APPLICATION OF THE CONCEPT OF TOTAL QUALITY MANAGEMENT (TQM) AS ONE OF THE CONDITIONS FOR EFFECTIVE INTEGRATION OF THE REPUBLIC OF MOLDOVA IN THE INTERNATIONAL ECONOMIC SPACE

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Abstract
The quality of products and services has become an indicator of high labor efficiency, a source of national wealth, a sign of a highly developed economy, a condition for a dignified life. Accordingly, it is necessary to apply the TQM concept to ensure this indicator.

At present, the question of quality in Moldova is very acute. Lagging the level of quality of domestic products from foreign competitors is becoming threatening, and with the insecurity of the Moldovan market the economy, employment, social and cultural life are significantly affected. Historical experience shows that from the attention to quality, the way out of crisis situations began in many countries. Logic suggests that in Moldova it is necessary to pay close attention to this “cure for crises”.

One of the main problems Moldovan enterprises face today is their success-
ful adaptation to the conditions of a market economy, integration into the international economic space. The solution of this problem is a necessary condition for their survival and further development. The concept of the national policy in the field of quality of products and services rightly emphasizes that the main task of the domestic economy in the 21st century is the growth of competitiveness at the expense of quality growth.

**Keywords:** Total Quality Management, universal quality management, concept of TQM, quality assurance, economic integration

**JEL Classification:** M11, L15

**Introduction.** The problem of quality never loses its relevance, it is constant. Quality is perceived as a strategic objective, the successful solution of which largely determines the stability of the national economy and its place in the global production and distribution. Quality assurance in the current conditions of economic development should not only become a priority, but be transformed into the rank of a national idea, and become one of the most important conditions for the effective integration of the Republic of Moldova into the international economic space.

Undoubtedly, underestimation of the importance of the quality problem and the need for systematic work on its improvement leads many key industries to lose their positions. Where the strategic role of quality is recognized and steps are being taken to increase the competitiveness of products, implement and apply the TQM, there is a chance to stop the development of crisis phenomena and stabilize production. This fully confirms the historical experience of different countries (the United States, Japan, Germany, Southeast Asian countries, etc.) and many foreign firms that have emerged from the crisis, directing efforts to improve the quality.

There is no doubt that the study of quality management problems, in particular TQM, is an imperative requirement of time, since this knowledge is extremely necessary in a market economy that implies the presence of an acute competitive environment of producers of goods and services.

There is a direct relationship between quality and production efficiency. Improving quality helps to increase production efficiency, leads to lower costs and higher market share. This implies the objective conditions that allow using this connection for the successful integration steps of the national economy into the international economic space.

**Main text.** The development of the world market of goods and services,
the sharp aggravation of competition in this market and the policy of state protection of consumers’ interests created the need for the development of a new phase of quality management. This phase began to emerge in the mid-60s as the development of ideas of the previous phase in the direction of more complete satisfaction of consumers’ requests. Thus, the Total Quality Management (TQM) has gradually replaced the universal quality management (TQC).

All this led to the situation when the release of products with “children’s illnesses” or satisfying the consumer’s needs to a lesser degree than the products of competitors on the market is connected with the development of the theory of product reliability and, on the other hand, with the widespread introduction of computer technology in the process of product development.

The basis for the concept of the new phase is:
- the idea that most of the defects in products are laid at the development stage due to the insufficient quality of the design work;
- transfer of the center of works’ gravity on product creation from full-scale testing of prototypes or batches to mathematical modelling of product properties, as well as modelling of product manufacturing processes, which allows to detect and eliminate design and technological defects before the production stage begins;
- the concept of a “satisfied customer” took the place of the concept of “zero defects”;
- High quality must be provided to the consumer at an affordable price, which is constantly reduced, because competition in the markets is very high.

Within the framework of the quality management phase, it is possible to overcome the contradiction between the quality and efficiency of production in its existing forms, and a new phase arises when a new form of this contradiction is manifested. For example, customer requirements, so that not only the products, but also the production process, would be environmentally friendly, i.e., not damaging the environment. [5] These ideas allow us to develop production from mainly new positions that allow us to improve the quality not only of products and services, but also of all processes in the enterprise, thereby increasing its competitiveness, both on the domestic market and beyond. Undoubtedly, all this creates conditions for successful integration into the world economic space.

If TQC is quality management to meet established requirements, then TQM is also the management of goals and the requirements themselves. TQM also includes quality assurance, which is treated as a system of measures, which gives the consumer confidence in the quality of the product (Figure 1).
Fig. 1. The main components of TQM

Source: [http://helpiks.org/9-11856.html](http://helpiks.org/9-11856.html)

TQC - Total Quality Management;
QA - Quality assurance;
QPolicy - Quality policy;
QPlanning - Quality Planning;
QI - Quality improvement.

The TQM system is an integrated system focused on *continuous quality improvement*, minimizing production costs and delivering on time. The basic ideology of TQM is based on the principle that there is *no limit to improvement*. With regard to quality, the target setting is the tendency to zero defects; to zero unproductive costs, to deliveries - just in time. At the same time it is realized that it is impossible to reach these limits, but one must constantly strive for this and not to dwell on the achieved results. This ideology has a special term - “*continuous quality improvement*” (continuous quality improvement). [5]

The TQM system uses quality management methods that are adequate to the objectives. One of the key features of the system is the use of collective forms and methods of searching, analyzing and solving problems, constantly participating in improving the quality of the whole team. Undoubtedly, in TQM, the role of the person and *the training of personnel* is significantly increased. Motivation reaches a state where people are so passionate about work that they give up part of the vacation, stay at work, continue to work at home as well. Training becomes all-inclusive and continuous throughout their
work life. The forms of training are changing - business games, special tests, computer methods, etc. Learning turns into a part of motivation: a well-trained person feels more confident in the team, is capable of the role of a leader, has advantages in his career. There are developed and used special techniques for developing the creative abilities of workers. [5]

Thus, Total quality management is a system of actions aimed at achieving satisfaction and admiration of consumers (customers), growth of employees’ opportunities, higher, long-term incomes and lower costs [6]. There is no doubt that this is the main goal of any business.

The international standard ISO 8402 gives the following definition of TQM: “Quality management and quality assurance”: TQM (universal quality management) is an organization management approach aimed at quality based on the participation of all its members and aimed at achieving long-term success by satisfying the consumer and benefiting all members of the organization and society”. [4]

There are interesting notes to the concept of TQM from the above standard:

1. “All members” means staff in all units and at all levels of the organizational structure.
2. Strong and persistent leadership of the top management, instruction and training of all members of the organization are essential points for the successful implementation of TQM.
3. With overall quality management (TQM), the quality concept is relevant to achieving all management objectives.
4. The concept of “benefits for society” implies the fulfillment of the requirements of society. “ [4]

In the face of increasing competition in the world market, many countries - Japan, Korea, Singapore, Malaysia, Hong Kong, England, Germany, in recent years, Brazil - have raised the concept of universal quality to the level of the national idea. In the United States, publications appeared with proposals to amend the country’s Constitution, reflecting the fact that the US is the birthplace of many quality concepts and should be a country of quality. Accordingly, it is necessary to bring the idea of universal quality to the level of the nation for many reasons. It is possible to single out the main reasons of this:

1. Systematic nature of quality assurance. The quality of products and services is a systemic concept, it is difficult to solve within the framework of a single enterprise.
2. The authority of the product begins with its nationality. The bulk of
consumers in their choice often focus on the country to which the producer belongs. The country’s reputation for quality is a very important factor for success in international trade. Everybody knows: Japanese means excellent. Another attitude, say, to Chinese goods. It is possible to reverse the situation only by presenting the concept of universal quality as the basis of the country’s economic policy.

3. Social and Economic Aspect of Universal Quality. The concepts of TQM are humane and fair, they carry a class world and cooperation between owners, managers and employees. In other words, the concepts of universal quality bring stability and justice to the social life of the country, society, and in this they also need to be claimed at the national level.

4. Use of scientific and technical potential. Obviously, the concepts of universal quality are particularly attractive for the scientific and generally intellectual part of society. A huge number of scientists, professors and university professors are not in demand today in the national economy. The large-scale implementation of TQM on a large number of companies with well-considered state support could begin the process of integrating science and production.

The economy of the Republic of Moldova is only at the beginning of the way to mastering TQM, and on this path there is a huge number of problems and reasons why this way is constantly becoming more complicated. Thus, preparatory actions and efforts are necessary to raise the concept of universal quality to the level of the national idea of our country.

Of course, there is a number of reasons for the inefficiency of our enterprises:

• aggravated political crisis;
• lack of a capital market;
• lack of investment;
• low level of morality and cynicism of a large part of workers;
• loss of a sense of justice and faith;
• structure of industrial enterprises that is inadequate to market mechanisms, concentration of powers on the upper floors of management;
• inefficient management;
• undeveloped marketing;
• poor quality of products and services;
• low productivity;
• lack of understanding of the competition’s essence and the role of quality in competition;
• long terms of new products’ development;
• lack of understanding of the education and training’s role;
• lack of understanding of the information and data’s role;
• high level of conflict;
• substitution of powers by the authorities, use of power outside of responsibilities (duties).

And now consider another list, which is typical for enterprises that use TQM. By comparing these two lists, you can determine the direction of enterprise transformation [6].

Typical features of enterprises using TQM are:
• high morale among all employees, recognition of common moral and ethical values and guidelines;
• senior managers and employees - one family, one team:
  • justice is the basis for motivating and uniting employees, faith is the basis of optimism;
• flat organizational structure of industrial enterprises with project and process management styles;
  • effective management, including:
  • Clear control over managers by owners, shareholders, investors;
  • a new management style based on a humanistic philosophy, ensuring high motivation and involvement of staff;
  • a knowledge-based approach, a scientific method;
  • availability of a system for training, nominating and selecting managers’ leaders;
• orientation to satisfaction of all stakeholders - owners, investors, shareholders, consumers, employees, society;
  • Orientation to long-term success, vision of the future and proper goal setting;
• high quality of products and services, continuous improvement of the quality of products, services, processes, work;
  • quality as the number one goal, leading to lower costs, shorter terms, higher productivity and, ultimately, victory over competitors;
  • staff as the number one value: their knowledge, creativity, commitment to the interests of the firm are worth more than the value of real estate and technology;
• continuous, lifelong education of all staff;
• processes for the circulation of accurate and reliable information covering the whole company;
  • system, process and statistical thinking of managers and employees;
• Clear distribution of responsibilities, authority and interaction.

Promotion of TQM ideas in the economy is an independent task. The motivation can and should be the mass implementation of international standards. At the present stage, figuratively speaking, “intellect”, “means of production” and “capital” are in three different places. “Intellect” in the form of consultants and researchers should be called into industry. Simultaneously, “intellect” should become a link between capital and industry, solving the tasks of consulting, assessing the value of the enterprise for investors, increasing the value of the enterprise by improving management. Of course, it is necessary to develop a concept for the implementation of international standards in the Moldovan practice, taking into account the real conditions; to create a mechanism for the multiplicative implementation of international standards; to develop consulting in the field of TQM; minimize the damage from the formal and fictitious implementation of international standards.

Conclusion
Thus, the promotion of TQM concepts and methods in the practice of national management is a priority, demanded and relevant direction at this stage. This predetermines the objective conditionality of the Republic of Moldova’s integration into the international economic space. Obviously, no matter how seriously we take the issues of universal quality, we must agree that enterprises, first of all, must get into business, into the market, and become competitive. Accordingly, for this purpose it is necessary to solve the following tasks:

1. To master the production of goods that are in demand. Therefore, it is necessary to start with the study of demand in the market and its accounting when creating and mastering the production of new products.

2. Create a sales network for sales, distribution of goods and information about it.

3. Minimize the costs of production, abandon everything superfluous, carry out restructuring.

4. Learn how to manage finances.

All of the above conditions for the successful operation of enterprises are considered in various quality concepts, but they are about improving them. At most national enterprises, these conditions need to be created practically from scratch. And only as soon as the enterprise somehow copes with these tasks, it can start creating and certifying quality systems that meet the requirements of international standards, as well as the TQM concept.
Bibliographical references