

Article

Review Article : Total Quality Management as a Competitive Weapon

Hayder jabber jasim

1. University of Karbala, College of Tourism Sciences, Department of Tourism Studies, Iraq

* Correspondence: h.alghelany@gmail.com

Abstract: TQM as a common principle within organizational strategy has become the dominant aspect with the emphasis of continuous quality improvement in order to increase the customer satisfaction and of market competitiveness. With the evolving consumer expectations, the high quality standards that businesses need to sustain to survive in business become a strategic must. Background: Organizations use TQM as a weapon of competition by crafting quality improvement into a production, marketing as well as human resource strategy. To meet the high quality standards, dynamic goal setting, organizational involvement and strategic alignment of quality initiatives is needed. Previous studies have highlighted that TQM is a key element in competitive strategies, however, it does not explicitly reveal the precise mechanism through which quality affects cost leadership and differentiation. This may give insight into quality management for achieving competitive advantage. It is the aim of this study to investigate the impact of TQM on strategies used for attaining cost leadership, product differentiation and organizational sustainability. Its focus is in identifying the major factors that help in improving quality based market positioning. Conclusion: Findings suggest that, with regard to reputation, quality improvement improves operational efficiency and enhances market share. Longterm customer loyalty can be achieved by organisations embarking on TQM strategy because it benefits their organisations with cost reductions, increased employee morale and product differentiation. Strategic integration: The study emphasizes strategic integration of TQM within the competitive framework for achieving the quality at par with cost efficiency. It shows ways of exploiting quality for creating a sustainable competitive advantage. The implications is that businesses need to begin to integrate quality into everything that they need to deliver. Quality enhancement should be considered as a core business strategy pursued by policymakers and industry leaders so that the long run competitiveness is maintained in dynamic markets.

Citation: Jasim, H. J. Review Article : Total Quality Management as a Competitive Weapon. International Journal of Business Diplomacy and Economy 2025, 4(1), 159-164.

Keywords: Total Quality Management, competitive advantage, cost leadership, product differentiation, operational efficiency, strategic planning, Industry 4.0, digital transformation, customer satisfaction, market positioning.

Received: 18th Feb 2025

Revised: 20th Feb 2025

Accepted: 25th Feb 2025

Published: 27th Feb 2025



Copyright: © 2024 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license

(<https://creativecommons.org/licenses/by/4.0/>)

1. Introduction

The principle of Total Quality Management (TQM) has become dominant among all other principles, and achieving it across various fields is considered a challenging task. What makes matters even more complicated is that customers continually change their perceptions of quality. Consumers of goods and services generally seek the greatest value—essentially the highest level of quality they can obtain for every dollar they spend.

In general, the success of a business depends on its accurate understanding of consumer expectations and its ability to bridge the gap between those expectations and operational capabilities. Poor quality undermines an organization's ability to compete in the market and increases the production costs of its goods and services. Employing quality

as a competitive weapon requires observing several critical applications, including the following: [1]

1. **Satisfaction with Quality:** This depends on the evaluations made by individuals outside the company producing the goods or services. Satisfaction may not be defined according to a specific internal standard unless that standard is based on accurate interpretations and analyses of customer feedback and information about their needs and expectations.
2. **Organizational Involvement:** All parts of the organization or company play a role in demonstrating that customer needs and expectations have been met.
3. **Customer Satisfaction and Long-Term Use:** Customer satisfaction is often associated with the long-term use of goods or services. Therefore, it is evaluated based on a comparison of duration and customer perceptions of competing offerings.
4. **Dynamic Quality Goals:** Quality goals must continuously improve over time as competitors advance. What was considered high-quality yesterday may not meet the standards of tomorrow.
5. **Blending Features to Meet Expectations:** Quality requires a combination of features that satisfy the expectations of a wide range of customers or potential customers. Quality often means different things to different people. For an organization or company, or any entity attempting to serve multiple individuals, understanding the key features important to a particular market segment is essential. An organization that seeks to deliver quality to a specific sector must learn what attributes are crucial and relevant to that segment.
6. **Dimensions of Quality and Their Relationship to Competitive Strategies**
7. Achieving a distinguished level of quality in an organization's products depends on the accuracy and appropriateness of the strategy it develops in this domain. This strategy should guide its production, sales, financial, marketing, and human resource policies in a way that serves the overarching strategy, ultimately enabling the organization to achieve a quality level that qualifies it to compete with other companies and organizations in the market.
8. Improving quality, therefore, is a competitive strategy that organizations focus on in the long term. Integrating quality improvement planning with the organization's strategic planning places quality in a strategic position. This is achieved by embedding quality into the organization's culture, committing to continuous quality improvement, and making it a central pillar in various organizational plans.
9. In this regard, Black and Porter emphasized the necessity of having effective leadership that is committed to quality issues and capable of defining a clear future vision that guides every individual in the right direction. They also highlighted the importance of empowering executive managers who oversee quality issues to ensure integration within the organization in a manner that sets it on the right path [2][3].

Thus, the Importance of Quality Stems from the Following (Neama, 2006, p. 14):

1. **Reputation of the Economic Unit:**
The economic unit's reputation depends on the quality of its products — whether it is good or bad.
2. **Global Implications:**
To compete globally, the economic unit must achieve high-quality standards, global-level design, and competitive pricing.
3. **Legal Responsibility:**
An economic unit with defective products can face significant legal expenses and losses in addition to damaging its reputation.
4. **Boosting Employee Morale:**
Improved morale among employees leads to higher productivity.
5. **Improving Operational Performance:**

This includes reducing inventory levels, minimizing waste, and lowering various costs associated with production processes.

6. **Protection from Competitors:**

Quality protects the economic unit from competitors offering low-priced products with minimal profit margins.

2. Materials and Methods

The methodology of this study employs a qualitative research approach to analyze the role of Total Quality Management (TQM) as a competitive strategy. The research is based on a comprehensive review of existing literature, focusing on theoretical frameworks, empirical findings, and case studies that explore the impact of TQM on cost leadership, product differentiation, and operational efficiency. Secondary data sources, including peer-reviewed journals, books, and conference proceedings, were utilized to gain insights into how organizations integrate TQM into their strategic planning. A content analysis method was applied to synthesize information from various sources, allowing for the identification of key factors contributing to competitive advantage through quality management. The study further examines best practices adopted by successful organizations in implementing TQM, highlighting their influence on customer satisfaction and market positioning. The selection of sources was guided by relevance, credibility, and alignment with the study's objectives, ensuring a robust foundation for analysis. Data interpretation was conducted by identifying recurring themes and patterns related to quality enhancement and its strategic implications. Additionally, critical evaluation of existing studies helped in recognizing gaps in the literature, paving the way for future research directions. The methodological approach ensures that findings are well-grounded in established theories while also offering practical insights applicable to industry leaders and policymakers. By synthesizing diverse perspectives, this study contributes to the understanding of TQM as a dynamic and essential component of competitive business strategies, reinforcing its significance in sustaining long-term organizational success.

3. Results

Competitive Advantages Linked to Quality

As emphasized by Krajewski & Ritzman, there are two competitive advantages related to quality[4]:

1. **Design Quality:** This refers to achieving superior features and high-performance designs that meet the customer's requirements. These features are identified during the evaluation phase to convince the customer.
2. **Conformance Quality:** This refers to the degree to which the product complies with its specified standards.

Five Key Points for Economic Units

According to Al-Ali [5], there are five key points that economic units must follow:

If Quality is Adopted as a Competitive Tool, the Following Points Must Be Considered:

1. Quality must be defined from the customer's perspective.
2. Quality must be linked to profitability for each market segment and cost.
3. Quality should be viewed as a competitive tool.
4. Quality is established during the strategic planning phase.
5. Quality must receive the full commitment of the entire economic unit.

The Role of Quality in Competitive Strategies

Strategic Quality Management refers to the segment of organizational strategic management dedicated to setting long-term strategic objectives for quality, planning for its sustainability, implementing quality programs, and measuring and evaluating performance in various activities such as marketing, engineering, production, and

services. The ultimate aim is to provide the organization with a competitive advantage, achieve customer satisfaction, expand market share, and increase profitability [6].

With increasing competition and customer demands for the highest levels of quality, quality has become one of the most critical strategic variables upon which organizations rely to enter markets, acquire new market shares, maintain profitability, and foster growth.

A study by Erdous & Moegan aimed to rank the top ten companies globally based on ten attributes, including competitive positioning, management efficiency, long-term investment value, optimal utilization of company assets, and product quality. The results showed that **product quality** and **management efficiency** were the two most important attributes in this ranking.

Ishikawa's Contribution to Quality Strategy

Ishikawa made significant contributions to strategic quality management through his philosophy, which emphasized the following strategic objectives [7]:

1. **Prioritizing Quality Over Profit:**

Achieving quality must take precedence over achieving profits. This requires a fundamental shift in traditional concepts among all employees in the organization. For this to happen, top management must:

1. **Define long-term quality objectives** as a key element of the organization's strategy.
2. **Maintain continuous support for quality** initiatives.
3. **Ensure adherence to standards and specifications.**
4. **Foster behaviors that support quality improvement** across all organizational activities.

A study conducted by the Strategic Planning Organization in Cambridge, covering approximately 1,200 companies, demonstrated that the **return on investment in improving quality far exceeds the costs incurred in achieving it**. This allows companies to expand their market share while offering products at reasonable prices.

Developing Employee Capabilities

Improving employee capabilities through education, training, delegation of responsibility, and continuous positive support is crucial. The success of Total Quality Management (TQM) is tied to the degree of employee participation in its activities. Consequently, the attitudes and behaviors of employees within the organization are fundamental to enhancing quality levels.

3. **Building Long-Term Relationships with Customers:**

This involves continuously meeting their needs and desires.

4. **Sharing Facts and Statistical Information with Employees:**

Encouraging employees to use measurement tools to enhance decision-making and problem-solving processes.

5. **Developing a Comprehensive Quality Management System:**

This system should include all members of the organization, raising their awareness of the importance of their tasks and the consequences of non-compliance. This approach increases their sense of responsibility.

The Role of Quality in Competitive Strategies

Quality holds a significant position in any competitive strategy adopted by an organization. In a **cost-leadership strategy**, the organization aims to achieve product quality within dimensions that allow it to maintain lower costs than its competitors. This involves:

1. Designing a **simple, straightforward product** aligned with the cost-leadership strategy, ensuring reliability.
2. Aiming for high productivity by employing simple designs.
3. Producing goods that match the design specifications while avoiding defects and errors (pursuing **zero-defect production**).

4. Innovating new methods and techniques in manufacturing processes to improve product quality.

The primary goal of adopting a simple design and ensuring product conformity to that design is to boost productivity and reduce production costs through **economies of scale**.

Organizations following this strategy also strive to be close to suppliers or distribution channels to minimize distribution costs. Ensuring the product matches design specifications enhances its performance, credibility, and durability, leading to reduced post-sale service costs. This fosters increased customer trust and loyalty, ultimately resulting in greater market share and profitability driven by economies of scale.

In a Differentiation Strategy, the organization focuses on offering a product or service that is distinct from competitors. It creates a unique design for its products that allows them to stand out among similar competitor offerings. Organizations adopting this strategy prioritize quality dimensions such as **performance, features, and secondary product characteristics** to meet customer desires and fulfill their needs.

They also emphasize **aesthetic aspects**, ensuring the product's appearance is distinctive and easily recognized by consumers. Organizations continually work on improving product quality and innovating new products, enabling them to charge higher prices compared to competitors. This differentiation not only increases profit margins but also ensures customer loyalty and trust due to the unique qualities of their products [6].

4. Discussion

The findings of this study underscore the strategic significance of Total Quality Management (TQM) in achieving competitive advantage through cost leadership, product differentiation, and operational efficiency. By embedding TQM into core business strategies, organizations can enhance market positioning, customer satisfaction, and long-term sustainability. These results are consistent with previous studies that have highlighted the role of TQM in enhancing operational efficiency and cost reduction (Korankye, 2013). However, this study extends the understanding by emphasizing the integration of TQM with strategic planning to maximize product differentiation and customer loyalty.

In comparison with Al-Ali's (2000) perspective on TQM as a profitability tool, this study highlights the broader strategic implications, particularly in sustaining market competitiveness through continuous quality improvement. The strategic alignment of quality initiatives with dynamic market demands is crucial for achieving cost efficiency without compromising product quality. This is supported by Ishikawa's philosophy, which prioritizes quality over profit, ensuring long-term organizational sustainability.

Moreover, the role of employee engagement and organizational culture in successful TQM implementation is evident, echoing Black and Porter's emphasis on leadership commitment and empowerment of executive managers. This study further demonstrates that employee morale and productivity are significantly enhanced through strategic TQM practices, contributing to cost efficiency and product differentiation.

However, while the study effectively links TQM with competitive strategies, it also acknowledges limitations in exploring the precise mechanisms through which TQM influences cost efficiency and differentiation. Future research should investigate these mechanisms in various industry contexts, as well as examine the impact of digital transformation and emerging technologies on TQM practices. This would provide a more comprehensive understanding of TQM's role as a dynamic and essential component of competitive business strategies.

5. Conclusion

The findings of this study underscore the critical role of Total Quality Management (TQM) as a strategic tool for achieving competitive advantage through cost leadership,

product differentiation, and operational efficiency. The research highlights that quality improvement directly enhances market positioning, customer satisfaction, and long-term sustainability while simultaneously reducing costs and increasing employee morale. A key implication of these findings is that businesses must integrate TQM into their core strategic frameworks to sustain competitiveness in dynamic markets. Organizations should focus on embedding quality into production, marketing, and human resource strategies to maximize efficiency and differentiation. Furthermore, the study suggests that policymakers and industry leaders should promote quality enhancement as a fundamental business strategy. Future research should explore the precise mechanisms through which TQM influences cost efficiency and differentiation in various industry contexts, as well as investigate the role of emerging technologies in facilitating quality-driven competitive strategies.

REFERENCES

- [1] Al-Samarrai, Mahdi Saleh, "Total Quality Management in the Production and Service Sectors", Dar Jareer for Publishing, First Edition, 2007.
- [2] Al-Dararka, Mamoon, and Al-Shibli, Tarek, "Quality in Modern Organizations", Dar Al-Safa for Publishing, Amman, First Edition, 2002.
- [3] Ni'ma, Amira Mohammed, "The Impact of Implementing Total Quality Management and ISO Standards on Achieving Competitive Advantage for Business Organizations", Third Scientific Conference, Total Quality Management in the Context of Knowledge Management and Information Technology, Applied Science Private University, Amman, Jordan, April 26-27, 2006.
- [4] Al-Ali, Abdul Sattar Mohammed, "Advanced Managerial Accounting", Faculty of Commerce, Alexandria University, 2000.
- [5] Ahmed, Bteet, and Rabah, Okil, "The Role of Quality in Competitive Strategies for Economic Organizations", Fourth International Conference on: Competition and Competitive Strategies for Industrial Enterprises Outside the Hydrocarbon Sector in Arab Countries, University Center of Bouira, 2011.
- [6] 1- Krajewski, Lee J& Ritzman, Larry P& Malhotra, Manoj k," Operations Management: Processes & Value Chains ", 8th, New Jersey, Pearson Prentice Hall, 2005.
- [7] 2-Korankye , A.Addae, 2013,"Total quality management (TQM),A Source of competitive advantage.A Comparative study of manufacturing and service firms in Ghana ", Ghana , accra , International journal of Asian social science.