

## QUALITY AS A GLOBAL STRATEGY

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### **Abstract**

*Does this world, and the human community on Earth, have a unique strategy? If there is one, what is it like? If there is not, in which direction does the human community go? One of the main characteristics of the existing world, when we are talking about human communities, states and organizations, is dissimilarity. This dissimilarity is manifested in conflict of interests and extreme imbalance. This imbalance is the consequence of “non-quality” and the cause of crises, clashes, wars and other manifestation of destruction. It leads the world to suspense. Strategy as a plan, a pattern of behaviour, the main direction of the world, needs to represent something acceptable to the entire community worldwide and in what they are existentially interested. Is there a phenomenon that would be accepted by all on Earth in order to be considered a generally accepted strategy of the today's world? In this paper, using general and specific scientific methods of cognition, the author researches the phenomenon of global strategy and proposes that quality becomes a general unique global strategy of the today's world because it is a phenomenon that could be acceptable to all and from which everyone could benefit.*

**Key words:** *quality, strategy, imbalance, quality as a strategy.*

### **1. INTRODUCTION**

Every orderly and well managed organization has an orderly management system and this means, inter alia, that it has a clear mission as its basic purpose of existence or that it is aware of its social role. The management of a well ordered organization has a clear vision, a look into the future. The vision is realized by means of a clearly defined strategy. The strategy is operationalized in policies which materialize through realization of goals.

Is the world in which we live, and in what way, similar to an organization? May it be treated as a global management system having the same structural elements as an organization's management system? If such system exists, is it documented in an adequate way? What is its mission, does it have a vision, has it defined its strategy and what it is, does it have policies, clear objectives? Under which principles does it function? What is the decision making technology? Is it possible, considering the existing imbalances, conflicts of interest, different levels of development and unequal availability of resources, to define a unique strategy that would be accepted by all? Is the world we live in well managed?

## 2. GLOBAL IMBALANCE

Parts of the world, as well as countries, are at different levels of development of forces and relations of production. Differences are caused by numerous factors: historical, geopolitical, political, natural, relating to resources and so on. However, there are no significant reductions of these differences.

According to the IMF<sup>1</sup> the GDP<sup>2</sup> per capita in 2013 drastically differed from one country to another. The highest GDP per capita was realized in Luxemburg, 112,473 US\$, and in Norway 100,579 US\$. The lowest is recorded in Malawi 222 US\$ and Burundi 303 US\$. This means that Luxemburg realized GDP per capita which is 506.63 times greater than in Malawi, and Norway 331.94 times that of Burundi. According to the World Bank data for the same year differences are even greater: the highest GDP per capita was realized by Monaco, 163,026 US\$, and the lowest by Somalia 150 US\$, meaning that in 2013 the GDP per capita of Monaco was 1.086 times greater than that of Somalia. According to the GDP per capita the richest countries are the ones in Western Europe, the United States of America, Australia, Singapore and the countries of the Persian Gulf. The poorest countries as per this indicator are in Africa, the Indian subcontinent and Central America.

Poverty as a global problem of the world is the consequence of the mentioned differences in material riches of individual countries, or regions of the world. As indicated by the FAO<sup>3</sup> data, in 2012 there were 868 million of chronically underfed people in the world. According to the MDG 2012 Report<sup>4</sup>, 738 million people did not have safe drinking water, and 2,500 million did not have proper hygienic conditions for life. As per data presented by the UN Special Rapporteur<sup>5</sup> 1.600 million people in 2005 did not have adequate accommodation, or housing. The same number of people had no electricity.<sup>6</sup> In 2014 there were 758 million illiterate people over 15 years of age in the world, whereof 63% women.<sup>7</sup>

Although global institutions and various programs have tried and in some segments succeeded in reducing these drastic differences in quality of life of inhabitants in individual countries and world regions, as for instance the number of illiterate young persons, differences are still present and in some segments increasing. This leads to a conclusion that quality as a philosophy and way of life is not equally present in various parts of the world.

## 3. WHAT IS STRATEGY

The word „strategy“ (*Greek strategia*) means „the art about conducting war, war skills, book on war skills“.<sup>8</sup> „It may be defined as a plan, a pattern of behaviour, a competitive position and (or) a perspective integrating main goals, policies and sequence of actions of a company into a cohesive unit ... Strategy is a pattern of behaviour if it exists as a consistency in the behaviour of a company, regardless if this consistency is intended or not.“<sup>9</sup>

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<sup>1</sup> IMF – International Monetary Fund.

<sup>2</sup> GDP – Gross Domestic Product.

<sup>3</sup> FAO – Food and Agriculture Organization of the United Nations.

<sup>4</sup> MDG Report – The Millennium Development Goals Report 2012.

<sup>5</sup> United Nations Special Rapporteur, 2005.

<sup>6</sup> Energy-UN-Habitat, 2005.

<sup>7</sup> UNESCO Institute for Statistics, June 2016.

<sup>8</sup> Šime Anić, Nikola Klaić i Želimir Domović, Rječnik stranih riječi, SANI-PLUS, Zagreb, 1998, str. 1347.

<sup>9</sup> Grupa autora, „Leksikon menedžmenta“, (ur. Fikreta Bahtijarević Šiber i Pere Sikavica), Masmedia, Zagreb, 2001, str. 542.

„Strategy in economy is understood as setting long term objectives of a company and/or economy as a whole, as well as defining ways and methods of their realization. It is a science, even an art of using political, socio-economic and psychological supporting forces in carrying out strategic assignments.“<sup>10</sup>

Strategy, in the broadest context, should answer the question of how the world will achieve the set objectives, materialize the policies and contribute to realization of the vision. Especially in the conditions of global imbalances where objectives differ drastically: in some countries it is survival, while some other countries are directed to conquering the outer space.

These definitions let us identify the following basic questions to which the global strategy should give an answer: 1) what are the world's objectives, primarily long-term objectives; 2) what is the plan, i.e. what is to be done and how to act, and 3) what resources should be provided for and engaged for realization of these long term objectives.

### 3.1. Position of strategy in the management system

Strategy forms integral part of a management system. It is found within the first structural element of the management system which represents the documentary basis used to determine the entity's commitment.<sup>11</sup>

It represents *the way to achieve a goal (development plan)*. It is most frequently adopted for a medium or long term period. Strategy is in the function of realizing the vision and implementing the organization's mission. Mission and strategy are the two most important factors of any entity. The mission defines the purpose of existence. „Both mission and strategy must be ambitious, but also present a source of motivation that inspires and encourages people.“<sup>12</sup>

The management system (Figure 1) is identical for any organization regardless of its business activity or size. It consists of the same structural elements no matter what kind of entity is in question: factory, hospital, sports club, non-governmental association. There is a constant strong interaction among structural elements regardless of the awareness level of the management and the employees. „Vital question is the one about the level of awareness about the management system, or consequently, to what extent is the system managed.“<sup>13</sup> Is the world we live in also a management system? If it is, do the same rules apply to it as to the management system of any organization?

*Mission* of the world – not explicitly written. Does it mean that the world we live in has in fact no clear purpose of existence, or that this purpose is not recognized by people? The mission of the world could be defined as: „Maintenance of conditions for reproduction of life and the continuation of species“.

*Vision* of the world – not explicitly written, but may be derived from the Charter of the United Nations:<sup>14</sup> World without war in which basic human rights are observed, in which equal rights of large and small nations are in force, in which justice is maintained, all this promoting social progress and improving quality of life in larger freedom.

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<sup>10</sup> Vidoje Vujić, „Poduzetničke strategije i politika kvalitete,“ Zbornik radova 2. simpozija o kvaliteti *Put je cilj – kako do europske kvalitete*, Hrvatsko društvo menadžera kvalitete, Zagreb, Opatija, 1998, str. 11-19.

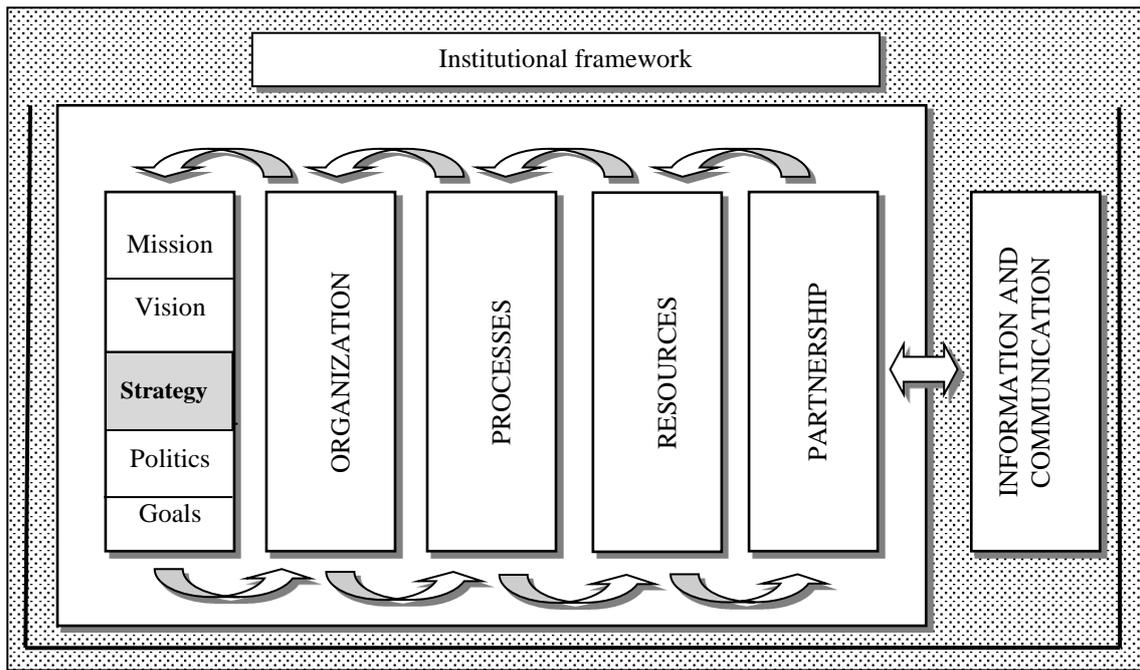
<sup>11</sup> Cf. Miroslav Drljača, „Konzistentnost misije, vizije, strategije, politike i ciljeva kvalitete“, Slobodno poduzetništvo, Br. 15-16, TEB, Zagreb, 2001.

<sup>12</sup> Pablo Cardona and Carlos Rey, *Upravljanje pomoću misije*, MATE, Zagreb, 2009, str. 127.

<sup>13</sup> Miroslav Drljača, „Kvaliteta kao strategija,“ Zbornik radova 18. međunarodnog simpozija o kvaliteti *Kvaliteta kao strategija*, Hrvatsko društvo menadžera kvalitete, Vodice, Zagreb, 2016, str. 13-32.

<sup>14</sup> The Charter of the United Nations was signed on 26 June 1945, in San Francisco, at the conclusion of the United Nations Conference on International Organization, and came into force on 24 October 1945.

Figure 1. Structural elements of the world as a management system



Source: Author.

*Strategy* – not explicitly written and it is not clear in which way the world realizes its vision, since wars have been led continuously for centuries, since basic human rights are not observed in some parts of the world, since there are no equality of large and small nations, since there are no justice for all nations and all people in the world, since in some parts of the world people cannot satisfy the basic existential needs and one cannot therefore talk about quality of life, and since many people in the world do not live in freedom.

*Policies* – result from the strategy. Since a global strategy is not clearly defined, it is not possible to clearly define policies.

*Objectives* – objectives and managerial targets present operationalization of policies. If there are no clear policies, no clear objectives can be set. However, some general objectives of the world may be found in the Charter of the United Nations, as the UN aims:

- Maintain international peace and security;
- Develop amicable relations among nations;
- Realize international cooperation by solving international problems of economic, social, cultural or humanitarian nature and by developing and encouraging observance of human rights and basic freedoms for everyone without distinction of race, sex, language or religion.

*Organization* – the world is organized in such a way that it consists of states which may join in supranational economic and political alliances, such as for instance the EU<sup>15</sup>, the NATO<sup>16</sup> and the like. Equally, supranational organizations such as the United Nations and

<sup>15</sup> European Union.

<sup>16</sup> North Atlantic Treaty Organisation.

institutions such as the International Court of Justice, etc. have been established by agreement of states. Such organization of the world presents efforts to realize general objectives.

*Processes* – natural and social processes are continuously going on in the world. As for social processes, we may talk about political, economic, sociological and other processes.

*Resources* – all natural resources, as well as all manmade goods.

*Partnerships* – countries of the world cooperate with each other establishing and developing economic, political, military, cultural, sports and other relations, in accordance with international law.

*Information and communication* – it is the lifeblood of the world's management system. Development of communicology and technology has enabled instantaneous availability of information and a possibility of communication with all interested parties in the world.

*Institutional framework* – international documents such as: the Charter of the United Nations, international treaties, declarations, international directives, but also national legal regulations of individual countries. All these documents govern relations among members of the international community.

#### **4. TYPES OF STRATEGY**

Division of strategies depends on its scope and area which it covers. They can be:

- General strategies and
- Special strategies.

General strategy may be supranational, as for instance „EUROPE 2020 – European strategy for smart, sustainable, inclusive growth“, relating to the EU member states. In the context of this research general strategy relates to the entire development of the world, taking into account economic development at the global level.

Special strategies are founded in the General strategy and according to their scope they relate to the so called sectoral strategies:

- Strategy of agriculture development;
- Strategy of industry development;
- Health care strategy;
- Strategy of public administration development;
- Strategy of education development, etc.

Further on, strategies may be divided at the international and national level to:

- Economic functional strategies;
- Management functional strategies.

Table 1. Types of strategies considering coverage

Considering coverage							
General	International						
	National						
Special	Sectoral	General	Strategy of agriculture development				
			Strategy of industry development				
			Health care strategy				
			Strategy of public administration development				
			Strategy of education development				
		Special	International National	Economic functional strategies	- production		
					- finance		
					- international trade		
					- human resource		
					- information		
	- IT system						
	- research						
	- development						
	Management functional strategies			- planning			
				- organization			
				- application of selected solutions			
				- control of selected solutions			
				- motivation			
- communication							
- decision making							
- improvement							
- quality management							

Source: Miroslav Drljača, „Kvaliteta kao strategija“, Zbornik radova 18. međunarodnog simpozija o kvaliteti *Kvaliteta kao strategija*, Hrvatsko društvo menadžera kvalitete, Vodice, Zagreb, 2016, pages 13-32.

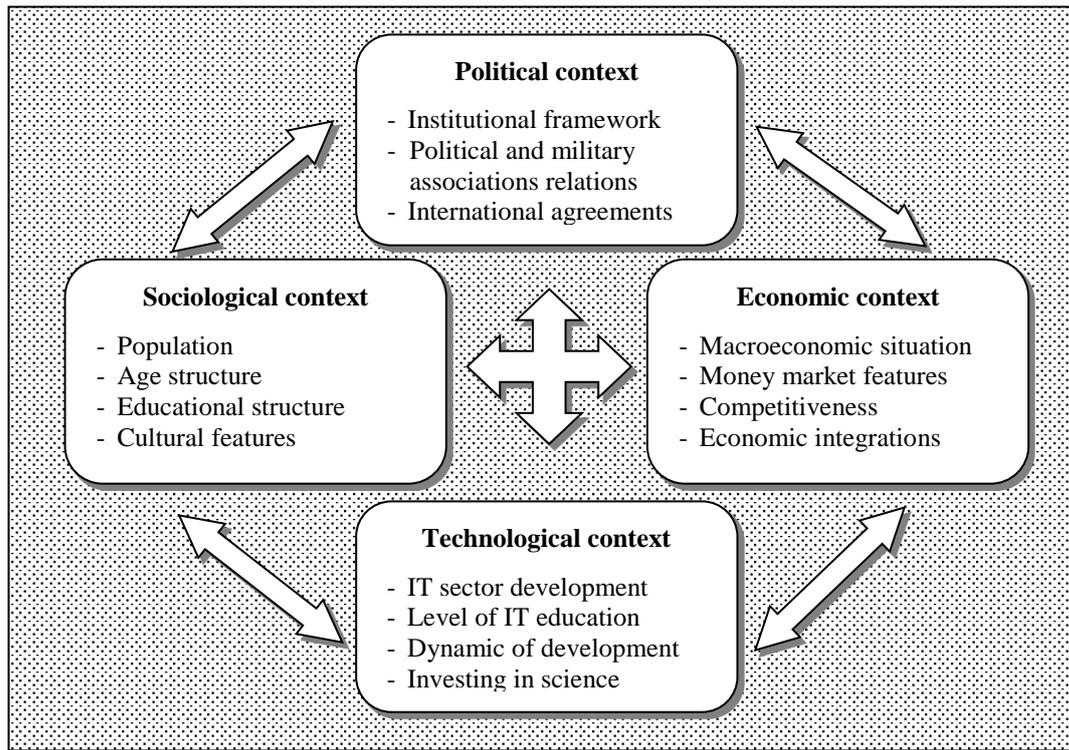
It is apparent from Table 1 that considering their scope strategies are divided to six levels: 1) General and Special, and resulting from them; 2) International, National and Sectoral, which are further divided into; 3) General and Special, where; 4) General are those relating to sectors, made by, for instance, activity scopes, and Special relate to International and National, which are then divided to: 5) Economic functional and Management functional strategies, further divided to; 5) economic functional strategies of business functions, and management functional strategies divided to strategies of management functions.

## 5. CONTEXT OF GLOBAL STRATEGY

The subject-matter of research in this paper is strategy at the global level, meaning the world. Therefore we can talk only about internal context of the global strategy. The reason for this is that the external context of the world, the outer space, is not relevant to this research because it does not affect establishing of the world strategy. The internal context relating to events and relations in the world is relevant, in this case within and among international integrations and individual states.<sup>17</sup>

<sup>17</sup> Cf. Miroslav Drljača, Marko Bešker, Josip Čiček, „Unutarnji i vanjski kontekst organizacije“, Zbornik radova 16. međunarodnog simpozija o kvaliteti *Kvaliteta i konkurentnost*, Hrvatsko društvo menadžera kvalitete, Zagreb, Opatija, 2015, str. 455-472.

Figure 2. Example of PEST analysis



Source: According to the criteria of PEST analyses, made by author.

By applying the PEST analysis, political, economic, technological and sociological internal context for the whole world is analysed (Figure 2).

When researching the *Political context* the Institutional framework should be thoroughly reviewed, whereby regulations and documents governing international relations should be in the centre of interest. For this context it is essential to review and understand relations among Political and military associations and be familiar with international treaties.

When researching the *Economic context* macroeconomic indicators and the situation in the world economy must be explored and interpreted, whereby also individual regions and areas of the world should be analyzed, as well as individual countries having significant impact on world economy. Money market features and movements in this market are also important for assessment and understanding of this context. Competitiveness is one of the basic characteristics of global economy and it requires understanding and adjustment of all participants in the global market.

*Technological context* is important for understanding global imbalances. When analyzing the Technological context, trends and causes of development of the IT sector in individual parts of the world as related to the Level of IT education should be taken into consideration. All this should be in relation to Investing in science. All structural elements of this context affect the Dynamic of development of individual parts of the world, countries and world economy in general.

*Sociological context* means research of world Population, both from the quantitative (number) and the qualitative aspect (Age structure, Education structure and Cultural features), since it is the indispensable resource of economic development.

## 6. QUALITY AS A GLOBAL STRATEGY

In order to understand the today's world and its history, one must start from the fact that certain countries and parts of the world differ in many ways, but also share numerous common characteristics and problems.

Table 2. Similarities and differences of individual countries and regions of the world

Similarities	Differences
<ul style="list-style-type: none"> <li>- Climate changes</li> <li>- The threat of a global war</li> <li>- Epidemics and incurable diseases</li> <li>- Environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>- Resources available</li> <li>- Degree of economic development</li> <li>- Self-defence ability</li> <li>- Degree of competitiveness</li> <li>- Degree of information</li> <li>- Degree of independence and sovereignty</li> <li>- Degree of democracy</li> <li>- Political, economic and sociological priorities</li> <li>- Quality of life (food, health care, education)</li> </ul>

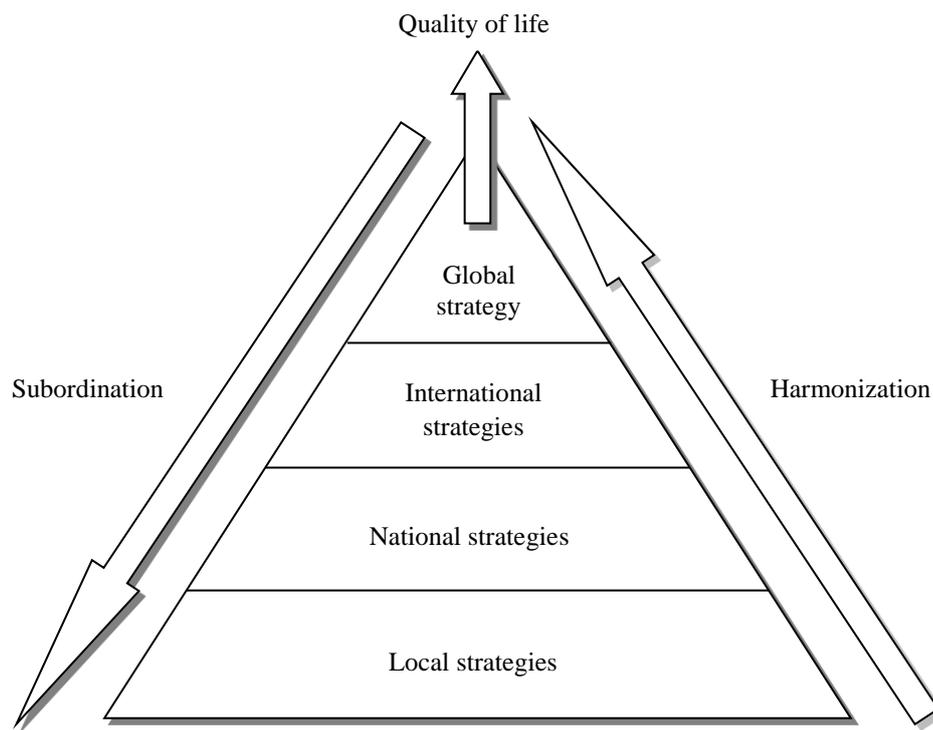
Source: Author.

It can be concluded from Table 2 that individual countries and regions in the world have less similarities than differences. Similarities refer primarily to common problems of everyone in the world, while differences refer to aspects generating global imbalances. These differences are so manifest that a possibility to define a unique development strategy that would have predominantly positive effect on all parts of the world may be put in question. Considering great imbalances and differences in numerous characteristics, a unique strategy as the main path, the way to realize a unique perspective, is a first rate question. Is it at all possible to define it? It should be formulated and defined in such a way as to be acceptable to all and to have a positive effect for everyone to an acceptable extent.

It is known that no political program or movement in the world has ever been accepted by all. Investigating what could be acceptable to everyone in the world within efforts to reduce global imbalances and improve the quality of life to everyone, the author has come to the phenomenon of quality as a possible global strategy.

Strategy has a hierarchy (Figure 3). Quality as a strategy should be defined at the global level. It would set a framework and strategic guidelines. International strategies or strategies of individual economic and political integrations and alliances would base their development strategies on principles and determinants of the global strategy. National strategies of individual countries in the world would also result from the global strategy and international strategies, and local strategies at the level of individual regions within individual countries as well as company strategies, would link to higher level strategies. The hierarchy set up in this way has two constants:

Figure 3. Hierarchy of strategy



Source: Author.

- a constant of *Subordination*, meaning adoption of public policies and objectives within the framework of the general development strategy and
- a constant of *Harmonization* of objectives and policies from the local level to the state level, or the Global strategy.

The phenomenon of quality fulfils all prerequisites to be the Global strategy.

### 6.1. What does quality as a global strategy mean

ISO 9000 defines quality as: „ ... degree to which a set of inherent characteristics of an object fulfils requirements.“ At every level, from the company, over the state, international economic-political integration, to the global level, quality should be understood in accordance with the quoted definition. To have quality as a strategy means the following:<sup>18</sup>

- at the company level put quality of product or service first, before profit;
- at the local level within an individual state, put quality of life of the citizens and conditions of business operations in the area before politics and particular interests of individuals or interest groups;
- at the level of each individual state put quality of laws and regulations and projects before interests of individuals or interest groups for the benefit of the citizens' quality of life;
- at the level of international economic-political integrations support and finance those projects, programs and companies that put quality of work and life before other interests of any interest group;

<sup>18</sup> Miroslav Drljača, „Kvaliteta kao strategija,“ Zbornik radova 18. međunarodnog simpozija o kvaliteti *Kvaliteta kao strategija*, Hrvatsko društvo menadžera kvalitete, Vodice, Zagreb, 2016, pages 13-32.

- at the global level adopt strategic determinants and documents and ensure political and other support to integrations, states and regions that promote quality as a business philosophy and way of life and provide for international supervision over improvement of quality of life in all parts of the world;
- quality is not responsibility and task of an individual or an individual group, but interest and task of all, every day, in each workplace or other place in which people act.

## 6.2. What need to be done

In order for quality to become a global strategy at all levels from the company to the global level of the world, it is necessary to do the following:<sup>19</sup>

- make a political decision that quality becomes development strategy at all levels;
- reach consensus about several strategic projects significant for development and quality of life of the population, both at the level of the country and at the international and global level, taking into consideration specificities and specific needs of individual parts of the world;
- make a new global system of values based on: work, honesty, knowledge, quality, competence, social responsibility, business ethics;
- adopt a general development strategy at the global level in order to create preconditions for application of continuous subordination and harmonization among lower strategies, as well as the lower ones with the general strategy;
- make strategies at the level of international economic-political integrations and states;
- define the methodology for strategy making;
- integrate quality management principles in every business process, project and venture;
- intensify education for quality at all levels;
- establish a system for rewarding the most successful ones in implementation of quality as a strategy, at all levels;
- communicate quality as a strategy to all interested parties, primarily citizens in all countries as the most interested party;
- provide mechanisms for implementation of the so defined strategies at all levels.

Every individual in every country, regardless of education and social status, may every day contribute to improvement of quality of whatever activity they perform. „This is important for psychological reasons. This concept does not allow shifting responsibility to someone else. Responsibility for quality is non-transferable. This approach enables relatively simple measuring of individual contribution to realization of the quality as a strategy concept. Quality as a strategy is not a condition, it is a process. Elements of this concept exist in numerous companies and countries worldwide, but they do not have a link to a global strategy. If we want quality as a strategy, a decision and commitment is necessary at all decision making levels in the world.

## 6.3. Which result can be expected

Adoption of a political decision at the global level about quality as a development strategy of the world would arouse the widest interest and discussion. Science should give its

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<sup>19</sup> Ibid.

judgment about it and help develop the concept. The only measure of success in realizing this concept is quality of life of population in individual regions of the world.

„Implementation of the quality as a strategy concept does not cost anything. What does cost is non-quality causing stagnation and imbalances at the global level. Losses caused by this exceed the investment in quality many times.“<sup>20</sup> The final goal of the concept of quality as a strategy is to increase competitiveness that will enable realization of the countries' missions at a higher quality level, in other words to ensure material wellbeing, freedom and equality, high level of security and democracy to all its citizens.

## 7. CONCLUSION

The world in which we live is full of contrasts: rich and poor, strong and weak, influential and insignificant, educated and uneducated, developed and underdeveloped, and so on. These contrasts have caused numerous conflicts throughout the history, and also today. The price paid by the human race for these contrasts and imbalances is huge. It is measured in millions of human lives. None of the known political programs have solved the problem. The reason for this is that neither a clear cause of imbalances has been determined nor the priorities. No concept has been found that would be acceptable to everyone in the world, and that would not interfere with integrity of any entity in the world. Every inhabitant of this planet can contribute to realization of such concept, every day while performing regular daily activities in the workplace, at school and so on. It is the concept of quality. This concept brings wellbeing to everyone. Differences in the level of development and power will always exist. It is an inevitability. However, they should decrease, and not increase. And they should exist, but not in greater level of quality of life for the poorest and the least developed. The author proposes quality as a global strategy and a concept that should be acceptable to all and that can reduce global imbalances.

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<sup>20</sup> Ibid.

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