing excellence.

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