STUDY OF RELATION BETWEEN STANDARDS OF DIFFERENCE STRATEGY AND COST LEADERSHIP WITH COMPREHENSIVE QUALITY MANAGEMENT IN MEDIC FIRMS

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ABSTRACT
Investigate the relationship between criterions of differentiation strategy and cost leadership with TQM in pharmaceutical companies. TQM is one of the most complete and most comprehensive management philosophies. That includes discussions of quality and customer satisfaction so good. TQM has been considered as a very important factor for long-term success. Organization of TQM seems necessary in order to improve performance and efficiency of TQM implementation. This relationship has not checked by many researchers. This study seeks to answer this question that what relationship is between two case of porter strategy (cost leadership and differentiation) with TQM. Results showed that correlation analysis shows TQM has a significant relationship with differentiation strategy. On the other side; results do not show any positive relation between TQM and decrease and control the costs. The study sample consisted of 64 directors of pharmaceutical companies in the country. SPSS16 software was used in order to collect the data too, for analysis data. The main purpose of this study is checking the effect of organizational learning over company’s performance via the role of TQM as mediated communication.

Keywords: Organizational Learning, TQM, Pharmaceutical Companies, Porter Models

INTRODUCTION
The more competition exists in trade causes the more producers to develop the operation of organization for evaluation of management operation and competition-based strategies. By attention to the increasing competition in universal trade, managers decided to express comprehensive quality management method in their organizations and to perform it in the dependent organization. This managerial method is a relatively new one in which strategy, management method and organizational conclusions blend with each other to reach the goal of establishing an qualitative organization in which the operations regularly being improved and considered (Mazumder et al., 2011). Relation between, TQM, Organization Strategy and finally, organization function us a novel subject of a strategic management literature (German and Spears, 1999). The goal threefold strategy of Porter is being superior than other competitors through having inexpensive production process and gaining competitive advantage via producing special product and also concentrating on one part of market for restriction of activity extent (Ahmadi, 1998). Methods and strategies in an organization, determines organizational structure and affect the performance of organization member.

Research Theoretical Basis
Total Quality Management: The term “Total quality management (TQM)” is among the most common terms used in recent years in the business area. Total quality management is considered as improvement process of business traditional procedures and a proved technique to guarantee survival in the modern competitive world. TQM is a systematic structure emphasizing the continuous improvement of all internal activities in an organization. The final goal of TQM is enhancing the quality of products and services through improving the human resources, processes and facilities as well as reducing operational costs. TQM is the result of expanding a philosophy concept that believes in continuous progress of services and products quality for...
internal and external customers, determining quality attributes of any product or service through considering feedback from the customers (Aqaei, 2000).

**Porter's Triple Strategy (Generic or Common Strategy):** Differentiation strategy has five criteria including repeated application of product innovation, willingness to overcome market competitors, innovative orientation, and pursuit of bravely competing and risk level. Three criteria of cost leadership strategy include the broad measure of cost minimizations, cost control applications through the firm and braveness in decision process (Daniel et al., 2006).

The scales of focus strategy are low diversity of products, limited markets, restricted geographical scope of activities, and research and development focused on a certain product. Focusing on particular products and services means meeting demands of consumers small groups (focus strategy isn’t examined in this paper) (Ahmadi, 1998).


**Criteria of Total Quality Management**
The six criteria of TQM in organizational operations, including leadership, strategy and planning m customer focus, information and analysis, personnel management and process management are visualized. (Daniel et al., 2006)

**TQM and the Strategy of the Organization:** Very small number of researchers has discussed about relation between TQM and strategy of the organization especially about porter strategy developed models. (Porter, 1980)

That is why some researchers support this commends that TQM should be approved as a strategic model in a organization. Therefore TQM develop from operating level to strategic level by successful implementation of method of management quality (Schonberger, 1992; Garvin, 1988).

Results of different studies indicate that total quality management (TQM) links an organization's strategy with its performance as an intermediary. This positive relationship shows that as a new innovative approach, TQM can be implemented through differentiation strategy to enhance organizational and quality performance. It can be concluded that TQM implementation will be effective when organizations want to offer a highly innovative product in new markets. Findings and analysis imply a strong relationship between TQM and quality performance (GEO, 1991).

Ried et al., believe TQM content could be divided in to two categories of customer and process orientation according to subject ,with customer, organizations can take bazaar among their own competitors and attract customers to their own. Ried et al., due to this process suggested finally, TQM implementation results precious benefits that decrease strategy costs. On the other side, there is a positive relation between strategy of organization and innovation that make the performance of organization better.

Paul (1995) did comprehensive research about relation between TQM and performance of organization. This research, spot TQM as one of the potential sources of sustainable advantage. Results of this research shows that most of the features related to TQM like quality instruction, process improvement and benchmarking, usually do not make a advantage but a group of imitable features which are behavioral too, can make advantage.

So we can say these sources are TQM sources. That results TQM success. Organizations that use them, can take out their competitors of competition by using them (Paul, 1995).

Slot (1992) did a research on relation between quality and performance of organization. This research was known as the most complete research. Over 184 manufacturing company in New Zealand, the modeling
structural method was used. Slot concluded that quality would have complicated results. When it depends to a performance of organization (Slouty, 1992).

Pouran and her counterparts (2002) evaluated the existing circumstances of didactic hospitals subordinate of Isfahan’s medical since university from viewpoint of comprehensive quality management utilization, for this purpose they investigated managers and personnel of Isfahan’s hospitals which include 370 managers and 3750 personnel. Personnel were selected by classification sampling. Outcomes of this research shown that with the existing circumstances the comprehensive quality management utilization in the researched hospitals face with some problems and it is recommended that before administration of this plan required qualifications like instruction of managers and personnel, changing provisions governing the hospitals and making safe competition between researched organizations should provided (Raeise, Madani, 2002).

Changiz (2011) his counterparts studied the effects of organizational culture on comprehensive quality management on medic firms of Tehran province. The outcomes revealed that organizational culture has an positive significant effect on stability rate of comprehensive quality management, also it be specified that in these organizations leadership has developed more than other comprehensive quality managerial dimensions and they have more tendency to control stability rather pliancy (Valmohammadi, 2011).

**Model of Research**

![Figure 1: Model of the research](image)

**Research Implementation Method**

In terms of purpose, this research is classified in applied studies group. It is considered as a descriptive research based on survey method. The statistical society consists of pharmaceutical companies through the country. Sampling method is probabilistic sampling (simple random sampling). The survey sample size was calculated (64 individuals) using equation (1) from the method of sample size determining for estimating the success proportions:

\[ n = \frac{z^2 P (1 - P)}{d^2} \]  

(1)

Where n denotes sample size and z =0.96. D is considered 0.1, representing maximum acceptable error. P is considered 0.2 as the success probability.

In order to determine the questionnaire questions, we collected required data for testing the research hypotheses. Various perspectives of professionals, management experts and research methodology were used in this research. Responses were categorized based on the five point Likert scale. After collecting and modifying different ideas, final questionnaire was distributed among statistical population.

Before questionnaire final distribution, a preliminary study was conducted by its distributing among 64 pharmaceutical companie’s managers. It aimed at determining the questionnaire reliability. The Cronbach’s alpha coefficient was calculated 0.727 by SPSS 16 software (>0.7). Therefore, it can be said
that the survey questionnaire has an appropriate reliability. Data analysis was carried out by SPSS software in this study.

Research Finding
The results of the analysis of the questionnaire which is done by using parametric test of binomial distribution, shows that criteria for different ion strategy and criteria for temerity in decision from cost leadership strategy, have 95% positive and direct relationship with TQM and two other criterion for cost. In following we discuss about research assumptions.

Assumption 1
There is no positive and significant relationship between repeating of application of product innovation and TQM=H0

There is positive and significant relationship between repeating of application of product innovation and TQM = H1

![H0 vs H1](image)

Table 1:
<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
<th>Ratio of test</th>
<th>Level of test</th>
<th>Result of test</th>
</tr>
</thead>
<tbody>
<tr>
<td>repeating of product innovation</td>
<td>3≥</td>
<td>22</td>
<td>0/35</td>
<td>0/50</td>
<td>0/05</td>
<td>Assuming approval of H1</td>
</tr>
<tr>
<td></td>
<td>3&lt;</td>
<td>42</td>
<td>0/65</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>64</td>
<td>1/00</td>
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</tbody>
</table>

The result of analysis from SPSS16 shows that the observed statistics is 0/65 for the first assumption. Because the observed statistics is more than statistics of test (0/65>0/50). We can say that H1 assumption would be approve with %95 confidence.

Assumption 2
There is no positive and significant relationship between the desire to overcome the competition and TQM=H0

There is positive and significant relationship between the desire to overcome the competition and TQM = H1

![H0 vs H1](image)

Table 2:
<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
<th>Ratio of test</th>
<th>Level of test</th>
<th>Result of test</th>
</tr>
</thead>
<tbody>
<tr>
<td>desire to overcome the competition</td>
<td>3≥</td>
<td>22</td>
<td>0/34</td>
<td>0/50</td>
<td>0/05</td>
<td>Assuming approval of H1</td>
</tr>
<tr>
<td></td>
<td>3&lt;</td>
<td>42</td>
<td>0/66</td>
<td></td>
<td></td>
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<td>64</td>
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</tbody>
</table>

The result of analysis from SPSS16 shows that the observed statistics is 0/66 for the first assumption. Because the observed statistics is more than statistics of test (0/66>0/50). We can say that H1 assumption would be approve with %95 confidence.
Assumption 3
There is no positive and significant relationship between creative and TQM = H0
There is positive and significant relationship between creative and TQM = H1

\[
\begin{align*}
H_0 &= P \leq 0.05 \\
H_1 &= P > 0.05
\end{align*}
\]

Table 3:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
<th>Ratio of test</th>
<th>Level of test</th>
<th>Result of test</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creative</td>
<td>3≥</td>
<td>21</td>
<td>0/33</td>
<td>0/50</td>
<td>0/05</td>
<td>Assuming</td>
<td></td>
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<tr>
<td></td>
<td>3&lt;</td>
<td>43</td>
<td>0/67</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>64</td>
<td></td>
<td>1/00</td>
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<td></td>
<td></td>
<td>3&lt;</td>
</tr>
</tbody>
</table>

The result of analysis from SPSS16 shows that the observed statistics is 0/67 for the first assumption. Because the observed statistics is more than statistics of test (0/67>0/50). We can say that H1 assumption would be approve with %95 confidence.

Assumption 4
There is no positive and significant relationship between follow the daring competing and TQM = H0
There is positive and significant relationship between follow the daring competing and TQM = H1

\[
\begin{align*}
H_0 &= P \leq 0.05 \\
H_1 &= P > 0.05
\end{align*}
\]

Table 4:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
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<th>Level of test</th>
<th>Result of test</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
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<td>follow</td>
<td>3≥</td>
<td>31</td>
<td>0/48</td>
<td>0/50</td>
<td>0/05</td>
<td>Assuming</td>
<td></td>
</tr>
<tr>
<td>the daring</td>
<td>3&lt;</td>
<td>33</td>
<td>0/52</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>competing</td>
<td>64</td>
<td></td>
<td>1/00</td>
<td></td>
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</tr>
</tbody>
</table>

The result of analysis from SPSS16 shows that the observed statistics is 0/52 for the first assumption. Because the observed statistics are more than of the test (0/52>0/50). We can say that H1 assumption would be approve with %95 confidence.

Assumption 5
There is no positive and significant relationship between the level of risk and TQM = H0
There is positive and significant relationship between the level of risk and TQM = H1

\[
\begin{align*}
H_0 &= P \leq 0.05 \\
H_1 &= P > 0.05
\end{align*}
\]

Table 5:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
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<th>Level of test</th>
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<th>Classification</th>
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</thead>
<tbody>
<tr>
<td>level</td>
<td>3≥</td>
<td>28</td>
<td>0/44</td>
<td>0/50</td>
<td>0/05</td>
<td>Assuming</td>
<td></td>
</tr>
<tr>
<td>of risk</td>
<td>3&lt;</td>
<td>36</td>
<td>0/56</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>64</td>
<td></td>
<td>1/00</td>
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</tbody>
</table>
The result of analysis from SPSS16 shows that the observed statistics is 0.45 for the first assumption. Because the observed statistics is smaller than statistics of test (0.45>0.50). We can say that H0 assumption would be approve with %95 confidence.

**Assumption 7**
There is no positive and significant relationship between control of costs in every companies and TQM = H0
There is positive and significant relationship between control of costs in every companies and TQM = H1

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
<th>Ratio of Test</th>
<th>of Level Test</th>
<th>of Result of Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>control of costs in every companies</td>
<td>3≥</td>
<td>38</td>
<td>0.59</td>
<td>0.50</td>
<td>0.05</td>
<td>Assuming approval of H0</td>
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<tr>
<td></td>
<td>3&lt;</td>
<td>26</td>
<td>0.41</td>
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<td></td>
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</table>

The result of analysis from SPSS16 shows that the observed statistics is 0.41 for the first assumption. Because the observed statistics is smaller than statistics of test (0.41>0.50). We can say that H0 assumption would be approve with %95 confidence.

**Assumption 8**
There is no positive and significant relationship between temerity in decision and TQM=H0
There is positive and significant relationship between temerity in decision and TQM=H1
Table 8:

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Classification</th>
<th>Number</th>
<th>Percent</th>
<th>Ratio of test</th>
<th>Level of test</th>
<th>Result of test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temerity in decision</td>
<td>3≥</td>
<td>20</td>
<td>0/32</td>
<td>0/50</td>
<td>0/05</td>
<td>Assuming H1</td>
</tr>
<tr>
<td></td>
<td>3&lt;</td>
<td>44</td>
<td>0/68</td>
<td></td>
<td></td>
<td>approval of H1</td>
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<tr>
<td></td>
<td></td>
<td>64</td>
<td>1/00</td>
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</table>

The result of analysis from SPSS16 shows that the observed statistics is 0/68 for the first assumption. Because the observed statistics is more than statistics of test (0/68>0/50). We can say that H1 assumption would be approve with %95 confidence.

**Limitations of the Research**

Among the limitations of this research we can mention to: lack of access to internal resources in the field of TQM by using the model of TQM over pharmaceutical companies, problems related to volume of sample and characteristics of study populations features. Because often pharmacists and pharmaceutical companies construct this population and because of being busy, it is too difficult to make them satisfy for participating in this research and filling the questionnaire.

**Conclusion**

We can conclude from the present result that there is a harmony among organizational strategy and TQM and organizational performance which TQM is used as an effective tool for developing the organizational strategy and improving performance (JEO, 1991).

There is a positive and significant relationship between TQM and differentiation performance (innovation process, innovation product and product quality) that shows TQM can consider as an effective tool for perform differentiation strategy due to achieving optimal organizational performance (Daniel et al., 2006).

TQM represent inverse relation between quality and cost and that means: as quality release, costs decrease too and this subject is compatible with leadership cost strategy that is the decrease of cost present (JEO, 1991).

**REFERENCES**


Research Article


