

DIMENSIONS AND INDICATORS OF QUALITY MANAGEMENT ASSESSMENT IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

**MONICA AURELIANA PETCU,
IULIA MARIA DAVID-SOBOLEVSCHI,
IRINA DANIELA CIȘMAȘU ***

ABSTRACT: *Sustainable business development, in an environment marked by strong dynamics that leads to changes of paradigms and meanings of the evolution of various components, generating constraints and multiple risks, is decisively conditioned by the quality of their management. In the context of this paper, in a brief presentation of the characteristics of the management quality assessment was considered, as a process with dynamics connected to the environment, with complex approach dimensions that imply specific reasoning, circumstantially relativized measurement and interpretation techniques, especially with benchmarks in maximizing the satisfaction of all those interested in their work, including communities, as well as environmental protection. The research undertaken for this purpose has been finalized by proposing a set of indicators to provide, from the perspective of each stakeholder, sufficient arguments in the proper assessment of the quality of management and in making appropriate strategic decisions in the context of sustainable development.*

KEY WORDS: *sustainability; quality; management; performance; indicators.*

JEL CLASSIFICATIONS: *D01, M14, M21.*

* Prof., Ph.D., Bucharest University of Economic Studies, Bucharest, Romania,
monica.petcu@cig.ase.ro

Prof., Ph.D., Bucharest University of Economic Studies, Bucharest, Romania,
iulia.david@cig.ase.ro

Assoc. Prof., Ph.D., Bucharest University of Economic Studies, Bucharest, Romania,
irina.cismasu@cig.ase.ro

1. INTRODUCTION

Accelerating the changes in all environments, from the natural to the economic and social ones, and the prolonged economic and ecological crisis lead to connecting all the companies to the complex problems of sustainable development of their own activities, in the conditions of globalization. At the same time, the dynamics of the expectations of the stakeholders (clients, partners, investors, employees, community, etc.) requires continuous improvement of the quality of products/services, the efficiency and effectiveness of processes, the reduction of non-quality losses.

Between the arguments of any actor on the market, regardless of the size or area in which it operates, quality and innovation, especially eco-innovation, are required as fundamental factors of sustainable development. As a vector of business excellence and a decisive factor in competitiveness, product quality is a fundamental business objective: "Quality of the product is not everything, but everything is nothing without quality" (Peters and Waterman - "In Search of Excellence") and the result of an integrated quality management system. The integrated approach to quality implies: the quality of products/services, the quality of processes, the quality of management, the quality of the workforce and the working environment, the quality of the results, the quality of the partnerships, etc. In this integrated system, the role of management is decisive, noting the dialectical interdependence between quality management and management quality.

2. QUALITY OF MANAGEMENT - CONTENT AND ASSESSMENTS

The definition of quality implies certain difficulties due to the need to interpret a formalized system by another formalized system, this interpretation depending on the analyst's ability to find objective operational terms as appropriate as possible and their measurable levels. It is also necessary to delimit the intangible dimensions of quality by its tangible attributes.

In an integrated system of assessing the quality of management, particularly important are the ways of approach, taking into account the following:

- the quality of management is the result of a continuous upgrading process aimed at maximizing the satisfaction of stakeholders with specific benchmarks of evaluation;
- the evaluation of managerial quality from the perspective of the sustainability of the activity carries out a complex approach in relation to the holistic subsystems in this approach, for each of which there are certain qualitative and quantitative indicators;
- the quality of management lies in the quality of products/services, results processes and partnerships, across the value chain, each having its own reference system;
- the diversity of the system implies the correlation of economical, financial, social, cultural, ecological dimensions.

From the economic and financial perspective, the quality management assessment involves both qualitative analyzes, through which systems are approached, elements, their structural and conditioning relationships, are identified, and quantitative analyzes that allow relevant quantification. Consequently, the assessment of the quality of management on this important level with certain assessments, through usual

indicators that reveal the performance of the enterprise with repercussions on the satisfaction of stakeholders, has been considered satisfactory to date, when the issue of sustainable development and the creative-innovative dimension, eco-innovative are becoming key factors in assessing the quality of management.

From the socio-economic perspective with complex socio-cultural dimensions, including consumers, employees and the community, management quality assessment implies specific reasoning, based on derived indicators, own measurement and interpretation techniques, involving subjective relativisms and interpretations.

From the customer's point of view, the quality expresses the benefit of consumption, compliance with its needs, the reference value for the buyer consisting of its maximum expectation, within its own budgetary constraints, and the value of the product/service as such is given by the degree of utility in meeting a need, depending on its budget constraints (utility/cost grade).

From the point of view of the manufacturer/service provider, the quality expresses the attributes, the essential features that define the product/service, respectively the function it performs, giving it the capability to use and the costs involved (degree of function/cost) satisfaction. Exceeding consumer expectation, correlative with the provider's capabilities fitting, ensures quality management and business excellence.

A particularly important area, in terms of sustainability, is the ecological one. Strict adherence to environmental standards and the sustained effort of eco-innovation are stringent requirements that give quality to the managerial process, even if the economic and financial results appear modestly and gradually.

From any perspective or within any holistic subsystem, the quality of management is addressed, the key is to use a complex system of indicators to enable it to be valued in relation to stakeholders, including the community and environmental protection, as a circumstances for the sustainable development of the enterprise.

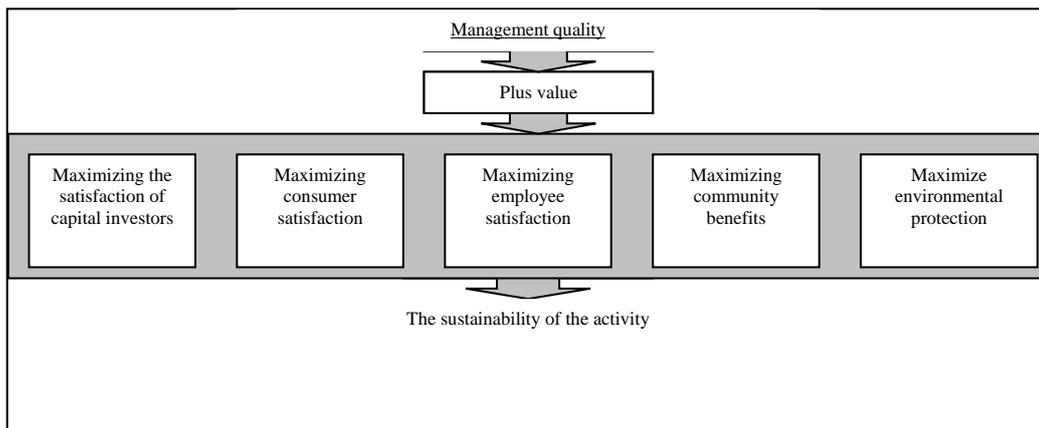


Figure 1. The approach of the quality management assessment in a sustainable perspective

3. SUSTAINABILITY PERFORMANCE INDICATORS

In a brief approach we present a series of indicators for the management quality assessment under the imperative of sustainability, structured in the presented context of the stakeholders:

- at the level of the capital investors

indicators	meaning
Specific indicators	
investment in scientific research and information technology	The orientation of investment efforts towards scientific research, in all its dimensions (from the fundamental one, to the application in production), and the information technology provide the premises of the adaptation to the dynamics and general progress, and at the same time its catalyst. The research results are generating superior added value, improving product and process quality, improving resource efficiency, with ecological valence.
innovative capacity	Stimulating the innovative capacities of human capital, expressed through the registration of trademarks, patents, licenses, product/process innovation, with a high level of competitiveness and a sustained rhythm of technical progress, is a vector of sustainable development.
Support indicators	
turnover	A growing sales volume reveals the performance of the production and marketing activity by recognizing the value of the product/service offered by the consumer. Increasing sales, with an appropriate mix of quantity and price, is a condition for sustainable company development. The significance of the company at the level of the industry is appreciated by the size of the turnover. Companies with high market share ensure their sustainability in a dynamic, highly competitive environment.
profit	Achieving a significant and growing profit ensures self-financing of investments and increasing the indebtedness of a firm. This creates the financial resources needed to invest in projects with a high technological level, innovative, linked to the dynamics of the research in the field, which is the basis for a sustainable development.
return on investment	The decision to invest in a dynamic, complex, highly competitive environment requires, to ensure the capacity to capitalize on opportunities to maximize earnings and reduce risk, focus on investment project portfolios. A high return on capital invested in each project amplifies the synergistic effect of strategies, ensuring sustainable development.
the liquidity of the invested capital	Rapid recovery of invested capital allows the exploitation of new opportunities, synchronizations and even advancements in the rhythm of development of the industry, the elimination of opportunity costs and, implicitly, resources for the sustainable development of the firm.

- at the customers' level

indicators	meaning
Innovative products / services offered	Achieving innovative products/services with superior levels of value and expectation is an effect of management quality and the premise of sustainability.
Customer Satisfaction Score	Determination of satisfaction and changes in consumer satisfaction provides important information on the positioning of its products/services in relation to consumer expectations and trends, which are milestones in substantiating sustainable development strategies.
Net Promoter Score (NPS)	Customer satisfaction assessment indicator, NPS is a reference in substantiating company strategies. A value tending to 100% reveals a maximum degree of customer satisfaction and their willingness to recommend the brand/product/service/store to others. Providing valuable products/services that exceed consumer expectations leads to increased demand, ensuring the potential for sustainable growth.
Customer Effort Score (CES)	A value in the proximity of the unit reveals great efforts in getting the product/service offered by the customer. The proximity of value 5/10 reveals the facility of acquiring the product, which will allow time and financial savings that will lead to customer loyalty. Increasing accessibility of products/services implies the imposition on the market, increasing sales, with consequences in the ability to sustain sustainable development.
industry benchmarks	Evaluating the position of the brand in relation to its competitors allows us to obtain relevant references in substantiating the company's strategies, putting the focus on efforts to gain competitive advantage over the whole value chain. This implies the implementation of quality management systems. Validating the brand's superiority on the market is an essential element of competitiveness as a condition for sustainable development.
brand attributes	The convergence between customer expectations and brand/product/service attributes is a decisive factor in asserting them on the market and strengthening the market position of the firm. The similarity of perception of brand attributes at company and consumer level ensures customer loyalty, transformation them into promoters and sustainable development.

- at the level of employees

indicators	meaning
the optimal environment for using its own capabilities	The convergence between job requirements and individual capabilities is a condition of harmonizing employee interests and aspirations, with beneficial effects on innovative, efficient and sustainable company development.
fair compensation	Providing salary packages to satisfy the effort, being stimulating through the value generated individually, supports the effectiveness of the creative potential and the empowerment of employees as a sustainable competitive advantage.
safe working	Job security enhances employees' involvement by eliminating

conditions	absenteeism from focusing on physical integrity and improving work quality, focusing their attention on the production process. This is reflected in increasing productivity, capitalizing on creative and innovative skills, lowering the cost of accidents at work, staff litigation, with favorable effects on the sustainability of the work.
pleasant work environment	A pleasant work environment ensures physical, emotional and cognitive involvement. Reducing workplace stress is a prerequisite for increasing work productivity with effects on company performance. Happy employees have a creative, positive attitude and contribute to making team work more efficient. Pleasure to work in the right conditions favors employees' involvement, ensuring business success. At the same time, a pleasant work environment reduces the fluctuation of employees, with the company benefiting from the learning effect.
career development	The inclusion of employees in continuous training and professional development programs is the premise of increasing adaptability, creativity, innovative capacity, sine-qua non conditions of sustainable development.

- at the community level

indicators	meaning
the ratio between sponsorship and donations and turnover	Awareness of the need to engage in solving problems or in developing community projects, that exceed its resources, in ensuring a high level of welfare in the society in which it operates ensures the premises of an environment conducive to sustainable development.
investment in public-private partnerships	The development of public-private partnerships to achieve general interest objectives creates stimulating synergies for sustainable progress.

- from the ecological perspective

Indicators	meaning
eco-inovation	The creation of eco-innovative products/services and the innovation of processes with ecological valences are essential concretizations of management's concern in sustainable development.
efficiency of rational use of resources	The efficient use of resource ensures increased economic stability by reducing volatility in essential resource markets; limiting the risk of deficits and increasing competitive pressure; improving the economic health of key sectors enhancing long-term economic competitiveness. The efficient use of natural resources requires ecological fairness and sustainability.
the degree of environmental pollution	Reducing carbon emissions, increasing waste collection, making more use of renewable energy, efficient use of resource contribute to the prevention of dangerous climate change and are imperative to contemporary society circumscribed by the need for sustainable development. A priority objective in company strategies is to avoid natural imbalances, preserve the integrity and nature biodiversity and

restore ecosystems, reducing vulnerability and increasing their resistance in a fair and sustainable development process. Reducing the anthropogenic pressure on biodiversity is now not only a condition for the sustainable development of enterprises, but also for the whole of humanity.

4. CONCLUSION

Sustainable business development is influenced by the quality of its management. Driving efficiently processes, obtaining quality products/services, stimulating creativity and innovation, reducing pollution, converted to maximizing the satisfaction of stakeholder, are fundamental management responsibilities.

The dynamics of environmental changes and the imperatives of sustainable development require a permanent process of strategic approach and holistic planning with milestones in the quality of management assessment, with an ongoing progress. In this context, the assessment of the quality of the management is also a dynamic process in relation to the conditionalities of sustainable development and the maximization of the satisfaction of the stakeholders. Identifying a system of performance indicators adapted to the specifics of the enterprise and linking to the dynamic imperatives of sustainability will provide a solid foundation for assessing the quality of management and strategic decisions in this area.

REFERENCES:

- [1]. **Abbott, W., Monsen, R.** (1979) *On the measurement of corporate social responsibility: Self-reported disclosures as a method of measuring corporate social involvement*, Academy of Management Journal, volum 22, pp.501-515
- [2]. **Agle, B., Mitchell, R., Sonnenfeld, J.** (1999) *Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values*, Academy of Management Journal, volum 42, pp. 507-525
- [3]. **Basu, K., Palazzo, G.** (2008) *Corporate social responsibility: A process model of sensemaking*, Academy of Management Review, volum 33, pp. 122-136
- [4]. **Bauman, Z.** (2004) *Globalizarea și efectele ei sociale*, traducere în română de Marius Conceatu, Editura Antet, București
- [5]. **Bădescu, V.** (2014) *Etica în afaceri*, Editura ProUniversitaria, București
- [6]. **Boatright, J.** (2000) *Ethics and the Conduct of Business*, 3rd edition, Prentice Hall, Upper Saddle River, New Jersey
- [7]. **Buglea, A.** (2011) *Analiză economico-financiară*, Ediția a II-a, Editura Mirton, Timișoara
- [8]. **Buglea, A., Lala-Popa, I.** (2009) *Analiza economico-financiară*, Editura Mirton, Timișoara
- [9]. **Carroll, A., Buchholtz, A.** (2000) *Business and Society: Ethics and Stakeholder Management*, 4th edition, South-Western College, Cincinnati
- [10]. **Charreaux G.** (1991) *Gestion financière*, Ed. Litec., Paris
- [11]. **Christensen, L., Peirce, E., Hartman, L., Hoffman W., Carrier J.** (2007) *An Analysis of Ethics, CSR, and Sustainability Education in the Financial Times Top 50 Global Business Schools: Baseline Data and Future Research Directions*, Journal of Business Ethics, No. 73 pp. 347-368

- [12]. **Dinu, E.** (2000) *Strategia firmei: teorie și practică*, Editura Economică, București
- [13]. **Dinu, V.** (2008) *Dimensiunea etică în afaceri*, Revista Amfiteatru Economic, nr. 23, pp. 7-10
- [14]. **Douglas T., Judge W.** (2017) *Total Quality Management Implementation and Competitive Advantage: The Role of Structural Control and Exploration*, Academy of Management Journal, 44(1)
- [15]. **Drăgulănescu, N, Drăgulănescu M.** (2003) *Managementul calității serviciilor*, Editura AGIR, București
- [16]. **Froman, B.** (1998) *Manualul calității - instrument strategic al abordării calității* (traducere din limba franceză), Ed.Tehnică, București
- [17]. **Guénon, R.** (2005) *Autoritatea sacerdotală și forța regală*, Editura Herald, București
- [18]. **Ionescu, G** (2003) *Cultura afacerilor*, Editura Economică, București
- [19]. **Kaynak, H.** (2003) *The relationship between total quality management practices and their effects on firm performance*, Journal of Operations Management, 21(4), pp. 405-435
- [20]. **Lefter, V., Olaru, M., Isaic-Maniu, A., Pop, N., Popescu, S., Drăgulănescu, N., Roncea, L., Roncea, C.** (2000) *Tehnici și instrumente utilizate în managementul calității*, Editura Economică, București
- [21]. **Mitchell, R., Agle, B., Wood, D.** (1997) *Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts*, Academy of Management Review, 22, pp. 853-886
- [22]. **Mironciuc, M.** (2009) *Analiza economico-financiară*, Editura Universității „Alexandru Ioan Cuza”, Iași
- [23]. **Nair, A.** (2006) *Meta-analysis of the relationship between quality management practices and firm performance—implications for quality management theory development*, Journal of Operations Management, 24(6), pp. 948-975
- [24]. <https://www.sciencedirect.com/science/article/abs/pii/S0272696305001440#!> [Accesed 15 August 2018]
- [25]. **Nicolescu, O.** (coordonator) (2000) *Sisteme, metode și tehnici manageriale ale organizației*, Editura Economică, București
- [26]. **Nicolescu, O.** (coordonator) (1998) *Strategii manageriale de firmă*, Editura Economică, București
- [27]. **Pantea, M.** (2017) *Analiza economico-financiară, instrument al managementului întreprinderii*, Editura Universității de Vest, Timișoara
- [28]. **Petcu, M.** (2009) *Analiza economico-financiară a întreprinderii*, ediția a doua, Editura Economică, București
- [29]. **Peters, T. Waterman, R.** (2006) *In Search of Excellence: Lessons from America's Best-Run Companies*, Harper Business Essential
- [30]. **Sousa, R., AVoss, C.** (2002) *Quality management re-visited: a reflective review and agenda for future research*, Journal of Operations Management, 20(1), pp. 91-109
- [31]. <https://www.sciencedirect.com/science/article/abs/pii/S0272696301000882> [Accesed 17 August 2018]