



The quality –competitiveness factor of the organizations based on knowledge

*Calitatea – factor al competitivității organizațiilor
în societatea bazată pe cunoștințe*

Associate professor Amalia Venera TODORUȚ, Ph.D
University “Constantin Brâncuși” Târgu-Jiu, România
e-mail: amalia_venera@yahoo.com

Professor Ion VASILESCU, Ph.D.
The Bucharest Academy of Economic Studies, Romania
e-mail: ion_vasilescu@yahoo.com

Abstract

In the present frame, marked by economic crisis, globalization of competition, the quality of products and services is the reference point of any organization. Continuous improvement of product quality and service has become new references in the current economic landscape, highly complex located in a permanent dynamic, characterized by fast diversification and renewal of supply of goods under the impact of the rapid development of science and technology, globalization of markets, facilitated by developments in telecommunications, the growth of customers requirements and society. The competitive advantage of organizations obtained through high quality products and services gather new values in the frame of knowledge based economy.

Keywords: *quality, competitiveness, knowledge, investment, efficiency*

Rezumat

În contextul actual, marcat de criza economică, de mondializarea concurenței, calitatea produselor și serviciilor reprezintă punctul de referință al oricărei organizații. Îmbunătățirea continuă a calității produselor și serviciilor are o importanță deosebită în actualul peisaj economic, deosebit de complex, aflat într-o permanentă dinamică, caracterizat prin diversificarea și înnoirea rapidă a ofertei de mărfuri, sub impactul dezvoltării rapide a științei și tehnicii, mondializării piețelor, facilitată de progresele înregistrate în domeniul telecomunicațiilor, de creșterea exigențelor clienților și ale societății. Avantajul competitiv al organizațiilor obținut prin calitatea ridicată a produselor și serviciilor capătă valențe noi într-o economie bazată pe cunoștințe.

Cuvinte-cheie: *calitate, competitivitate, cunoștințe, investiții, eficiență*

JEL Classification: A10, M10, M11, M20, M21

Introduction

The great extent of quality importance was determined by a number of economic factors including notes by increasing competition, continued increasing of customers and society demands, increasing complexity of products.

Current economic context bears the sign of globalization of national markets which are characterized by two basic elements:

- internal competition;
- geographical concentration;

so we can say that all this issues turn into a market system.

On one hand, internal competition, because it triggers the improvement of all determinant factors, on the other hand, the geographical concentration, because it increases interaction and raises separate influences – the demanding buyers, the quality of human resources, the sustained investment, the potential for industrial upgrading.

Competitive environment of the business world becomes a means of maintaining diversity and overcome the internal concentration, the inertia and inflexibility that would block or slow the competition and creative penetration news.

If the competition situations could be distilled into few keywords, they would certainly include the following words: *"quality", "competition", "international standards", "highly demanding customers"*.

The increasing globalization of the market is demonstrated, inter alia, that an increasing share of the total products manufactured in developed countries incorporating elements of foreign manufacture.

On the other hand, more than half of foreign trade belonging to these countries are represented by transactions between local and foreign enterprises, which are either subsidiaries or parent companies of premiums. We assist, thus, to changes of national positions in international economy frame.

Competitiveness of a firm depends on its ability to innovate and develop. Some enterprises get some advantages over the larger competitors in the world because of the pressures and challenges that are subject. They won because of the existence of strong rivals at home, some aggressive vendors and local customers hard to keep.

Favorable elements of increasing the quality importance as factor of the competitiveness of organizations

The competitive advantage of firms is obtained when an economic environment allows faster accumulation of capital and specialized skills, a better transmission of intelligences, a clearer understanding of needs and production processes. All this leads firms to invest and innovate, gain being double: both achieve a competitive advantage and development of this advantage in time. The existence of a highly competitive environment is the safeguard progress on the economic scale and the imposition of global markets.

By directly role on the psychology of economic agents, the competition environment is fuelling this optimism, it stimulates creativity, is that they are in a permanent concern for efficiency, to maximize profits and to satisfy the default, the best conditions, consumer needs. By rivalry and competition that is between economic agents

the competition opens prospects of profits for all participants in the game, enhancing the best and very good, decreasing the role of small economic agents or those who fail to adapt to market requirements. Takes place in this respect, a process of "refresh" among market agents, necessary and beneficial process for the smooth development of economic (Patriche, 1995) life.

The need for ongoing reporting to requirements of environmental conditions and concrete reference of processing elements, projected in a new dimension the actions of the long term. This view is a strong trend triggered of restructuring scheme monolithic of operating company modalities, which is based, typically on the strategy set out in its functional activities, marketing, research, development, production, sales, finance, personnel or lines products, geographical areas, types of customers and relating to different time horizons.

Thus, conceptually defining *competition* as a battle of the firm to form, maintain or enhance its differential advantage over other companies, has issued a new optical business management, focusing on three groups of sequential strategies which together illustrate marketing strategy throughout the company contoured:

- strategies related to the environment generally;
- strategies related to customer needs;
- strategies related to the competitors reaction;

Strategic management is a form of leadership based on strategic thinking oriented to actions directed against competitors to maintain a competitive advantage.

Any manager must also raise questions about the benefits that have enabled success in the past, of those who support the business now, so that they can judge the benefits that will ensure success in the future

Competitive advantages can be measured by:

- *cost advantages*, that allow firms to obtain higher margins than competitors, even if they up their prices around or below the market price;
- *advantages of differentiation*, aimed at ensuring the buyers perception of your product or service offered by the company as unique in the market;
- *advantages of focusing on the market* and ability to cover a market niche or a stretched market well individualized;

For each of these three alternatives that give content of competitive advantage, the firm can choose for even number of all universal strategies. Such an example is the quality strategy, considered as competitive strategy, which is the fact that the quality of products is a key strategic element and any competitive strategy reports to the triad related to product-market-technology, which adds environment variable.

In these circumstances manage to survive only those companies that can adapt quickly to changing requirements, providing products and services of high quality at favourable prices. Therefore, analyzing the competitive environment to enable identification of weaknesses and strengths of the competing firms is an essential condition in order to establish the optimal strategy for conquering the market from the perspective of products or services.

Thus, when it finds a weakness or strength point in rival company activity, there is immediate opportunity to establish a project entered into competition. An equally importance, in this case has a team spirit to be united and directed to achieve this goal.

Also strengths can be exploited by referral of customer intimations to raise their expectations in the direction opposite the strengths of competition.

Sometimes, they may be irrelevant to consumers, but they admire the effect and will be happy to be influenced.

In developing strategies for quality, the starting point is the customer. In fact, quality is the key to ensuring customer satisfaction.

One objective of any business is today: the customer, quality is defined by him (Faure 1997).

Firstly it is necessary to know what the beneficiaries want from the products, their needs, and then must be produced exactly what is required within a period of time to a minimum price set.

A particularly important role is the identification of applications that customers demand, which could be "determined" and "understood" (Faure, 1997) type.

The "determined" applications are those provided by the service or product offered, and are often specified in the contract and may include some or all characteristics such as: size, weight, colour, texture and taste; function, reliability, features required, packaging, labelling, time of delivery, methods; accruals and payments of costs; customer service, time in the case of unsuccessful attempts.

These are basic requirements for each product or service and represent minimum requests, if they can be considered satisfactory by the customer. The "understood" applications are not usually made, but create an overall picture in the eyes of customers and are those small things that make it a genuine care towards clients.

Continuously we are witnessing a fast evolution of tastes, preferences, diversification needs of people as a result of technical progress in general, development of communication and increasing the level of culture.

Thus, in addition to basic needs, the products satisfy more and more necessary – prestige, taste of beauty, personal security. Therefore, one can say that, as a carrier of freight demand, the consumer plays an important role in the market mechanism, providing the reference of action taken by other "actors" of it.

Thus, the design of production activities, the decisions and actions of entrepreneurs, whatever they are producers, distributors or service providers, will benchmark consumer needs, consumer preferences, their behaviour. Become, therefore, more efficient the companies that can provide the flexibility needed to meet the satisfaction of consumer demands related to the structure of products.

On the other hand, the buyers become more demanding over quality, they formulating a series of requirements on reliability, maintainability, compatibility with other products, changes, psychic-sensory characteristics, economic and genetically of products.

Particularly significant for adaptation to the requirements of each organization represents the views of consumers, which is shaping as an ideal way to collect data on satisfaction offered by the product purchased. Usually, when an organization collects for the first time such information the feedback is always relevant, so that a consumer very satisfied or very dissatisfied will make his feelings be known.

Therefore, the goal of any organization is to meet at the highest level the growing needs of consumers increased, which show the relationship between needs and targets proposed. "An unsatisfied need becomes a target materialized in meeting, and its satisfaction is desired both at the individual level and at firm (Petrescu et al.1995) level".

That is why one can say that natural order is to identify needs and depending on

them to establish certain points which become targets points of the guiding market for action of the company quality of product or service quality.

It is also known that the quality targets should be subject to amendments and changes continue to be consistent with changes on the horizon: new technologies, new competitors and a new competitive opportunities or adverse circumstances, such as requirements consumers must not only be satisfied, but to come and meet them.

Investigation of consumer needs, market research, developing possible alternatives, creates prerequisites to recognise the problem or opportunity, creative research, elaborate a program so as to select the best alternatives and create a product which, by its quality to meet consumer requirements.

Improve the satisfaction of customer needs must be the key point in guide the activity regarding the quality of products or services of a firm.

It may, thus, a series of objectives in customer areas, the most important concerns:

- knowledge loyal customers in terms of needs and the degree of satisfaction, to reward and retain;
- attract new customers using the best marketing strategy and advertising;
- designing products for the defensive areas of new customers or to adapt the quality to changes required by customers;
- costs cut due to discontent customers (complaints, guarantees);
- to establish independent relationships between internal customers forming chain quality and external clients so that company to be perceived by consumers as a provider of satisfactions.

Because the products are quality, in terms of efficiency, and to resist market pressures, they must meet an integrated system of conditions which involve:

- to satisfy a need or to satisfy a well-defined objective;
- to satisfy customer expectations;
- to comply with applicable standards and specifications;
- to comply with the requirements (regulations, rules);
- take into account the need for environmental protection;
- to be offered at competitive prices;
- to be obtained in terms of profit.

We are witnessing at present, from the perspective of macroeconomic approach to the fact that the quality of products and services is evaluated more closely related to quality of life (Olaru, 1999). It is granted such an importance of health-genetic characteristics of products, reduce negative environmental impact of products and processes, being introduced to this end, more and more restrictions, regulations, mandatory standards for the protection of life, health and the environment

In the contemporary economic landscape is shaping a pronounced trend of increasing complexity of products and processes for achieving them. Following the progress in microelectronics, computer science and industrial automatics are registered a high pace of technological change and organizational structures using the increasingly large scale in the design of production systems of microprocessors, industrial robots and artificial intelligence, which implicitly determines an increase in products complexity.

These include a number of important elements, in turn bear technical progress, which leads to a high degree of integration.

Conclusion

It shape thus more participants in the process of making products as suppliers, under-suppliers, which require the manufacturer's responsibility for ensuring the quality to exceed the limits of its own business, because he is committed to the client to achieve a certain level of quality product as a whole.

The complexity of products implies, therefore, and complexities of processes of achieving more comprehensive a holding under them. Thus, the enterprise need to identify and manage network processes and their interfaces that can improve the quality of products and services.

This involves completion of technical prerequisites, organizational and personnel, in order to allow continuous monitoring and evaluation processes in quality area, in each of the stages of trajectory in relation to preset standards and goals.

It is also, an effective information system, which would help all relevant information relating to product requirements, characteristics and behaviour in use, its environmental impact.

In business were put in place systems of production by computer, to ensure integration of all elements of production through technical nature, and by means with technical character, also the ones with economic, social and human character.

This integrated system involves the use of electronic computers in design, in design activity, flexible manufacturing workshops, equipment storage and automatic transmission based on a methodology that integrates conceptual components of a global system of information and decision of quality products.

References

- Cicea, C., Hincu, D. (2005) „*Managementul cunoașterii, vector de progres pentru perfecționarea în învățământul superior*”, Simpozionul „Creativitate în știință și tehnică”, Universitatea Națională de Apărare, București, 2005, ISBN 973-663-165-6
- Faure, L. M., Faure, M. M. (1997). *How to reach quality standards. Step by step towards ISO 9000*, Alternative Publishing House
- Petrescu, V., Redeș, Al.(1995) *Global quality – reference element in the new era of management* Editura ASE, Bucharest
- Paraschivescu, O.A. (2007). *Quality management*. Tehnopress Publishing House, Iași,
- Vasilescu, I., Românu, I., & Cicea, C. (2000). *Investiții*. București, Editura Economică
- Vasilescu, I. (2004) *The projects management*. Eficon Press Publishing House, Bucharest
- Verboncu, I. (2006) *Do we know how to lead?*. Economic Publishing House, Bucharest