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## QUALITY MANAGEMENT AND ITS IMPACT ON ENTREPRENEURIAL ACTIVITY

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**Abstract.** Quality plays a key role in entrepreneurial activity. To become a successful entrepreneur, quality must be put at the forefront of the company's strategic objectives. Quality management can influence different domains of entrepreneurship by improving product quality, customer satisfaction, operational efficiency, and overall financial performance. Product quality is crucial to a company's reputation and success. It is achieved by understanding the market, providing excellent customer service, knowing the customer base, focusing on design, and establishing a quality management system. Measuring product quality can be done by using data regarding defects, and product quality inspections can ensure that products meet pre-specified standards. Finally, every great product possesses some common qualities that contribute to solving our problems and contributing to our daily lives. Quality management can help companies identify and reduce unnecessary costs by eliminating defects and other problems. By implementing quality control measures and continuously improving quality, businesses can achieve increased competitiveness, customer satisfaction and growth, while also contributing to the wider community and environment.

**Keywords:** *quality, management, entrepreneurship, performance, competitiveness.*

**Rezumat.** Calitatea joacă un rol esențial în activitatea antreprenorială. Pentru a deveni un antreprenor de succes, calitatea trebuie să fie pusă pe primul plan în obiectivele strategice ale companiei. Managementul calității poate influența diferite domenii ale antreprenoriatului prin îmbunătățirea calității produselor, satisfacției clienților, eficienței operaționale și performanței financiare globale. Calitatea produselor este crucială pentru reputația și succesul unei companii. Ea se obține prin cercetarea pieței, prin furnizarea de servicii excelente pentru clienți, prin cunoașterea bazei de clienți, prin concentrarea asupra design-ului și prin stabilirea unui sistem de management al calității. Măsurarea calității produselor se poate face prin utilizarea datelor referitoare la defecte, iar inspecțiile calității produselor pot asigura faptul că produsele corespund standardelor prestabilite. În cele din urmă, fiecare produs excelent posedă câteva calități comune care contribuie la rezolvarea problemelor noastre și contribuie la viața noastră de zi cu zi. Managementul calității poate ajuta companiile să identifice și să reducă costurile inutile prin eliminarea defectelor și altor

probleme. Prin punerea în aplicare a măsurilor de control al calității și îmbunătățirea continuă a calității, întreprinderile pot obține o competitivitate sporită, creșterea satisfacției clienților și o dezvoltare economică, contribuind în același timp la comunitate și la mediul înconjurător în general.

**Cuvinte-cheie:** *calitate, management, antreprenoriat, performanță, competitivitate.*

## 1. Introduction

In today's socio-economic environment, quality has become a strategic tool for the overall management of enterprises and a determining element of their competitiveness. Quality is also important for consumers and citizens and is therefore a key element of service to society and the environment. The general concept of quality is used in various fields, with different meanings appropriate to each of them; its meanings are philosophical, logical, technical, economic and social.

Quality management plays a critical role in the success of businesses in different domains of entrepreneurship. Managers should develop and implement quality management strategies to maintain organizational fit with contingencies such as size, task, and ethical evaluations, particularly in the innovation domain [1]. Quality managers should understand the complex dynamics that lead to innovation and various relationships between quality management practices [1]. One empirical examination of manager-employee relations found that displaying confidence and satisfaction about an entrepreneurial project can increase employee willingness to act entrepreneurially [2]. Changes in financial development, labor, fiscal and bankruptcy regulations, informal regulations and corruption levels, government size, and regulatory measures related to government support of entrepreneurship can affect entrepreneurship quality [3].

Incorporating principles of entrepreneurial management can provide a more solid management structure to the innovation inherent in entrepreneurship [4]. The principles of management are drawn from a number of academic fields, primarily leadership, entrepreneurship, and strategy [5]. Babson Global identifies six parts of the entrepreneurship ecosystem: culture, markets, human capital, finance, supports, and policy [6]. Entrepreneurship research has evolved over time and has made interesting contributions to a set of questions at the individual, firm, and macro levels [7]. Finally, entrepreneurship is the key determinant for economic growth because it creates new businesses based on innovation and disruptive ideas, thus maximizing the wealth of the nation [8].

But the activity of any company is completed with a product or service. Indeed, product quality refers to how well a product meets expectations and performs its intended function [9]. There are various approaches to defining product quality, including the transcendent approach of philosophy, the product-based approach of economics, the user-based approach of economics, marketing, and operations management, and the manufacturing-based and value-based approaches of operations management [10].

Quality control is important to safeguard a company's reputation, prevent products from being unreliable, and increase consumer trust. It ensures that the company uses evidence-based data and research to ensure that the products and services live up to the standards [11].

To achieve great product quality, companies should understand the market, provide excellent customer service, get to know their customer base, focus on design, and establish a quality management system [9]. In addition, measuring product quality can be done by

using data regarding defects to determine flaws and areas of lacking. By utilizing the data, companies can measure the quality of the product and understand and improve the way they work [12].

Product quality inspections are procedures that involve checking the various attributes of a product and testing it to ensure that it meets pre-specified standards. Inspections can be conducted by the factory's quality control team, a buyer, or a third-party inspection company [13].

Every great product possesses some common qualities that contribute to solving our problems and contributing to our daily lives. Such qualities may include being functional, efficient, reliable, easy to use, aesthetically pleasing, and affordable [14].

Understanding and managing interrelated processes as a system contributes to the efficiency and effectiveness of an organisation in achieving desired outcomes. This approach enables companies to control the interdependencies between system processes and improve overall business performance.

## **2. Materials and Methods**

Quality management is an essential component of a company's success in any domain of entrepreneurship. Implementing quality management can lead to several benefits, including increased efficiency, improved customer satisfaction, and the ability to exploit new markets [15].

In different domains of entrepreneurship, the impact of quality management may vary. For instance, manufacturers may use "hard" quality management techniques, which are more scientific and focused on process control. This approach is similar to left-brain thinking. On the other hand, "soft" quality management techniques are more focused on the people and culture aspects of an organization, which is similar to right-brain thinking [16].

Furthermore, a study found that improved institutional quality can help establish entrepreneurial success in the competitive market [17]. The entrepreneurship ecosystem also plays a significant role in the success of entrepreneurs [18].

Therefore, it is crucial to adopt a comprehensive approach to quality management that addresses both the scientific and cultural aspects of the organization. Moreover, entrepreneurs should focus on improving institutional quality and leveraging the resources of the entrepreneurship ecosystem to ensure their success in the market.

Quality is widely recognized as a determinant of competitiveness for organizations, whether at the national, regional, or international level. Quality helps organizations achieve a real and sustainable competitive advantage by increasing productivity, efficiency, and innovation [19]. Quality has become an essential factor that determines the competitiveness of companies, along with price, and the relationship between these two components is crucial for organizations to be successful in the marketplace [20]. Quality is also one of the critical factors for the competitiveness of cities since it provides the conditions for efficient development of companies and fosters a better quality of life for the people who live and work in that environment [21].

Continuous improvement of quality has become a necessity for organizations due to the external threat of market losses caused by poor quality [20]. Therefore, organizations must adopt a systemic quality control concept, which refers to all functional departments and not just the production activities [20].

Foundational competitiveness is defined as the expected level of output per working-age individual supported by the overall quality of a country as a place to do business. It means

that a country's quality of infrastructure, institutions, macroeconomic stability, health, education, and other factors are crucial to determine the country's competitiveness [22].

Overall, quality is a crucial determinant of competitiveness, both for organizations and cities, and continuous improvement of quality helps organizations gain a sustainable competitive advantage in the marketplace. The relationship between quality and price is essential for organizations to be successful. For countries, foundational competitiveness is determined by the overall quality of infrastructure, institutions, macroeconomic stability, health, education, and other factors.

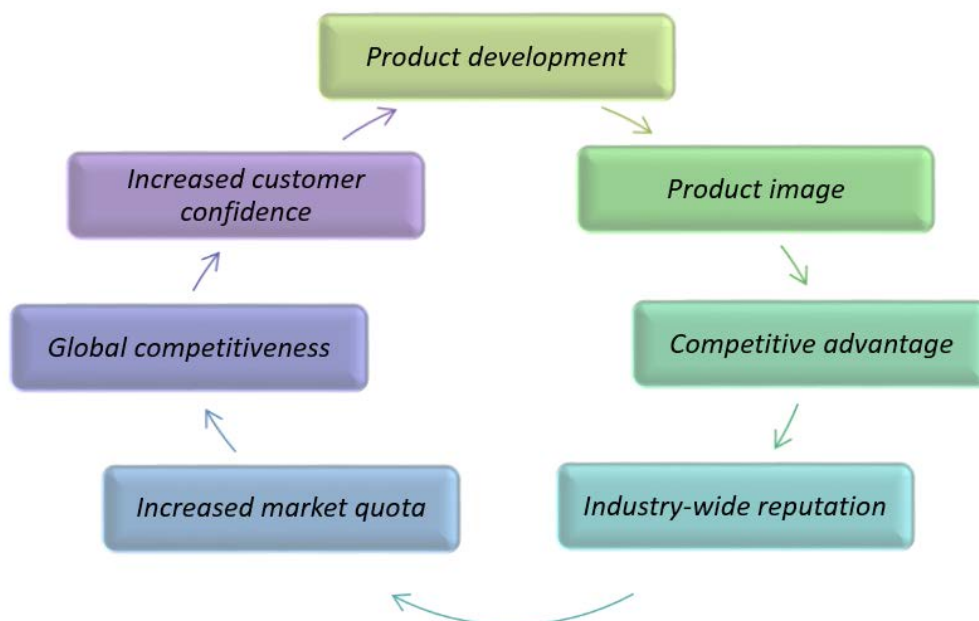
### 3. Results

Following the literature review and the examination of the opinions of various researchers on quality management and its impact, three groups of factors can be distinguished, systematised as follows:

- Impact on commercial and marketing activity;
- Impact on operational activity and results;
- Impact on human resources and their management;

In the context of fierce competition in most fields of activity, quality management is an indispensable tool that develops the entrepreneurial ecosystem through the marketing vision. In this context, the main effects of quality management are characterised by a logical interdependence and are shown in Figure 1.

One of the important functions of marketing is product development. Proper quality management ensures that products are designed and developed according to high standards and that they meet customer needs. Taking into account the high diversity of products on the market, which in most cases meet the same groups of consumer needs, quality control measures and continuous monitoring of product quality can help ensure the successful development and launch of new products. In this context, quality management can help to improve marketing efforts by offering reliable and high quality products to customers.



**Figure 1.** Points of impact of quality management on the entrepreneurial ecosystem through the lens of the marketing vision.

*Source: Elaborated by the authors.*

From the point of view of product image in the marketplace, which is one of the psychological marketing objectives, quality management can help build and maintain a positive brand reputation by ensuring that products are of high quality and customer service is exceptional. As a result of effective quality management companies build their industry-wide reputation.

By providing high quality products and services, businesses can help raise the profile of the whole industry, both in domestic and foreign markets, by associating themselves with compliance and innovation. In turn, by forming a positive image of production and the company as a whole, quality management can ensure that market share is increased by providing high-quality products and services to customers. By ensuring that products meet customer expectations, companies can build customer confidence, leading to increased sales and customer loyalty. This can help businesses stand out from their competitors, leading to increased sales and market share.

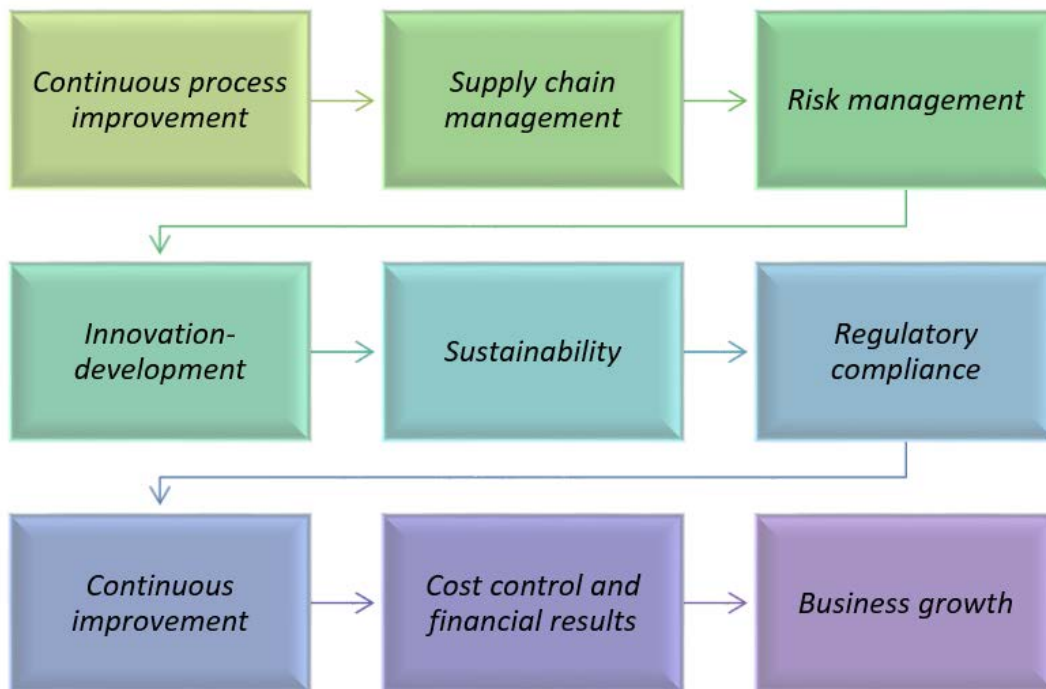
In order to ensure the sustainable development of businesses, their strategies must include the competitive advantage component. One of the effective and reliable directions in this regard is quality management can give businesses a competitive advantage by differentiating them from their competitors. By providing high quality products and exceptional customer service, businesses can attract and retain customers, leading to increased sales and profitability. When it comes to the global level, global competitiveness can be ensured in particular through quality management by improving product quality and customer satisfaction, by complying with international standards and regulations, businesses can expand their reach and compete with businesses around the world.

Given that quality management encompasses all the activities and processes carried out within the company itself and in collaboration with third parties, it is clear that it has a strong and comprehensive impact on operational activity, which is in fact the core business of any company. The following figure (Figure 2) includes the main pillars reflecting the impact of quality management on the operational activity of the enterprise.

Given that one of the principles of quality management is continuous improvement, quality management can be approached as a continuous process that involves monitoring, analysing and continuously improving processes, products and services. By continuously improving quality, companies can respond to changes in customer needs and market trends, leading to increased competitiveness and long-term success. Quality management plays a crucial role in ensuring that operations are efficient and effective. By implementing quality control measures, contractors can minimise the risk of defects, reduce production costs and improve overall operational efficiency.

At the same time, quality management can help improve supply chain management by ensuring that suppliers deliver high-quality raw materials and components. This can reduce the risk of product defects, improve product quality and increase customer satisfaction. Quality management can help mitigate risks by reducing the likelihood of product defects, customer complaints and other issues that can have a negative impact on the business. By implementing quality control measures, contractors can reduce the risk of product recalls, lawsuits and other costly consequences.

Quality management can foster innovation by encouraging employees to identify and solve problems, leading to new ideas and approaches that can improve product quality and customer satisfaction. Quality management can foster innovation by encouraging companies to continuously improve processes, products and services.



**Figure 2.** Main pillars reflecting the impact of quality management on the operational activity of the enterprise.

*Source: Elaborated by the authors.*

By analysing data and feedback, businesses can identify areas for improvement, leading to new and better products, processes and services.

Importantly, quality management can help promote sustainability by reducing waste, conserving resources and minimising the negative impact of products and operations on the environment. By improving product quality and customer satisfaction, entrepreneurs can also promote sustainability by reducing the need for frequent replacements, leading to long-term customer loyalty and a positive reputation for the company. Quality management can reduce the environmental impact of business activity by promoting sustainable practices and reducing waste. By reducing energy consumption and emissions, businesses can help protect the environment and reduce their carbon footprint.

Quality management helps to ensure business compliance with relevant regulations and standards. This can reduce the risk of legal sanctions, customer complaints and negative publicity, which can have a significant impact on the long-term success of the business.

Taking into account those impacts that quality management has on the operational activity of the business it can be concluded that it will have a positive impact on financial management by reducing costs associated with product defects and customer complaints. Quality management can contribute to cost control by reducing the frequency of product defects, customer complaints and returns. By improving product quality and customer satisfaction, businesses can also reduce the need for costly repairs and replacements, leading to increased profitability. By improving product quality and customer satisfaction, entrepreneurs can increase sales and profits, which can contribute to the long-term financial stability of the business. Finally, quality management can support business growth by improving overall business performance and competitiveness. By reducing costs, improving customer satisfaction and increasing sales, businesses can achieve long-term growth and success.

The most important business resource that has the ability to improve over time when promoting effective management is the human resource. In this context quality management provides for the implementation of a system that will involve the entire staff of the enterprise, ensuring multiple positive effects (Figure 3).



**Figure 3.** Directions of impact of quality management on human resources.

*Source: Elaborated by the authors.*

Firstly, quality management can improve the overall working environment by setting and maintaining high standards of employee performance. This can lead to increased employee motivation and commitment, which in turn will lead to improved productivity and better customer satisfaction. Through improved employee motivation, quality management can improve employee satisfaction and reduce staff turnover by ensuring that employees are trained and supported to perform their jobs effectively. This can help attract and retain talented employees, leading to better operational efficiency and better customer service.

Quality management empowers employees by involving them in the quality management and improvement process. By giving employees the tools and resources they need to contribute to business success, businesses can create a positive work environment and foster a culture of continuous improvement.

Staff development carried out on a continuous basis can be successfully delivered through quality management which can offer employees opportunities for professional development and growth through the provision of training and support. By improving the skills and knowledge of employees, businesses can improve its overall performance and competitiveness. Given that quality management is a complex process involving all company staff, quality management can encourage collaboration between departments and employees by involving them in the quality improvement process. By working together, side by side to achieve company goals, employees can identify and solve problems, which leads to self-development and motivation, as well as improved product quality and customer satisfaction.

Quality management is a core process for any business that wants to provide its customers with high quality products or services. Effective quality management can help a business improve its products or services, increase its revenue and keep its customers happy. It involves a range of activities, including planning, controlling and improving quality, and engaging all employees and customers to achieve this goal.

By implementing a quality management system, an organisation can achieve a number of benefits, including improved internal processes, reduced costs and increased customer satisfaction. By ensuring the quality of the products and services offered, the organisation can improve its image and increase customer loyalty, which can lead to increased revenues. This is essential for any organisation that wants to improve the quality of its products and services and increase the efficiency and effectiveness of its operations.

#### 4. Conclusions

In conclusion, we can state that quality management is essential for the whole company, as it ensures that the products and services provided are safe, effective and meet the needs of customers. In a modern society, where consumers are increasingly informed and demanding, quality management is essential for the success of a business and customer satisfaction.

In addition, quality management has a direct impact on the environment and society at large. By improving processes and efficiency, resource consumption and pollutant emissions can be reduced, thus contributing to environmental protection and sustainable development.

Overall, quality management has a significant impact on society, improving the quality of products and services, protecting the environment, improving food safety and creating a more sustainable and efficient business environment.

**Conflicts of Interest:** The authors declare no conflict of interest.

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