Strategic Management of Human Resources and Quality in the Organization

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Abstract — **The report examines the strategic Human Resource Management (HRM) and Quality Management System (QMS) in the organization.**

Keywords — **Human resource management, Strategic management, Critical success factors, Quality management system, model**

I. INTRODUCTION

Globalization, technological development, and changes in economic and social reality have introduced a new concept of human capital development. The change in human capital management policies is a challenge for organizations because it requires the development and implementation of management approaches that, on the one hand, reflect institutional values and a vision for development and, on the other hand, are in line with the needs of personnel. Strategic human resource management (HRM) focuses on decision-making related to the relationship between an organization's strategic development and its human capital (Armstrong, 1996). Strategic human resource management determines the organization's development direction and how it will develop its human capital to achieve its short- and long-term goals. It is argued that since people ultimately implement the strategic plan, top management should consider this key factor when developing corporate strategies. Strategic human resource management is an integral part of these strategies. It is further argued that a firm's strategic capability – achieving sustainable competitive advantage – depends on its ability to provide resources, and people unequivocally constitute the primary resource.

II. STRATEGIC HUMAN RESOURCE MANAGEMENT

is defined as an approach that allows dealing with various problems arising with personnel as part of the overall strategic management of the business. This management addresses several issues related to organizational effectiveness, organizational culture, finding a balance between organizational effectiveness and performance, and achieving alignment between resources used and change management. According to Wright and Snell, strategic human resource management in business refers to "those personnel management activities that are used to support the firm's competitive strategy" (Wright & Snell, 1989, 203). Another business-oriented definition is from Miller "Strategic human resource management covers those decisions and actions that affect the management of employees at all levels of the business and that are aimed at creating and maintaining a competitive advantage" (Miller, 2019, 46). Walker defined strategic human resource management as "a means of 'aligning' human resource management with the strategic content of the business" (Walker, 1992), and Boxell5 expressed the opinion that "the critical interests of human resource management are integrated into strategic management of every business" (Boxall, 1994, 32). There are different perceptions about the nature of human resource management. Some authors believe that they are valid for the general positions of management, others give their preferences to the components of human resources management, and still others to the principles on which it is implemented. Usually, the essence is also sought by juxtaposition with personnel management. Human resource management is a system of activities that fulfils company goals by adequately providing various labour resources. It is identified with recruitment, retention, movement, training, evaluation and promotion, release and effective utilization of personnel.

The management of people in organizations is undoubtedly related to many things: the selection of the company's personnel and the creation of teams, the assignment of tasks, the reporting of results by evaluating the work performance of each member of the staff, remuneration, efforts and results of work, training and the professional development of staff members, as well as other aspects of human relations in labour activity (Borisova, 2023; Borisova, Sv. 2020). Managers (or most of them) undoubtedly understand that managing people is overcoming chaos and replacing it with order, conditioned and created by their drive to achieve efficiency of activities and processes in the company. To manage people means, first, to influence them in such a way that managers and managers jointly achieve the previously set goals of the company (Borisova, Sv. 2020). According to Yosif Iliev, "the modern management of the company's human resources can be characterized by directing the behaviour of people at work in such a way that what the company needs, its members can, want and do as best as possible staff" (Iliev, 2001) The skills and ability of staff members, as well as their willingness and desire to perform their work as well as possible, are a significant indicator of efficient management of people, including an indicator of harmony between the interests and goals of the firm on the one hand

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and the interests and goals of its personnel on the other. Organizations can only develop their full potential by realizing the potential of their employees. Profits and return on investment are essential to the existence of business organizations, but the perception of personnel as an expense must be changed. Strategic human resource management is based on the concepts of human resource management and strategic management. It can be seen as a continuous process consisting of a series of activities, i.e. strategy formulation, strategic planning, implementation, review and updating. There are different definitions: Strategic management is a set of decisions and actions leading to formulating and implementing strategies designed to achieve organizational goals (Kanter, 1984). Strategic management deals with policy decisions affecting the entire organization, the overall goal being to place the organization in such a position to deal effectively with its environment (Ishikova, 1988). Strategic management means that managers look ahead to what they must achieve in the medium or relatively long term. While, as Fombrun et al. put it, they recognize the fact that businesses—like managers—must perform well in the present to succeed in the future, managers are concerned with the broader issues they face and the general directions they should follow in dealing with them and achieving the long-term goals. They do not take a narrow or limited view. Strategic management deals with both management goals and the means to achieve them. As a goal, it describes the vision of how something will look like in a few years. As a means, it shows what the expectations are for this vision to be realized. Strategic management is, therefore, visionary management concerned with creating and conceptualizing ideas about where the organization should go. However, it is also an empirical rule that describes how, in practice, it will get there. Strategy is a means of creating value, and the starting point is top management's vision for its achievement. Therefore, the focus is on identifying the organization's mission and strategies, but attention is also paid to the resource base necessary for success. Managers who think strategically have a broad and long-term view of where they are going. However, they will also realize, first, that they are responsible for planning how resources will be allocated to the capabilities contributing to the implementation of the strategy and, second, for managing those capabilities to add substantial value to the results achieved by the company.

Key Concepts of Strategic Management:

• Competitive advantage – the result of the company's value creation for customers. To achieve this, firms choose markets where they can be ahead of others and are a moving target for their competitors, constantly improving their position.

• Resource discovery – it is necessary to maintain the strategic fit between resources and capabilities. Successful firms have "distinctive competencies" that determine whether they are good and the degree of uniqueness regarding available resources or capabilities.

• Critical success factors – the "leading" areas of corporate performance that are vital to achieving the organization's goals.

• Synergy – occurs when the combined performance of a company's resources is greater than the sum of its parts. Formulation of strategies Strategic management primarily refers to the formulation of business strategy. This is defined by Miller15 as: A market-driven concept influenced by product and market considerations and aimed at achieving competitive advantage (Miller, 1989). The school of human relations places the needs of employees as the starting point in making decisions to increase motivation and productivity at work. Personnel management, in turn, "administers" several specific personnel activities previously the responsibility of either the owner or the general manager. Typical activities for personnel management are advertising vacancies, collecting applicant documents, drawing up employment contracts, calculating salaries, and organizing employee training.

Analysis of two factors that have a powerful influence on the final results. These are the "Stakeholders" who are interested in the results of HRM - management, shareholders, employees, trade unions, and public groups, and "Current situation" - personnel characteristics, business goals, business strategy, labour market, laws, technology and societal values. Development of a general HRM policy and implementation of specific management activities for selection, training, work evaluation, forms of motivation and rewards, dismissal, and organization of work. Fulfilment of four goals facing HRM: empathy, compatibility (harmony), competence and efficiency of human resource management. Achieving long-term results focused on three areas: the company's employees' well-being, organizational effectiveness and public well-being. Following the logical connections between "factors" - "HRM policy and activities" - "HRM goals" - "long-term goals" - "factors". The graph above shows that the HRM policy and the HRM management activities themselves are not arbitrary but depend on what the analysis of the two sets of factors shows. There is also a feedback loop in overall management – long-term goals influence both factors. The interests and expectations of the interested groups are changing, and the situation inside and outside the company is also changing. In other words, HRM policy, management activities and objectives are variables.

III.QUALITY MANAGEMENT – THE BASIS FOR SUCCESSFUL MANAGEMENT OF THE ORGANIZATION

Quality management is exercising control over all activities and tasks that must be performed to maintain the desired level of excellence. This includes setting a quality policy, establishing and implementing quality planning and assurance, and quality control and improvement. Specific to quality management, it focuses on long-term goals by implementing short-term initiatives. Quality management is a business philosophy that supports the idea that a company's long-term success comes from customer satisfaction and loyalty. Quality management requires all business stakeholders to work together to improve processes, products, services and the company's culture. Quality management consists of four key components (Olkiewicz, 2023):

• Quality planning – identifying quality standards related to the project and deciding how to meet them.

• Quality improvement – the purposeful change of a process to improve the confidence or reliability of the result.

• Quality control – the ongoing effort to maintain the integrity and reliability of the process to achieve a result.

• Quality assurance – the systematic or planned actions required to offer sufficient reliability so that a specified service or product meets specified requirements.

Quality management aims to ensure that all stakeholders in the organization work together to improve the company's processes, products, services and culture to achieve long-term success that results from customer satisfaction. The quality management process includes guidelines that are developed by a team to ensure that the products and services they produce meet the correct standards or are fit for purpose. The process begins when the organization sets quality objectives that must be achieved and agreed upon with the customer. The organization then determines how the objectives will be measured, takes the necessary actions to measure quality, identifies any problems that arise and initiates improvements. The final step involves reporting the overall level of quality achieved. The process ensures that the products and services produced by the team meet customer expectations.

The International Quality Management Standard defines several quality management principles. The stated principles are used by top management to guide the organization's processes towards improved performance. These include (Al-Qahtani, 2015):

• Customer focus – the primary focus of any organization should be to meet and exceed customer expectations and needs. When an organization can understand current and future customer needs and cater to them, it leads to customer loyalty and increased revenue. The business is also able to identify new customer opportunities and satisfy them. When business processes are more efficient, quality is higher, and more customers can be satisfied.

• Leadership – good leadership leads to the success of the organization. Outstanding leadership creates unity and purpose among the workforce and shareholders. Creating a compelling company culture provides an internal environment that allows employees to fully realize their potential and actively engage in the achievement of company goals. Leaders must involve employees in setting clear organizational goals and objectives. This motivates employees who can significantly improve their productivity and loyalty.

• Staff engagement – staff involvement is another key principle. Management engages staff in creating and delivering value, whether full-time, part-time, outsourced or in-house. An organization should encourage employees to constantly improve their skills and maintain consistency in their activities. The principle also includes empowering employees, involving them in decision-making and recognizing their achievements. When people are valued, they perform to their best potential because it boosts their confidence and motivation. When employees are fully engaged, it makes them feel empowered and accountable for their actions.

• Process approach – emphasis is placed on achieving efficiency and effectiveness in organizational processes. The approach includes the understanding that good processes lead to improved consistency, faster activities, reduced costs, elimination of inefficient activities and continuous improvement. An organization improves when leaders can manage and control the organization's inputs and outputs and the processes used to produce the results.

• Continuous improvement – every organization should set a goal to participate in continuous improvement actively. Businesses that continuously improve experience improved productivity, organizational agility, and an increased ability to embrace new opportunities. Enterprises must be able to create new processes and adapt to new market situations continuously.

• Evidence-based decision-making – businesses must adopt a fact-based approach to decision-making. Businesses that make decisions based on verified and analyzed data better understand the market. They can perform tasks that lead to desired results and justify their past decisions. Factual decision-making is vital to help understand cause-and-effect relationships and account for potential unintended outcomes and consequences.

• Relationship Management – Relationship management is about creating mutually beneficial relationships with suppliers and retailers. Various stakeholders can influence the company's performance. The organization must manage the supply chain process well and foster the relationship between the organization and its suppliers to optimize their impact on the company's performance. When an organization manages its relationships with stakeholders well, it is more likely to achieve sustainable business collaboration and success. The benefits of quality management are related to helping organizations achieve greater consistency in their activities, increasing the efficiency of processes, reducing waste related to resources and time, helping improve customer service, and enabling businesses to continuously improve their products, processes, and systems.

The benefits of quality management include helping organizations achieve greater consistency in their activities, increasing the efficiency of processes, reducing losses related to resources and time, helping improve customer service, and enabling businesses to continuously improve their products, processes, and systems.

IV.INTELLIGENT SOLUTIONS FOR QUALITY AND HUMAN RESOURCE MANAGEMENT

Intelligent quality management solutions are based on the use of artificial intelligence. Artificial intelligence is about programming machines with a simulation of human intelligence to make them think and act like humans. Refers to a device that exhibits human traits, especially in terms of learning and problem-solving. Artificial intelligence makes quality management less time-consuming by creating a holistic approach to critical challenges, such as identifying potential causes of production problems, problems, and risks that could lead to failures, among many more. At the same time, it helps save resources and time while maintaining operational excellence. The application of intelligent systems in quality management is related to:

• Optimizing the preparation of documentation – documentation is one of the most time-consuming tasks in any organization. However, smart solutions enable the optimization of processes through advanced tools. For example, pre-made templates for standard documents, checklists and questionnaires can be used to save time and effort.

• Proactive Problem Solving – Through intelligent tools, organizations can collect vast amounts of data to identify quality problems before they occur by tracking early trends. They can take a proactive problem-solving approach to improve the quality of statistics in their results.

• Improved visibility – AI-driven tools and methodologies significantly increase process visibility. Intelligent solutions allow organizations to manage supply chain risks, perform risk analysis and use the most optimal production methods.

• Optimized process time – intelligent solutions are all about automating processes and workflows, which implies shorter process cycles, saving enough time for organizations to focus on core business activities.

Companies use smart HR solutions to digitize, automate and centralize HR activities and processes. An intelligent HR management system helps organizations manage and automate their core HR processes, such as employee data storage, benefits administration, time, leave and payroll. In addition, such systems provide talent management capabilities such as recruiting, onboarding, performance management, goal planning, training and development, and more. (Boon et al., 2019).

V.CONCLUSION

In conclusion, the quality management system of an organization is developed to satisfy the internal needs of the organization's management. It includes the organizational structure, procedures, processes and necessary resources for implementing quality management. Its scope should be consistent with achieving the set goals for quality improvement. It must be built in a way that, to the greatest extent, engages every member of the organization's team to achieve the set strategic goals. The report examines various aspects of quality and human resource management in today's highly technological and dynamic environment. The requirements for individualized industrial products and services, together with the need for more efficient use of resources, flexibility and speed of production processes, significantly increase the complexity of modern production systems, which sets new tasks in terms of tools in quality management. It can be assumed that the fifth industrial revolution or the cognitive era is a challenge for the modern industrial world and a direction for future research. Many of the concepts will be related and imposed, both by the requirements for individualized quality industrial products and by the need for more efficient use of resources. The cognitive era may be a turning point in human history, capable of changing the very structure of society and our existence. At the threshold of a new era, harmonising human and machine intelligence becomes a development imperative.

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