

**THE EFFECTS OF TOTAL QUALITY MANAGEMENT APPROACH IN GAINING
COMPETITIVE ADVANTAGE OF SMALL AND MEDIUM SCALE ENTERPRISES:
EVIDENCE FROM SMEs OPERATED IN GAMPAHA DISTRICT**

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Abstract

Quality perceptions play a vital role in determining customer satisfaction and the operational efficiency of the enterprises. The application of quality standards would support the enterprise not only to be profitable but also to be sustainable. The study encounters the nature of competitive advantage gained by small and medium scale enterprises (SME) that perceive and adopt total quality management to sustain in the market. The study emphasizes the major coherent concepts of total quality management comprised of customer focus & communication, training & education, work environment & culture, continuous improvement, leadership, supplier quality management, resource management, and process improvement. The study identifies the influence of TQM on enterprises in terms of profit and existence. Further, it empirically examines the most influential element of Total quality management, which needs to be focused much by the SME's and suggests the enterprises adopt the suitable TQM to gain competitive advantage in the prevailing context. A sample of 260 enterprises was used through a representative random sample method out of 3653 registered SMEs operating in Gampaha from the fast-moving consumer goods industry. A case study approach aided with quantitative techniques has been applied as the research design. Primary as well as secondary data collection methods were used along with descriptive and inferential techniques. The study highlighted the significant influence of customer focus, continual improvement, and resource management towards the success of business ventures in terms of gaining a competitive advantage. The study suggests that the enterprises should concern quality attributes, technology adoption and customer-oriented approach, and supplier network in generating a competitive edge at a noteworthy level. Entrepreneurial orientation that reflects the quality management approach would benefit the enterprises, customers, and society.

Keywords: Competitive advantage, Sustainability, Total quality management, SME