Investigating the role of TQM Focused SCM Practices on Knowledge Management and Competitive Advantage: Textile sector of Pakistan

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Abstract
The increased competition at market place leads companies to strive and develop new mechanism to attain competitive position in the market. It is observed that the major focus of the knowledge management is only on the hard side like to manage financial transaction, cost etc., while the present study focuses on soft side of the knowledge management for which only scant knowledge is available. Textile industry is considered to be the back bone of the economy of Pakistan, therefore it is considered for testing the conceptual model. On the basis of existing literature and theories available on the constructs indicated in proposed models, 4 hypotheses have been formulated. Quantitative research has been carried out for testing of these hypotheses. The textile is the largest sector and therefore cannot be covered entirely due to the consideration of time restriction, geographical limitation (in terms of transportation cost) to access it. Therefore, the main concern of this research study is to evaluate Knowledge Management by integration phenomenon in the textile sector of Pakistan, which are listed in APTMA. Thus, the researcher is permitted to conduct study only in the particular textile firms located in Pakistan. Sample size of the present study is 350 middle and top level employees from different cities of Punjab. SEM multivariate analysis techniques is employed for exploring the linkage between indicators and latent variables. Hypothesized linkage is explored via AMOS software, which is divided into two phases, CFA model and structural model analysis used for assessing the absolute model fitness. The findings illustrated that KM phenomenon and
competitive advantage is positively and significantly linked with TQM focused SCM practices. Besides this, certain limitations and contribution of the study, managerial implications and future directions are also provided in order to get deep insights into the unexplored areas which are not covered in this study.

Keywords: TQM Focused SCM practices, Knowledge Management, Competitive Advantage, Integrated Model, Interrelations with Management approaches, Textile Sector

I. Introduction

In rapidly changing business circumstances, companies are required to emphasize on knowledge management practices in order to make ascertain company’s growth and long term survival. The companies are required to preserve the synchronous resources in order to attain magnanimous organizational performance (Harrison et al., 2001). The firms can easily encounter the competitive situations by adequately organizing their knowledge stock and in order to achieve this, it is required to create and disseminate knowledge appropriately (Derick & Cool, 1989). It is observed that the formation of knowledge management capabilities contains various stages that include creation, dissemination and application of knowledge in the organization. Effective utilization of knowledge management in the organizations help firms to segregate its products and services from those offered by their competitors. The degree to which an organization adequately organizes its knowledge repository is dependent on its capability to learn through acquisition of knowledge. The acquisition of knowledge enhances operational capability and foster innovation and development in the organization and also influences on the company’s growth and prosperity. Moreover, application of knowledge in the functional domain of the organization is an excellent means to upsurge their functional capabilities. Along with all the illustrated aspects, it also helps to influence creativity and innovation, TQM and the KM system have gained the substantial importance in research studies (Hung et. al., 2011). In past, total quality management was considered as the important management principle that helps organizations to achieve organizational performance (Feng et. al., 2006). Consequently, large numbers of research studies have investigated the association among total quality management and organizational creativity and innovation (Abrunhosa & Moura E Sá, 2008; Hoang et. al., 2006).

Despite the fact that immense research has been conducted on SCM and TQM, relatively little attention has been paid on the outcome of these two sides towards knowledge management (KM). Therefore, further research is required to probe into the links between KM practices, knowledge processes and organizational competiveness (Keng, Pei, & Alain 2009). The textile industry is one of the most important sectors of Pakistan. It contributes significantly to the country's GDP, exports as well as employment. It is, in fact, the back bone of Pakistani economy.
Although the significance of HRM practices in SCM field is gaining increased attention and recognition, empirical research on the interface between HRM and SCM remains scarce (Fisher et al., 2010; Hohenstein et al., 2014) and important issues remain unexplored. First, SCI has been recognized as the central tenet (Sweeney, 2013) and key value-creating activity in SCM (Horvath, 2001). Compared with other TQM activities, TQM highlights building close relationships with supply chain partners and collaborative workforces within companies. This makes TQM rely more on human resources to succeed. However, research on linking SCM to TQM is rare. Thus, it is critical to examine the effect of TQM on SCM practices.

II. Literature Review

A. TQM Focused SCM Practices and Knowledge Management

Chang (2009) stated that competition among the organizations is getting stark in the area of supply chain since 1980’s. This competitive situation has forced companies to adopt TQM system in supply chain as it is considered essential for these company’s growth and long term survival. This study has illustrated the importance of total quality management practices in supply chain related to ISO 9000 that are employer empowerment, top management commitment, customer relationship, process development and management, continuous improvement, supplier collaborative relationship and empirical decision making. Danskin et al. (2005) illustrated the aim of his paper is to examine the knowledge management capabilities in textile sector by creating a linkage among knowledge management (KM) phenomenon, firm’s business strategy and overall business performance. This study demonstrated the phenomenon of creating, acquiring, preserving, organizing & regeneration of knowledge within and throughout the supply chain. A published research inquired about how the Invista management firms uphold the knowledge by developing the relationship with downstream members of textile sector. In depth interview helped in evaluating the level of the textile industry in knowledge management. Invista firms have initiated to develop the KM capabilities that assist them for gaining a sustainable competitive edge. By maintaining inside an organization, a KM system helps them to reduce knowledge segregation among various functional areas and encourage them to gain the advantage of tacit knowledge. By establishing KM base outside the organization, they can create strong relationship with their supply chain partners and that enhances the overall product quality. Proactive establishing an external knowledge base assist companies to acquire the advantage of organizational knowledge and knowledge related to their partners of supply chain. This study has illustrated the phenomenon of creating, acquiring, preserving, organizing & regeneration of knowledge within the companies and throughout the supply chain in order to achieve competitive edge.

Talib, Rahman& Qureshi (2011) illustrated the aim of this study is to indicate the key total quality management related practices and supply chain management process/practices by going through the study of previous researchers and illustrated the relationship between these two phenomena’s by differentiating the total quality management related practices and supply chain management practices.
A comprehensive review of these both phenomena is executed by going through the published research studies and few major total quality management practices and supply chain management practices are inquired. The researcher illustrated the key practices and then created a differentiation by comparing them in order to inquire the relationship established. The findings indicated 6 total quality management relationship related practices out of 50 and 6 supply chain management related practices out of 40. This study has established a comparison and illustrated that customer relationship, supply relationship and top management commitment are the major practices that is discussed in previous literature and having the positive and significant influence on the integration of these both processes in companies.

This research study has demonstrated the study of prior researchers and moreover experimental analysis has been performed on these 6 dimensions of TQM and SCM related practices for the purpose of generalizing the findings of study. This study has provided useful insight regarding the two stated practices that has directed companies for attaining desired outcome by the adoption of total quality management and supply chain management practices. An extensive literature is available on both the total quality management related practices and supply chain management related practices but the research study that discusses the integration phenomenon of these two practices is scarce. This is the foremost paper that has covered the gap in literature by illustrating the integration of total quality management related practices and supply chain management related practices.

B. Knowledge Management and Competitive Advantage

Nguyen (2010) illustrated that a high growth industries setup is attributed because of the effect of development, globalization and interrelationship, the companies are encountering competitive situation because of the transformation of the business competition with intensive complexity of the business environment. The major important strategic principles help companies to enhance their strategic competencies for controlling possibilities, among which is the knowledge management phenomenon. The structured creation, possessing, communicating and the application of knowledge helps companies to form, regenerate and utilize their knowledge assets and make them absolutely adjustable in the changing business and competitive environment for the purpose of achieving organizational success. Appearing as the influential power for achieving organization’s ambitious goal, knowledge management is broadly examined through previous studies and various opinions of experts. A limited work has been done to analyze business strategic assets or resource based view in order to help to assess the association between knowledge management and business competitiveness. However, research on the knowledge management phenomenon in the driving forces perspective is considered theoretical. Moreover, by reconsidering the empirical literature, it is illustrated that much confirmation is received in the circumstances of Western countries and developed Asian countries. The previous studies demonstrated that conceptual models on knowledge management are required to be modified according to the particularity of less developed countries business environment. Meihami and Meihami (2014) illustrated that knowledge management for surviving in competitive
environment is the most vital concept and the knowledge acquisition, technological advancement are the most logical factors for the companies in order to survive and grow. Knowledge Entrepreneurship phenomenon demonstrated to create work opportunities for the purpose of developing new and innovative product/service. The important attribute of intelligent organizations (IO) in 21st century is their stress on technology and knowledge creation related to business. Contrary to old companies, today’s companies focus on knowledge acquisition, knowledge management and utilizing knowledge to achieve effectiveness and pursue disparities. Knowledge management is the most important concept that transforms the business environment into a creative one. Andreeva and Kianto (2012) illustrated that at this time comprehensive literature is available on the prevailing knowledge management concept. Although there is scarcity of fact based study, which illustrates the relationship between knowledge management functions and organization performance. In order to narrow the gap in literature this study helps to investigate the relationship between knowledge management, organizational competitiveness and organizational performance. This research study formulated a theoretical model of knowledge management practices that comprise of information technology, creativity and human resource management.

III. Research Model & Hypothesis

![Diagram of Research Model](image)

Figure 1: Theoretical Framework for Total Quality Management Focused Supply Chain Management Knowledge Management and Competitive Advantage Model
Hypotheses

Four hypotheses, as mentioned below, are tested in textile companies of Pakistan. To investigate the impact of TQM-focused SCM practices, H1, H1a, H1b, H1c, H1d, and H1e. Hypotheses related to the impact of HR-focused TQM practices on knowledge management and competitive advantages are H2, H3, and H4. The detail of these hypotheses is described as follows:

**H1:** Total Quality Management (TQM) focused Supply Chain Management (SCM) practices have positive and significant impact on Knowledge Management (KM).

**H1a:** Customer Focus has a significant and positive impact on Knowledge Management.

**H1b:** Channel Leadership and positive impact on Knowledge Management.

**H1c:** Process Management has a significant and positive impact on Knowledge Management.

**H1d:** Continual Improvement has a significant and positive impact on Knowledge Management.

**H1e:** Supplier Relationship has significant and positive impact on Knowledge Management.

**H2:** Total quality management (TQM) focused Supply Chain Management (SCM) practices has significant positive impact on Competitive Advantage (CA).

**H3:** There is a significant and positive impact of Knowledge management on Competitive advantage.

**H4:** Knowledge management significantly mediates the relationship between Total quality management (TQM) focused Supply Chain Management (SCM) practices and competitive advantage (CA).

IV. Research Instrument

TQM focused SCM Practices TQM focused SCM practice scale was developed by Silla and Ebrahimpour (2005). It was also used by various researchers like Hietschold, Reinhardt and Gurtner (2014), Sabella, Kashou and Omran (2014), Kim, Kumar and Kumar (2012), these have been adapted and used in the study. All items will be measured on 5 point Likert Scale ranging from 1 = strongly disagree to 5 = strongly agree. Knowledge Management was developed by Darroch (2003) which consisted of three dimensional scales including knowledge acquisition, knowledge dissemination and responsiveness to knowledge will be adapted and used for the study.Competitive Advantage is measured by using multi-dimensions of the construct defined by Byrd and Turner (2001), including Price, Quality, Product innovations, Delivery dependability and Time to Market.

V. Data Collection

Textile industry was chosen for data collection, while unit of analysis is middle and top level management from firms situated in Punjab and Islamabad. Furthermore, cities from Punjab were selected like Faisalabad, Multan, Lahore and Multan. Questionnaire was used to collect data and convenience sampling was used. Different trade associations and bodies are working in Pakistan to smooth the
progress of the development and growth of this industry. Among them APTMA is one of the largest trade associations. It is found that three hundred and ninety-six textile companies are members of this association. 415 respondents are selected from the different cities of Punjab on the basis of proportionate sampling. From Lahore 268 respondents, Multan 47, Faisalabad 90, Chakwal 6 and 4 respondents from Rawalpindi city. Questionnaires were got filled on the basis of convenience sampling and the process was performed for the selection of rest of the respondents. A structured questionnaire has been intended for the collection of data.

VI. Data Analysis and Results

Data has been collected and analyzed through SPSS and AMOS. Direct and indirect effect has been used for the acceptance of hypothesis at significant 0.05 levels. Structural equation modeling is considered to be one of the most authentic techniques for path analysis. TQM focused SEM practice was found to have positive impact on Knowledge Management, overall model was fit and all values lies within acceptance range. Therefore H1, H2, H3 and H4 were supported by this analysis.
VII. Results and Discussion

For the stated hypothesis H1, the findings of this study illustrated that there is an impact of TQM focused SCM practices on KM that is positive and significant. The beta coefficient value that is 0.57 supports the findings of previous studies for the relationship between TQM focused SCM practices and Knowledge management that is significant at a level of 0.05. The illustrated significant path is in favor of stated hypothesis H1 and indicates that there is a positive as well as significant relationship among TQM focused SCM practices and KM. The results further authenticate the notion that how the important Supply Chain Management related practices such as customer focus, continuous improvement, process management and supplier relationship can improve organizational degree of knowledge creation & acquisition, dissemination and knowledge utilization. The findings of this research study are validated and justified as they are in accordance with findings of prior studies (Monczka, Monczka, Patterson & Giunipero, 2015; Chang, 2009; Talib & Rahman, 2014; Danskin et al. 2005).

For the stated alternate hypothesis H1a, the results indicated that Customer focus is the significant predictor of KM and also this aspect is positively associated with KM. Moreover, the findings of this research study are validated and justified as they are in accordance with findings of prior researchers (Murillo & Annabi 2014; Salomann, Dous, Kolbe & Brenner, 2015; Silla, 2007). Furthermore, the findings of this research study illustrated that there is a positive correlation among CS and KM as correlation coefficient is 0.39 with p value < 0.05. The beta coefficient is 0.41 with p value < 0.05 that declare the fact that the organization focuses more on customer, as higher the knowledge management system acquired in the organization. The mean value for customer focus is 0.45 and standard deviation is 0.585, which also points towards the consensus side and emphasized on the importance of customer focus that is considered by any firm most probably. Thus, Customer focus helps in shared understanding, goal congruency and improves Knowledge Management among functional areas, while organizations are in better position to judge customer preferences and is a source to enhance the organizational Knowledge Management.

For the alternate hypothesis H1b, the findings of this research study indicate that Channel Leadership is positively as well as significantly associated with KM. Moreover, the correlation coefficient among the two constructs also illustrates the positive and significant correlation that is validated with the r value that is 0.32 and p value < 0.05. Furthermore, the beta coefficient value of the relationship between Channel Leadership and KM is 0.67 at p value < 0.05 declares that Channel Leadership is considered as the major aspect and has its important part in KM. This illustrates that the firms should emphasize on Channel Leadership for improving knowledge management system that will eventually foster an organization growth. The findings of this research study are validated and justified as they are in accordance with findings of prior studies (Srivastava, Bartol, & Locke, 2015; Bartol & Locke, 2014).
For the alternate hypothesis $H_{1c}$, it is indicated in the current study results that there is a positive and significant relationship between PM and knowledge management. Moreover, the correlation coefficient is 0.48 at a significance level of 0.05 which also indicates that there is positive and significant correlation between the two constructs. Mean value for PM is 3.30 with standard deviation of 0.822 also pointing towards the consensus side and emphasized on the importance of process management factor that is considered by the management of firms most probably. Moreover, the significant relationship at a level of 0.05 with beta coefficient of 0.72 for the relationship illustrated in $H_{2c}$ hypothesis states that higher the focus of an organization on process management, greater the knowledge management system is maintained within the organization. The stress of the firm’s management on process management will develop a significant positive influence on the firm’s enhanced performance and reputation and this will also improve the final product quality that is delivered to the customer. Process management is established and maintained in a condition when there is less process variation in a scenario when the knowledge is created, disseminated and applicable regarding quality. As the process imbalance is reduced, the probability of getting defective product is also decreased consequently (Lee et al. 2001). The findings of this research study are validated and justified as they are in accordance with findings of prior studies (Stark, 2015; Burstein, 2015).

For the alternate hypothesis $H_{1d}$, it is indicated in the findings of this research study that there is a positive and significant relationship between continuous improvement and knowledge management. Moreover, the correlation coefficient is 0.48 at a significance level of 0.05 also indicate that there is positive and significant correlation between the two constructs. Mean value for continuous improvement is 3.90 with standard deviation of 0.539 also pointing towards the consensus side and emphasized on the importance of continuous improvement aspect that is considered by the management of firms most probably. Moreover, the significant relationship at a level of 0.05 with beta coefficient of 0.44 for the relationship illustrated in $H_{2d}$ hypothesis, states that higher the focus of an organization on continuous improvement, the more the knowledge management system is maintained and sustained within the organization. The knowledge management system that promotes the culture of innovation and development and also provides firms with the practices that predominantly control KM process for enhancing innovation, creativity, continuous improvement and foster organizational growth (Houssin, Caillaud&Gardoni 2010).

Hypothesis $H_{1e}$, that supplier relationship is significantly related with knowledge Management and findings of this current study also support the stated hypothesis. It is indicated that supplier relationship is significantly as well as positively associated with KM. Furthermore, the correlation among these two constructs is also illustrated to be positive as $r = 0.51$ at a significance level of 0.05. Supplier relationship mean value is 3.57 while standard deviation is 0.501 that also demonstrates the importance of this factor for any firm’s management as the SR is associated with collaboration, knowledge sharing and purchasing supplies with intention of producing quality products. The findings of this study also declare that
effective establishing supply chain management is linked with collaborative coordination with Suppliers. SCM system is also adequately managed for value creation as the value is added through acquiring, creating and sharing knowledge between value chain partners (Giannakis, 2008). The findings of this research study are validated and justified as they are in accordance with findings of prior research studies (Monczka, Handfield, Giunipero, & Patterson, 2015, Wisner, Tan & Leong, 2015).

Table 1: Summary of Hypotheses results H1 and H1a-H1e

<table>
<thead>
<tr>
<th>Connection Between Variables</th>
<th>Beta value</th>
<th>Critical Value</th>
<th>P value</th>
<th>Decision / Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\beta_1$ (KM$\leftarrow$CS)</td>
<td>0.41</td>
<td>8.53</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$\beta_2$ (KM$\leftarrow$CLS)</td>
<td>0.67</td>
<td>7.49</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$\beta_3$ (KM$\leftarrow$PM)</td>
<td>0.72</td>
<td>9.32</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$\beta_4$ (KM$\leftarrow$CI)</td>
<td>0.44</td>
<td>6.78</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$\beta_5$ (KM$\leftarrow$SR)</td>
<td>0.63</td>
<td>8.53</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$\beta_6$ (KM$\leftarrow$TSCM)</td>
<td>0.57</td>
<td>10.12</td>
<td>0.00</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note ET= Process Management, CS = Customer Focus, CLS = Channel Leadership, CI = Continuous Improvement, SR = Supplier relationship, KM = Knowledge Management

For the H2 and H3 hypotheses, it is to explore the relationship (Table 3) among TQM focused SCM practices and competitive advantage (CA). The findings illustrated that there is a significant influence of TQM focus SCM practices on CA. Furthermore, beta coefficient value is 0.81 with p value of < 0.05, demonstrated that there is positive as well as significant linkage among TQM focused SCM practices and competitive advantage, thus supporting H3 hypothesis. Moreover, t-value of 12.67 that is above the threshold level of 1.96. In case of proposed hypothesis H3, it is to explore the association among Knowledge Management and competitive advantage (CA). The results illustrated that there is a significant impact of Knowledge management on CA. Furthermore, beta coefficient value is 0.69 at a significant level of 0.05, illustrated that there is direct positive and significant relationship among Knowledge management and competitive advantage, thus accepting H5 proposed hypothesis. Moreover, t-value of 14.72 that is above the threshold value of 1.96, therefore revealing the significant influence of the variables being analyzed.

Table 3: Summary of Hypotheses results H2-H3

<table>
<thead>
<tr>
<th>Connection Between Variables</th>
<th>Beta value</th>
<th>Critical Value</th>
<th>P value</th>
<th>Decision / Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\beta_1$ (CA$\leftarrow$TSCM)</td>
<td>0.81</td>
<td>12.67</td>
<td>0.00</td>
<td>Supported</td>
</tr>
<tr>
<td>$\beta_2$ (CA$\leftarrow$KM)</td>
<td>0.69</td>
<td>14.72</td>
<td>0.00</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Note. TSCM=TQM focused SCM practices, CA= Competitive Advantage, KM= Knowledge Management
Hypothesis H4 is analysed that illustrates that KM significantly mediates the association between TQM focused SCM practices and competitive advantage. The results illustrated that impact of TQM focused SCM practices on competitive advantage is demonstrated to be significant as depicted by beta coefficient value = 0.403 and p = 0.002, while after mediation effect of KM among linkage of TQM focused SCM practices and competitive advantage, beta coefficient value = 0.242 at significance level of 0.001, still illustrated to be significant but marginal decrease in the beta coefficient value is indicated. It is found that after entering the mediating variable the indirect effect still found to be significant with beta coefficient = 0.274 with p value= 0.001. This confirms that KM acts as a partial mediator in the association of TQM focused SCM practices and CA and thus H4 hypothesis is partially supported.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Total Effect (C)</th>
<th>Direct effect (C')</th>
<th>Indirect effect (ab)</th>
<th>Result</th>
<th>Mediation level</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSCM-KM-CA</td>
<td>β = 0.403</td>
<td>β = 0.242</td>
<td>β = 0.274</td>
<td>Significant</td>
<td>Partial</td>
</tr>
<tr>
<td></td>
<td>p = 0.002</td>
<td>p = 0.015</td>
<td>p = 0.001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TSCM = TQM focus SCM practices; KM = Knowledge Management, CA = Competitive advantage ***p ≤0.05

VIII. Findings of the study

All of the TQM focused SCM practices are explored in relation with knowledge management individually by employing SEM model which shows that these factors demonstrate positive as well as significant impact in current research study. This model is developed to test against the obtained measurement and illustrate how model fits the data and the presence of fit between the variables. It is utilized for being the systematic technique. It is prescribed to be adopted because of its compatible characteristics as it is assumed to create greater influence and benefits as compared to other approaches (Seaman & Eves, 2014; Robertson and Hammersley, 2000). KM phenomenon is positively and significantly linked with TQM focused SCM practices, when test is performed separately and compositely.

VIII. Managerial Implications and Recommendations

The results of this research provide significant managerial implications and recommend the course of action for the purpose of flourishing and to take advantage from KM activities. Firstly, management of the organization is not only required to assure optimal effort within the firm to receive the advantages in respect to SCM competitiveness but also optimal efforts are required to be associated with suppliers and customer integration to better establish knowledge management system. Secondly, management of the firm is required to create an environment of promoting organization culture that will enhance the association with knowledge management. If firms establish and give adequate importance to the course of action such as continuous improvement workshops, team building activities, recreational activities, on-site visit that will nourish the firm’s relationships, the relationship with HR and
relationship with the external members i.e. suppliers and customers, they can get tremendous output of their firms. It is, not only considered, as an aspect for sharing knowledge assets but also create an organization culture where every individual attempt to understand the wants and needs of customers and also able to utilize the firm resources in a more effective manner. Lastly, the managers of the firms are required to ensure that an organization concentrates on market and external positioning and creating a fit with outside environment. Firms are also required to give adequate importance to innovation, creativity, flexibility, diversity, readiness to adopt change. If a company owes the cultural attributes, which are market focused and developmental based cultural types, it will eventually promote KM within the organization. Therefore, by having strong TQM focused SCM practices, organizations can compete in this competitive environment.

IX. Limitations and Future direction of the Research

Data has been collected through only Textile sector of Punjab and Islamabad area, in future it may be collected from other regions as well. This Study contains cross sectional data, in future longitudinal data may be used for conducting this study. In future, other variables like marketing, I.T, infrastructure etc., can be taken for further study. Future study is required to explore the framework that reconfirms and justifies this comprehensive and integrated model in other sectors.

X. Conclusion

It is deduced from this research study that the TQM-focused SCM practice has positive influence on Knowledge Management and Competitive advantage. Likewise, knowledge management also improves supply chain capability by controlling expenses, effective performance and flexible operations that make certain customer relationship management, which is assured by customer integration that includes knowledge sharing with the customer through electronic means and also provides customers’ access to all the valuable information. This phenomenon decreases transaction cost, simplify distribution process, create a positive image, improves customer services, creates value and reduce supply chain cost and results in responsive value chain. Findings illustrated the significant impact of TQM focused SCM practices on the value chain performance and capability. Likewise, TQM focused HRM practices is having a significant influence on KM system. This study validates the fact that by creating a strong relationship with the prospective suppliers is indicated to be beneficial in respect to performance, cost effectiveness, operation flexibility and value chain responsiveness. Findings of this research study also state that Knowledge management significantly mediates the relationship between TQM focused SCM practices and competitive advantage. This restates the particular fact that the firms not only require to assure the optimal adoption of knowledge management to take the advantage of companies outstanding performance but KM applications are also associated with competitiveness enhancing the firm’s competency and survival in terms of innovation & creativity, product quality, cost effectiveness, delivery dependability and new product time to market.
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