

KNOWLEDGE MANAGEMENT AND TOTAL QUALITY MANAGEMENT INTEGRATION: IMPACT ON NATIONAL YOUTH STRATEGY

*Ana Maria STĂNCIUC¹
Beniamin Viorel BRĂNZĂȘ²*

ABSTRACT

This paper aims to emphasize the role of TQM and Knowledge Management within Romanian youth strategy. The authors explain how the integration of TQM and KM continuity management policies proposed by the EU and beyond. To highlight the impact of the two concepts among youth policies, the authors took into consideration the most important documents issued by public institutions that are authorized to manage resources and decisions in youth area. The results of research underscores the need for knowledge management in order to achieve a high degree of expertise in the implementation of TQM.

KEYWORDS: *Knowledge Management, Total Quality Management, Youth Strategy*

JEL CLASSIFICATION: *J13, I25*

1. INTRODUCTION

National youth strategy is a hot topic because European Commission's budget for youth programs is entering a new phase, namely 2014-2020. The first stage of this type of program, 2007-2013, was a real success from the perspective of programs popularization in the EU27 and beyond. Even Romania has been fully involved in youth policy regarding to European Union. However, 2007-2013 was at the same time a test for the ability of communities to manage European youth issues and provide a clear perspective for the short and mid-term future. Thus, since the programs proposed for 2014-2020 is intended a strong increase in terms of quality among youth strategies, both in the EU states and the European Commission. The proposed instruments through 2020 Strategy significantly increased the role of informational society, constantly developing knowledge-based organizations. On the other hand, monitoring quality systems of the youth institutions was did not experience great popularity, and that is because quality management tools were not a priority. Combining Total Quality Management and Knowledge Management provided an essential contribution to the development of a new national strategy for youth because by this combination are considered the most important areas of youth development: the educational system, the family, business environment, non-formal education, entrepreneurship and of course the labor market.

2. THEORETICAL APPROACH

This paper highlights two mainstream theoretical concepts, often discussed among academic field. Therefore we will not insist on this frame, but we will expose relevant detail related to TQM and KM. Kolarik's opinion on TQM states a process-oriented concept, mainly a customer-centric that asks a cultural transformation (Kolarik, 1999). Perhaps all of these considerations might be assigned to KM. Both private and public organizations structured their strategies according to TQM principles,

¹ The Bucharest University of Economic Studies, Romania, ana_mstanciuc@yahoo.com

² The Bucharest University of Economic Studies, Romania, beniamin.branzas@yahoo.com

and that happened for more than 50 years. The reason that led to this fact was the required quality for products (both tangible and intangible) and gain consumer's high satisfaction (Crosby, 1979). Lately, TQM focused on continuous improvement of processes, and this happened by developing famous concepts as Kaizen and Lean Manufacturing. In fact, manufacturing was the main area of improvement. Once with information technology boom, TQM reached a new level of proficiency, targeting services instead of tangible products. Many economic organizations, but not only, used TQM as a tool within the commercial war with competitors.

The next step involved removing and transformation of classical borders between countries and companies. More than that, in this e-Commerce era, the price lost the leader position among differentiation factors hierarchy. This is the moment when occurred KM as a strategic tool for organizations.

KM did actually transform the entire business approach and public services delivering process, even information were used before as an advantage for organizations. IT&C developed very strong products for companies involved in high-tech industry, but also in the military field. KM developed some famous practical concepts, such as Intellectual Capital, Competitive Intelligence, Business Intelligence and Economical Intelligence.

2.1. Knowledge Management. Concept and Definitions

Knowledge management has been described by various definitions, by different authors and academic researchers. One of the most relevant definitions (Ahn & Chang, 2004) says that KM is "a systematic process for capturing and communicating knowledge people can use". Another author (Bose, 2004) states that KM "understands what your knowledge assets are and how to profit from them." All the definitions that aim to establish exactly what KM is are concluding to the fact that managing knowledge leads to organizational developing by sharing intellectual capital with others. Besides that, these definitions point out the importance of human resource rather than technological or industrial transformation.

In order to understand the usefulness of Knowledge Management, managers should face that sharing individual know-how is a long-term process among an organization. The ROI for KM implementation is also hard to estimate as intellectual capital is an intangible asset. It might be risky for an organization to invest huge amounts of resources in developing a KM system, because gaining a maximum value from intellectual capital is not a sure bet. First of all, knowledge is provided by employees' experience and training, but also by organizational culture. In this background, knowledge incorporates also procedures, documents, informational flows and different types of contacts in and out of organization. A powerful KM requires an adequate combination of managerial, social and policy-making factors.

Another important researcher, Davenport (Davenport, 1998) relates KM to projects, issuing the next definition: "Knowledge management is concerned with the exploitation and development of the knowledge assets of an organization with a view to furthering the organization's objectives. The knowledge to be managed includes both explicit, documented knowledge and tacit, subjective knowledge. Management entails all of those processes associated with the identification, sharing and creation of knowledge. This requires systems for the creation and maintenance of knowledge repositories, and to cultivate and facilitate the sharing of knowledge and organizational learning".

In his study, Davenport identified three categories of objectives related to Knowledge Management, as follow in Table 1:

Table 1. Davenport's Knowledge Management objectives model

No.	Category of objectives	Objectives
1.	Creating knowledge depositories for stocking knowledge and information in a structure form.	Depositories designed for external sources of information (i.e. competitive intelligence, legislation).
		Depositories designed for internal knowledge (i.e. reports, business intelligence, prototypes).
		Depositories for tacit knowledge (i.e. procedures, methods, methodologies, forums, debates).
2.	Upgrading knowledge access and transmission .	Tools provided by hi-tech field, mainly for securing information transfer, sharing internal knowledge and protecting the communication channels with external environment.
3.	Intensifying the knowledge environment in order to develop the process of knowledge creation and beyond.	Greater attention regarding to knowledge sharing towards affairs with customers and suppliers.
		Developing a large base for organizational knowledge infrastructure.
		Monitoring the use of knowledge within employees tasks and the gained results as all.
		Admits the great importance of knowledge and the influence upon managerial decisions.

2.2. TQM. Concept and importance

TQM, as an operational concept, is aiming at improved customer satisfaction through delivering better products and services. As talking about national youth strategy, the customers for this product are young people, aged 16-30. Regarding to this kind of customers, the main objective for public decision makers is to establish higher living conditions. It is obviously that youth is the HR strategic component for a country.

Some definitions (Evans 2002, Crosby 1979) proposed different approaches for TQM, most of them referring to: continuous improvement, effective usage of raw material and physical resources, reducing loss of products, creating tools for permanent monitoring, developing proficiency multi-qualified teams, permanent requesting of feedback. In order to understand better this concept, Figure 1 exposes the semantic meaning of TQM.

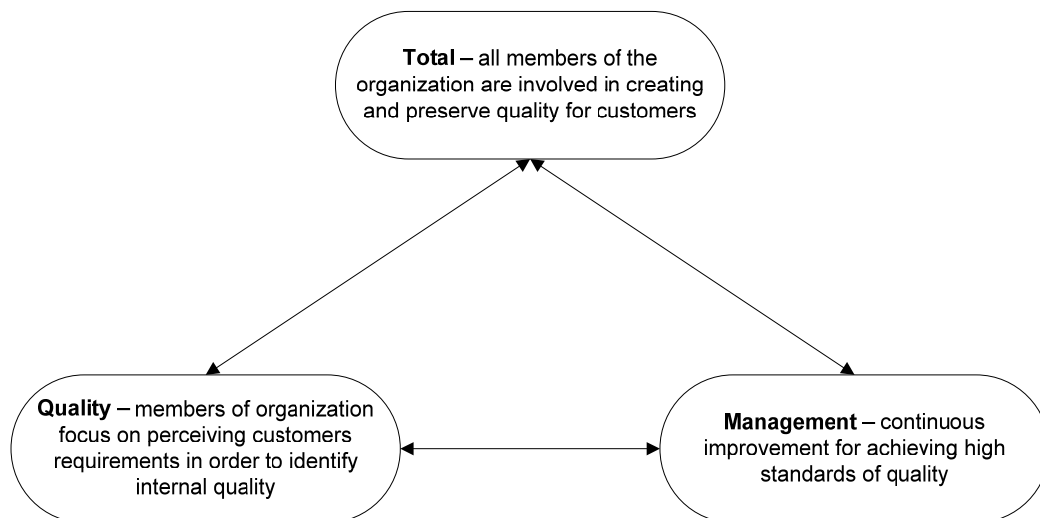


Figure 1. TQM content

Source: adapted from Raghunadha Reddy (2012)

Not every definition of TQM is very precise. That's why TQM should be understood by its main basis, as exposed in Figure 2.

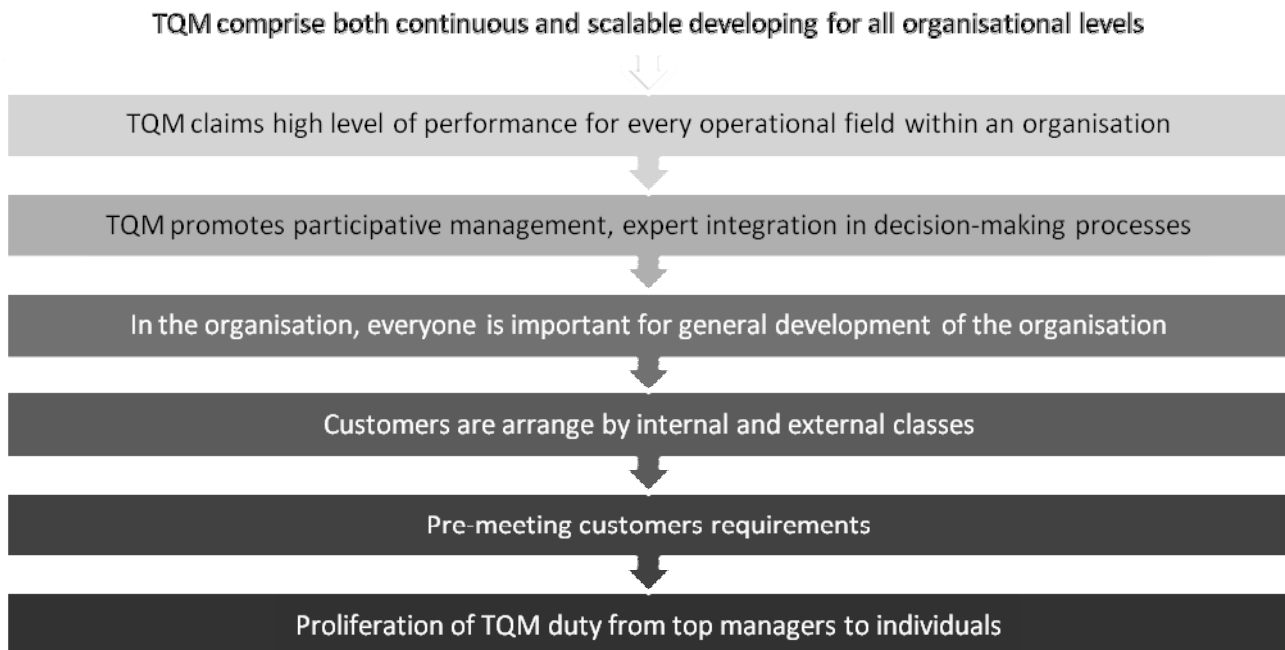


Figure 2. TQM content

Source: made by authors

Both TQM and KM are transforming the organisation and both are dealing with classic assets. As an organisation still provides products and services. The different approach including TQM and KM ensures a shift towards customers and competitors, also a different policy for social responsibility.

3. YOUTH STRATEGIES

In 2012 young people were among the most disadvantaged groups in the labor market in Romania, especially because of barriers they have encountered in terms of their access to the labor market (discrepancy of held powers with the requirements of the labor market, rigidity on the labor market). Young people without experience or with limited work experience have found the hardest a job in 2012. Only 68,000 people aged under 25 managed to sign employment contracts last year, fewer than any other age categories: between 25 and 35 years (80,000), between 35 and 45 years (87,000), more than 45 years (87,000). In a significant number of counties, employers preferred to recruit people aged over 50 years (another disadvantaged group in the labor market) and avoided to contract young inexperienced people (ANOFM, 2012).

Young people in the age group 16-24 years are most exposed at risk of poverty than people of other age groups (22.1 % in 2010 compared to 16.9% and respectively 12.1% for the age groups 25-49 years and 50-64 years). Some of the young people in this age group are dependent on family, either as pupils or students, either because they do not have a job, which favors the establishment of poverty.

The Lisbon Strategy (ec.europa.eu, 2010) proposes a set of main objectives for youth, especially within emerging economies. According to youth issues, the relevant objectives are:

- a. ***Creating opportunities in education, employment and entrepreneurship and creativity.*** This objective is proposed to achieve through several concrete measures such as lifelong learning through the development of non-formal education, combating early school leaving, easing to encourage the free movement of labor European Union, diversification qualifications for easier access to the European labor market, skills development for young people for easier access on labor market, encouraging young entrepreneurship, facilitating access to new technologies.

- b. *Improving access and full participation of all young people in society***, including areas such as sport and health, civic participation. Concrete measures that will achieve these objectives regards to mobilize all stakeholders to help high-risk social categories, conducting information campaigns on health issues and stimulate youth information networks, developing quality standards in connection with youth in society and promoting even among young people in the unorganized youth structures of the techniques of e - democracy.
- c. *Promoting solidarity between youth and society*** by emphasizing areas such as social inclusion, volunteering and fostering ecological relationships with the surrounding world. Measures associated with this objective: access to EU funds and programs, initiating ways to protect the rights of volunteers, development of national youth mobility, awareness campaigns for fundamental human rights and ecological approaches to stimulate consumption and production among youth.

The young generation is an ongoing mitigation resource, it is estimated that 20% of the population that it is now will fall to 15% by 2050. Lisbon Strategy proposes a cross-sectoral approach, taking into account both short-term actions and long-term, highlighting the importance of the work of young people and address a simplified method, more flexible coordination between EU countries on youth policies.

In addition, special emphasis is put on creation of free time and opportunities for enhancing skills development, skills and creativity, in other words, it boosts skills "dwelling" in the future knowledge society by encouraging expression of their personalities and their talents.

3. INTEGRATION OF TQM AND KM WITHIN NATIONAL YOUTH STRATEGY

At this point, the paper propose a research section, as above it has been discussed concerning to TQM and KM. This section highlights the integration specific based on the main characteristics for both TQM and KM. It is important to distinguish, as Raghunadha Reddy (Raghunadha Reddy, 2012) did the main "four fields of commonality" (the following statements are quoted):

1. *similar aims;*
2. *areas receiving particular attention;*
3. *the position of the organization in regards to management;*
4. *issues concerning the financial benefit of implementing these systems.*

Research methodology

In order to establish relevant results towards national strategy for youth, the authors explored the most important strategic documents issued by organizations and public institutions related to youth area. Thus some example of organizations are: Ministry of Education, National Youth Agency, National Agency for Community Programmes in Education and Training, President of Romania, European Commission. Also, as additional research resources, professional experience and interactions have been used into conducting this research.

After studying strategic documents related to youth issues, the most important factors were hierarchized for highlighting common aspects among Total Quality Management and Knowledge Management. The results of research were included in a TQM-KM priority model regarding national strategy for youth. This kind of models are proposed by other authors within research papers, but this paper aims at delivering a specific model for national youth strategy.

3.1 Results dissemination

According to basic literature within management (Nicolescu & Nicolescu, 2011), a strategy stipulates a 3-5 years term, deadlines and resources. As about the national strategy for youth, the term is about 8 years, while the proposed resources are provided by government, national organizations for youth and external finance programs. As about human resources that are required for implementing this strategy, things are not very clear.

Table 2. Knowledge Management elements within national strategy for youth

Quantitative aspects	Use of detailed statistics on the situation of young people
	Correlated analysis of key indicators associated to labor market
	Permanent monitoring of project implementation progress for Youth in Action program
Integrated systems	Using databases of social services and the labor public institutions
	Full exploitation of existing data warehouses managed by institutions involved in youth strategy
	The development and proliferation of youth centers
	Popularization of non-formal training programs throughout entire life
Internal informations	Developing a single information center for students
	Redesigning academic research framework with interdisciplinary facilities
External Informations	Removing informational barriers to access transmitted information by the European youth organisations
	Transfer of know-how from the European institutions

Table 3. Total Quality Management elements within national strategy for youth

Labor market	Tax reduction for companies that hire young people under 25 years
	Ensuring full citizen status for young people
	Promoting project contests for young academics
Family and lifestyle	Tax reduction for adults in families with children enrolled in the education system
	Inoculation of a new value system for parents: responsibility and social involvement, entrepreneurship, leadership, ethics in education process, etc.
Educational system	Harmonizing the acquired skills within school with the skills that are required by the labor market
	Implementation of national programs for youth volunteering
	Government funding for programs such as "Summer School"
	Integrated approach to educational cycles (from the primary stage and finishing with higher education)
	Attracting more young people among academic research
Business and entrepreneurship	Encouraging start- up initiatives by governmental grants
	Securing bank loans for start- up initiatives
Governmental decision makers	Implementation of performance indicators for projects financed from internal resources
	Ongoing assessment of the legislation in the field of youth
	Implementation of the Youth Guarantee

The authors propose a model for TQM-KM factors priority based on Tabel 2 and Tabel 3. These tables contain the mos relevant areas of factors issued by mentioned institutions and organisations. The model contains the identified elements towards national strategy for youth and proposes a hierarchy of them, based on the frequency of occurrence among strategic documents for youth. The frequency of these elements is represented by the length of the segments within the third ring in the proposed model. Figure 3 illustates the TQM-KM priority model for national strategy for youth.



Figure 3. TQM-KM priority model

Source: made by authors

The authors organized the elements by taking into consideration the most relevant areas included within strategic documents for youth. Also, even in some documents there was a high frequency for some elements, this model intends to highlight those relevant classes of issues that are not properly solved in the present, or might occur in the next seven years. The model represents a point of view developed by studying strategic documents and should be considered as an example of TQM-KM integration regarding to youth issues.

Of course, there might be some factors that are not covered in this paper, and that is one of the reasons that requires a greater study process among youth policies.

4. CONCLUSIONS

Application and integration of Total Quality Management and Knowledge Management elements leads to an improved structure of the national youth strategy, as it provides a comprehensive framework and an integrated approach to the relevant issues . This study shows a prioritization scale

of proposed issues by national and European institutions in the field of youth . Besides, youth is very important in a country's economy, as demonstrated by numerous statistics and social evolutions. Young people of today are the future decision makers and the quality of future decisions is essential for increasing living standards.

Relevant fields that influence the development of young population targets mainly: intellectual capital, the educational process, the family of the youth, the system of values in young communities, effective organization among institutions that are governing youth policies, government decisions on supporting young people, EU institutions involved in national youth strategy.

REFERENCES

- Ahn, J.H., Chang, S.G. (2004), Assessing the contribution of knowledge to business performance: the KP3 methodology, *Decision Support Systems* 36, pp. 403–16
- Bilant de ocupare pentru anul 2012*, ANOFM, Retrieved 09 Sep. 2013
- Bose, R. (2004): Knowledge management metrics, *Industrial Management & Data Systems*, 104 (6), pp. 457–468
- Crosby, Philip B. (1979), *Quality is free*, McGraw-Hill, pp. 33-36
- EUROPE 2020. *A European strategy for smart, sustainable and inclusive growth*, Retrieved on 15 Sep 2013, from <http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-20EN%20version.pdf>
- Evans, J.R., & Lindsay, W.M. (2002), *The management and control of quality*, Cincinnati, OH: South-Western 4
- Davenport T.H., DeLong D.W., Beers M.C. (1998), Successful Knowledge Management Projects, *Sloan Management. Review.* 39(2):43-57
- Kolarik, W., J. (1999), *Creating Quality Process Design for Results*, McGraw-Hill, pp. 22-24
- Nicolescu, O., Nicolescu, C. (2011), *Organizația și managementul bazate pe cunoștințe*, Ed. Pro Universitaria, pp. 245-252
- Raghunadha Reddy, T. (2012), "TQM and KM in library and information centers: a study", *Journal of Research in International Business and Management*, Vol. 2(11) pp. 292-298
www.anpcdefp.ro