THE PATH TO EXCELLENCE: A MANAGEMENT STRATEGY BASED ON PEOPLE

EL CAMINO HACIA LA EXCELENCIA: ESTRATEGIA EMPRESARIAL BASADA EN LAS PERSONAS

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ABSTRACT: To remain competitive both locally and globally companies must currently make great efforts to adapt to changes in technology, business, and law. A new business culture is growing, based on a number of fundamental principles including research, development, and innovation. This culture also entails integrating management systems to prevent risks at work, protect the environment, and maintain quality, professional ethics, leadership, values, intellectual capital, continuous improvement, and social responsibility.
People support this culture, workers being one of the main assets of companies. Human resources management will be the key to achieving sustainable development and business excellence.

KEY WORDS: management, safety, quality, environment, excellence

RESUMEN: Actualmente las empresas necesitan realizar grandes esfuerzos de adaptación a las modificaciones tecnológicas, normativas y de negocio, para seguir siendo competitivas y bien aceptadas en su entorno y en los mercados internacionales.
Surge una nueva cultura empresarial, basada en una serie de principios fundamentales, como la investigación, desarrollo e innovación, la integración de los sistemas de gestión de la prevención de riesgos laborales, de la calidad y del medio ambiente, la ética del trabajo, el liderazgo, la gestión de valores, la gestión del capital intelectual, la mejora continua y la responsabilidad social empresarial.
En esta cultura, sustentada en las personas, siendo los trabajadores uno de los mayores activos de las empresas, la gestión de los recursos humanos, será fundamental para alcanzar el desarrollo sostenible y la excelencia empresarial.

PALABRAS CLAVE: gestión, seguridad, calidad, medioambiente, excelencia

1. INTRODUCTION

In a global economy, it is difficult to adapt to the requirements of very different clients, as well as the contrasting legislative and regulatory contents of various countries.

Companies are increasingly active on a world-wide scale, but there are huge social and environmental inequalities between countries. Managers have to play a greater role to face these new concerns.

It will therefore be crucial to manage human resources effectively in terms of the intellectual capacity, training, attitude, and commitment of the workers. These are indispensable values for a company's future; they will lead to excellence.

To remain in the global market, the company will have to put into place management systems to ensure that clients have faith in the business structure and in the products manufactured. If the company's people and products are certified, it will grow in competitiveness and have qualitative values that can play a decisive role in its improvement.

Research, development, innovation, ongoing improvement, certification, new technologies, and

optimization of working methods will be pillars in increasing productivity, competitiveness, and business development. Thus a huge investment will be needed from the companies and countries involved.

2. IMPORTANCE OF A NEW MANAGEMENT CULTURE

Statistics confirm that there are still a high numbers of accidents and work-related illnesses in Spanish companies; an increase in dissatisfaction and psychosocial risk among workers are also detected.

It is also well known that levels of innovation and training are insufficient, as are worker participation in decision making. These have a negative impact on productivity and competitiveness.

However, there seems to be a growing awareness of the need for companies involved in foreign trade to apply international norms in social responsibility and sustainable development. Before they buy goods or services, clients will take into account whether a company has made this commitment to society.

The European Union has models that allow companies to develop management systems for quality, the environment, and prevention. These models in turn make it easier to implement integrated management systems.

In the EFQM (European Foundation for Quality) model of excellence (Figure 1), the concept of quality for a company is a value whereby the organizations satisfy the needs and expectations of the employers, workers, suppliers, and clients: in short, the whole society's expectations.

Management tools are available in Spain. Moreover, this country belongs to the European Union, where the social, national, and environmental policies are well structured and implemented. There are norms and regulations, as well as an infrastructure for quality control and industrial health and safety. Thus, in the EU, it has been possible to establish a unified system of certification. All these factors should lead to a marked improvement in business results here in Spain.

Following the EFQM model, in which the facilitating agents will lead to more satisfactory business results, the essential principles of a new culture could be represented in a similar figure (Figure 2). These principles may contribute to business success in its multiple facets.
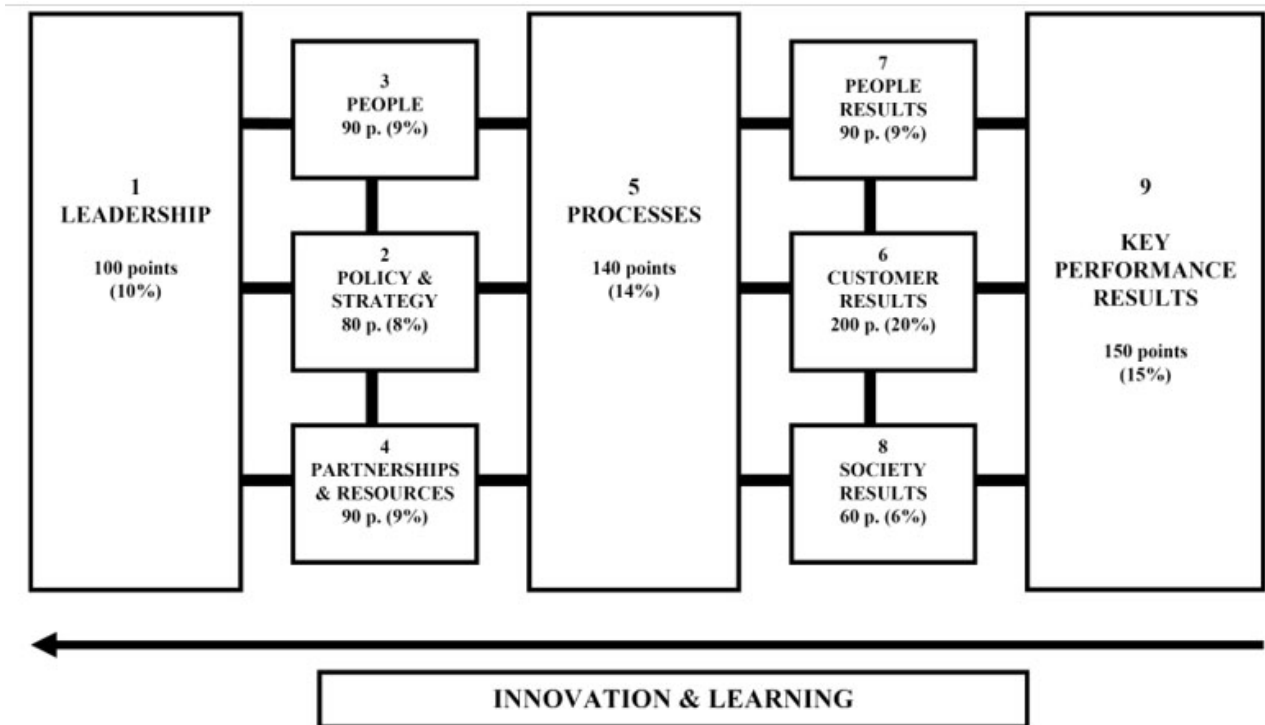

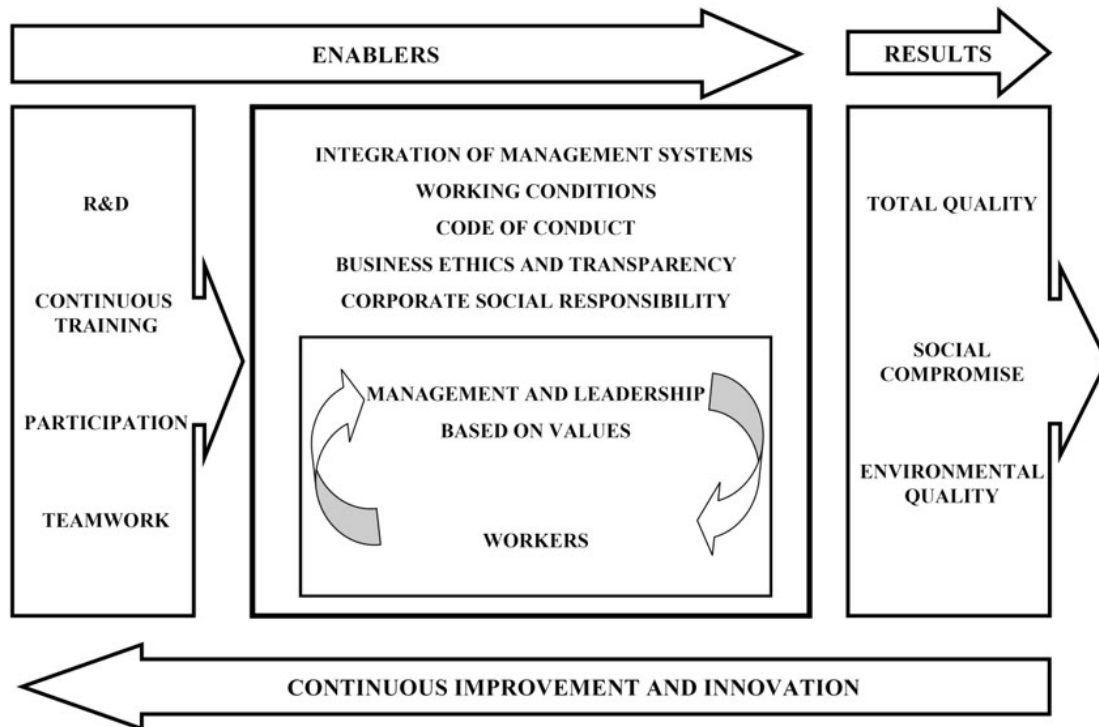**Figure 1.** EFQM model criteria for excellence

Figure 2. Relationship between main principles in the new company culture

3. FACILITATING AGENTS

3.1. Research, development, and innovation

The state and companies themselves must allocate more resources to research, development, and innovation.

Innovation is crucial to improving a company's productivity and competitiveness. It must take advantage of the best technologies on the market and adapt to the capacities of the company's workers. The company will need all the creativity and contributions that its workers can provide. At the same time, work conditions and worker's satisfaction are also boosted.

3.2. Continuous training

The continuous training at all levels in the company is another essential element in any process of change. It guarantees that a business develops.

The in-house training for a company must perfectly reflect the aims of an organization and meet the needs of the specific activity undertaken by each worker. In some cases, such as with high risk tasks, this training will often require a certification by an accredited agent. It is necessary to improve and increase the aptitudes and attitudes of the workers, allowing them to develop professionally and be in a better position to be promoted within the company.

3.3. Participation and team work

The company has to be competitive if it wants to remain in the market and keep growing. To achieve this it needs to establish and reinforce the channels of communication and participation at all levels, fundamentally in those aspects that directly affect workers.

However, nothing will be achieved without the involvement and cooperation of the workers. Team work has a positive impact on communication, participation, involvement, cooperation, continuous learning, organizational systems at work, job satisfaction, and the quality of the products manufactured.

Also contributing to these aims are the circles of quality and creativity. These circles make it possible for a company to develop and improve. Other positive

results are that a pleasant workplace is established, working conditions are improved, and prevention programs are integrated into a project of ongoing improvement. Moreover, the capacities and personal qualities of the workers are enriched, thus motivating them and leading to higher levels of satisfaction.

3.4. Integration of management systems

A business management system is a group of interrelated elements aimed at establishing a policy to attain the aforementioned objectives. With the management system envisaged here, it is possible to embrace the norms from OHSAS 18001:2007 "Occupational health and safety management systems. Requirements", ISO 9001:2008; "Quality management systems. Requirements"; ISO 14001:2004/AC: 2009 "Environmental management systems. Requirements with guidance for use"; and the International Labour Organization (ILO) "Guidelines on Occupational Safety and Health Management Systems" [1].

Integrating these systems into one Integrated Management System (IMS) has many advantages. It is obviously easier to implement an IMS than the others separately. There is also greater efficiency when assessing, monitoring, and following up on the IMS. Other positive outcomes include greater worker participation to implement it, improved working conditions, greater quality control and more respect for the environment.

On the other hand, there should be fewer complaints related to unfulfilled duties; lower insurance premiums; increased competitiveness; boosted levels of client confidence; and a better image for the company [2].

3.5. Working conditions

Better working conditions lead to a reduction in accidents and work-related illnesses, less damage to installations and the environment, a higher quality of life as workers are satisfied and motivated, and an increase in income, as well as tangible and intangible profits.

In terms of preventing accidents and work-related illnesses, it is essential to meet safety conditions in the installations, teams of workers, and product

specifications. On the other hand, workers must be trained and certified; their awareness is crucial to close the circle of prevention [3].

The human factor stands out in ergonomics. The interplay between technical and human elements leads to multiple variables that are more difficult to control than general safety at work involving the installations and industrial hygiene. This interplay involves workplace design: anthropometry and geometry, the ergonomic design of places with visualization of data display screens, comfort temperature ranges and noise levels. Also important here are task studies related to physical and mental loads and the characteristics and behavior of individuals.

Most of all, the human factor comes into play with psychology and applied social psychology. Factors worthy of studying are the company's main features, its organizational structure, the individual characteristics of the workers, what the task entails, stress, mental exhaustion, ongoing hostile behavior, and areas that are not functioning.

Many employers are unaware of how much these factors can have a negative economic impact. They are unable to appreciate how much money can be saved by implementing preventive measures. Employers must monitor all business expenses, assessing and controlling risks, as well as implementing and maintaining preventive measures through human resources, working procedures and insurance premiums.

Employers may be aware of a series of cost saving measures, such as reducing error and productivity. Nonetheless, there are also cost effective measures related to intangible aspects, such as improving intellectual capital within a company [4, 5] and the emotional capital of its workers [6, 7].

Intellectual capital consists of the body of knowledge, applied experience, technology, and skills that add value and competitive advantage to the company. It is the sum total of three other types of capital. First of all, human capital is the knowledge, attitudes, skills, motivational factors, and satisfaction of the workers. Secondly the structural capital comprises shared knowledge, programs, patents, databases, and organization culture. Relational capital refers to the

capacities and potential arising from the relationship between workers, suppliers, clients, and society in general.

Emotional capital enriches intellectual capital with the emotional, affective, and intuitive dimension of the workers within their professional and social contexts. Their levels of motivation are produced through extrinsic factors at work, including wages or a recognitions of achievements, and intrinsic ones as well, such as a desire to learn or develop in professional and human terms, thus satisfying the capacities and expectations of the worker. Another influence comes from the capacities and potential of the workers, who wish to improve their surroundings and their society.

It is not enough for employers to follow the old-fashioned model in which only the financial measurements of the company are valued. They must also take into account that workers occupy the core of the business system, in relation with the clients, processes, financial indicators, innovation, and ongoing learning. Obviously value can be estimated through an increase in net profits. However, what is intangible also counts, such as an improvement in competitiveness.

3.6. Codes of behaviour and ethical principles

Over a period of time, business activity becomes based on mutual confidence of all the key players. If the company's development involves people both inside and outside its staff, then it seems logical that it builds confidence through its activity, which is made known to everyone involved [8].

With codes of behavior, a company can inform others of its position in terms of working conditions, its dealings with clients and suppliers, and its view of the environment and society [9]. These codes have to be basic principles that are clear and precise. Information about this is distributed both inside and outside the company. The codes cannot be reduced to just a marketing activity; they have to be subjected to external audits

Ethical principles [10, 11] have to form part of the company's culture by embracing real principles that are objective and transparent. They have to inspire excellence in the team and business organization [12].

3.7. Social responsibility of the company

It is impossible to refer to a business's social responsibility without referring to the Global Pact of the United Nations (The Global Compact) [13] proposed in 1999 in the World Economic Forum (Davos, Switzerland), and the communication from the European Commission for corporate social responsibility. This deals with the business world's contribution to sustainable development [14, 15]. This document asks companies to adopt in its activity ten basic principles regarding human rights, labor regulations, environmental policy, and the fight against corruption.

In this way, employers have to promote criteria for social responsibility and sustainable development and integrate them into the very procedures of the company. They have to implement guidelines on information, transparency, and responsibility, as well as a system of verifying these criteria [16, 17].

3.8. Management and leadership based on values

A company's management must be in keeping with its aims. Management based on dialogue, mutual trust, and satisfaction among the interest groups (suppliers, industries, clients, and social surroundings) is crucial in determining the organization's ongoing success [8].

These all come into play with management based on values [18]. The term refers to basic principles, such as professional competence, loyalty, honesty, transparency, equality, efficiency, and a commitment to people. This kind of management is defined by processes rather than functions, so as to facilitate cooperation.

Directors and middle managers will have to carry out leadership in a coherent fashion by developing a culture of democracy and excellence [19]. They will have to serve as points of reference in their functions, values, and principles. Another crucial idea is that they have to be fully committed to improving this management model over time, contributing to its development. They must boost the motivation of workers and provide them with opportunities to gain qualifications. Other tasks are to recognize workers' achievements, forge a vision of the future, and get positive results. Moreover, their

dealings with suppliers, clients, and society have to be exemplary.

3.9. Workers and their intellectual capital

Workers and their intellectual capital are the lynchpin of an organization. Staff management can be optimized if it is based on ethical values and continuous improvement. Competencies and knowledge should tie in with the business's aims. Suitable channels of communication can be created so that they are effective to encourage more contact between people and the organization. Achievement can be celebrated, while commitment can be fostered through benefits for staff.

To make intrinsic motivation grow, professional and personal capacities must be developed. To increase transcendent motivation there can be counseling programs that help improve working, living, and social conditions.

4. RESULTS

4.1. Total quality

It is not enough to speak of just the financial aspects of a company. It is necessary to place people at the core of the business system. Management must be sensitive to the needs of clients and the processes that allow them to offer quality products and services at a reasonable cost, with good service and within a suitable timeframe.

Total quality is based on a group of principles and methods, organized inside a global strategy. It aims to mobilize the entire company so that it can meet the demands of clients- both internally and outside the company- at a lower cost. The main driving forces within a company are intangible: its reputation and prestige, the value of the brand, the integral quality of the product and service offered, the trust it generates, as well as worker and client loyalty. [5].

There are other aspects: the quality of the productive process, generating value across all its stages; the quality and fair price of the product; whether deadlines and conditions are met; and what complementary services are provided. Higher added value is possible thanks to innovation, which affects supply chains, the work itself, organization, and the image of each

workplace, as well as the relationships involved. Quality refers to the satisfaction of the internal and external clients.

4.2. Commitment to society

The company is situated in specific physical and social surroundings, which condition how it interacts with others. It creates work, improves the living conditions of its workers, generates goods and services, and creates social wealth. However, all these cannot be at any price. Ethical principles- upholding moral values, both within and outside the company; protecting the environment; and meeting the social needs of its surroundings- will influence how well it grows and survives in the future.

4.3. Environmental quality

If companies do not intervene, it will be impossible to control the environmental damage to the planet. The environment has value beyond its ecology, as its resources, social-cultural heritage, and landscape provide weighty reasons for companies to become aware of how it is linked to economic growth and the rational use of natural resources [20].

Businesses have to consider using energy sensibly employing renewable sources, managing waste and pollution, as well as providing sustainable development that respects the environment.

Optimizing environment policies through good management involves a prevention program to minimize waste, in terms of outfall and emissions; employ state of the art technologies; reduce how much waste is generated at the source; and recycle by-products by using them as a raw material or recovering them for another process.

5. CONTINUOUS IMPROVEMENT AND INNOVATION

The company cannot be satisfied with just one-off actions. It has to establish a culture of continuous improvement in all fields by taking serious steps towards training and ongoing innovation, as well as by managing knowledge for real [21]. Continuous improvement will allow the production process to

become seamless. Production is the only activity that adds value to the company. At the same time, improvement here has an impact on the other activities that do not add any value. These include inspection, transport, waiting time and storage.

Innovation is among the variables that contribute most to creativity, as well as to the overall success of the company.

6. CONCLUSIONS

Business management embraces a multitude of approaches. Each model has its own aspects so that final results are distinct. A business strategy based on people produces the following results: total quality within the company, leading to satisfied and loyal clients; better working conditions, leading to qualified and motivated employees; and improved quality in terms of environmental policies, leading to greater social satisfaction.

Getting certification for companies, products, people, and services will be an indispensable step for them to grow and

safeguard their place in a liberal market that is demanding and selective. This certification will mean that employers become fully involved with the system. It can be the factor that determines if the company thrives or disappears in international markets. Implementing a system of integrated management improves the tangible and intangible income of a company, increasing net profits and its competitiveness. Know-how, continuous training, education, teamwork, and the commitment of the workers, as well as updated technologies and working methods: these are all lynchpins for business development, and given their importance, major investment is needed.

Companies have to play their part in facing the challenges posed in the Global Compact. Creating policies in terms of research, development, innovation, and ongoing training increases the intellectual capital of the company and the emotional capital of the worker. This makes it possible to achieve sustainable business development and excellence in business management. As a result, Spanish companies would be in an ideal position in terms of satisfaction, productivity, and competitiveness. In the end, both individuals and the community would reap the benefits.
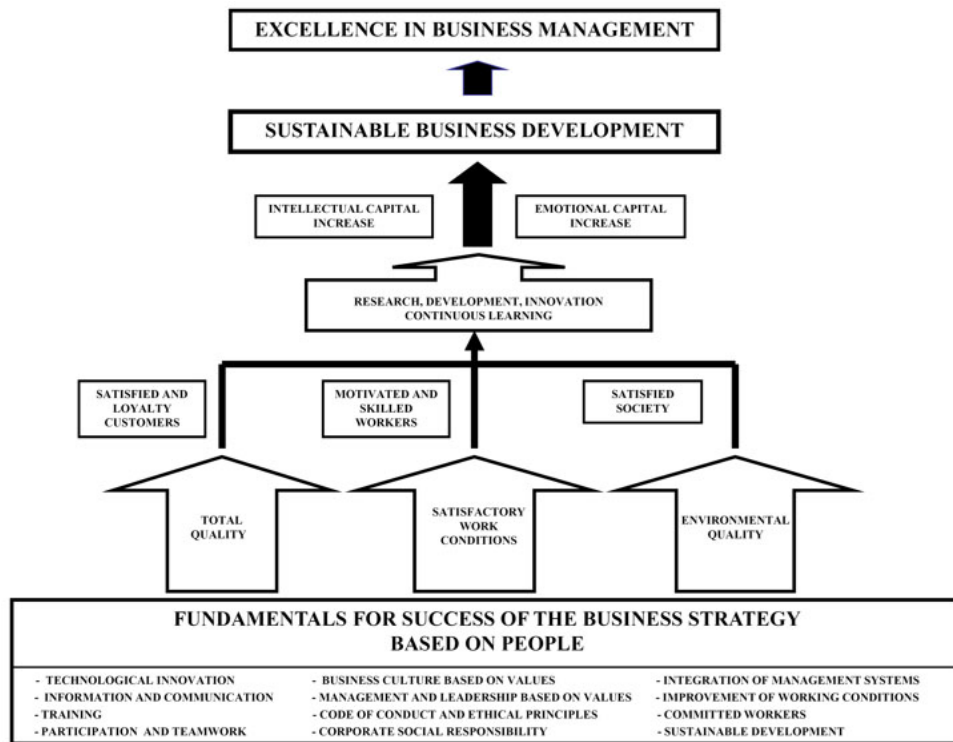
Figure 3. The path to excellence

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