

Monography, *Toyotarity. Human Resources Management*,
Editing and Scientific Elaboration Stanislaw Borkowski and
Joanna Rosak-Szyrocka, Faculty of Logistics of Maribor,
Celje, 2012, p. 125-141. ISBN978-961-6562-59-1

Chapter 11

Miroslav Drljača¹

IMPORTANCE OF CAREER MANAGEMENT FOR MANAGEMENT SYSTEMS' QUALITY

Abstract: The implementation of the quality management system needs to be the strategic decision of the organization. Its aim is to improve characteristics of the organizations' management system to contribute to its competitiveness and better market position. This project is one of the most important for each organization and depends on human resource quality. Every organization has human resources but not every succeeds in creating human capital out of this potential. In order to initiate this process and for the process to have a possibility for success, career management is necessary. The career management procedure is one of the written procedures which support human resource potential management in the organization. Besides the Regulations of the organization and systematization, Catalogue of job descriptions, analytical evaluation, Heading contribution and Employment contract, the career management procedure is one of the quality management documents that can decisively influence the transformation of the human resource potential into the human capital.

Key words: quality, management system, career management.

Introduction

Career management is a process step in the process of human resource potential management, a part of the process structure as a structural element of the management system. Without this process step and a written procedure as documentation support for managing the process step, it is impossible to document in a satisfactory way and therefore to prove the management of human resource potential in an organization. In order to make it possible, it is necessary to ensure competence of the process managers and participants in the process for

¹ Dr. sc. Scientific field *Economy*; Scientific branch *Management and Organization, Quality Management*. Cargo Division Director at Zagreb International Airport, Ltd. and President of the Croatian Quality Managers' Society, Zagreb, Croatia. E-mail: mdrljaca@zagreb-airport.hr.

understanding the management system, the process approach and the methodology of business processes modelling.

The subject of the research is the human resource potential management process as a part of the process structure within the management system of an organization, with the emphasis on the process step *career management*. The reason for focusing on this research subject is the fact that due to lack of career management of employees in an organization there are no optimal investments in development of competence, no progress in the profession and on the hierarchy ladder within the organizational structure based on competence, there are no optimal business results for the organization and no sustainable success. The problem this research is dealing with is primarily the fact that career management may be clearly identified and documented only in organizations which have, through a project of quality system management under the requirements of the international standard ISO 9001, established process organization and identified, named, modelled and documented business processes by applying the IDEF₀ (Integration Definition for Function Modelling) methodology as a part of the SADT (Structured Analysis and Design Technique) model. The number of organizations in the Republic of Croatia fulfilling this precondition is small. Even when organizations have a modelled human resource potential management process, they do not necessarily have the process step *career management*, and this depends on the level of competence of the process team working on modelling of this business process.

The aim of the research is to show the structure of the human resource potential process and the importance of career management within this process, both for development of the employees' motivation and for optimization of investments in career management and business success of the organization.

The basic hypothesis of this paper is that a modelled business process of human resource potential management and within it the process step *career management*, documented by a written procedure, provide for easier career planning, better organization of career management, fact-based decision making about the career, reaching the stage of human resource potential management and easier control of process quality. The task of the paper is to present one of possible solutions for career management that has a practical application, and to have an effect on

developing awareness about the need to establish career management as an inevitable structural element of the human resource potential management process in an organization.

Methods

The following general scientific knowledge methods are used in this paper: 1) systems theory method, in the part relating to presentation of structural elements of the management system and their interaction, 2) modelling method in the presentation of the human resource potential management process and 3) case study method in the part of presenting the human resource potential management process modelled within the scope of the quality management system implementation project under the ISO 9001 standard requirements, applying the IDEF₀ methodology, the SADT model and the career management procedure.

The following specific scientific knowledge methods are dominantly applied: 1) analytic synthetic; 2) generalization and specialization and 3) inductive-deductive method, in the part of the research relating to decomposition of human resource potential management process and definition of interactions among its structural elements, process steps. Further application of this method relates to further decomposition of the human resource potential management process to the level of activity.

Results

A management system of an organization is a complex composition of structural elements needed for business processes operation. These are: 1) strategic documents that determine the commitment of the organization, materialized in the mission, vision, strategy, policy and managerial objectives and targets, 2) organizational structure, 3) business processes, 4) resources, 5) partnerships and 6) information and communication.

In order to be able to speak about quality of a management system it is necessary to arrange all structural elements of the management system

on the principles of quality. Only then have the prerequisites been made for the results of business processes materialized in products or services to be of good quality, i.e. to have such characteristics that they can completely meet the requirements of customers/users. If any of the management system structural elements are not arranged according to the quality management principles, it may endanger the quality of the business processes results, also the entire management system.

Human resource potential

„Various terms of almost identical meaning appear in national and world literature that relate to people as thinking beings, such as: personnel, staff, worker, employee, official, recruits, clerk, workforce, human resources, human potential, and most recently also human capital or intellectual capital“ (VUJIĆ V., 2004). Despite the similarity of these terms and the fact that some of them are often used as synonyms, there are differences.

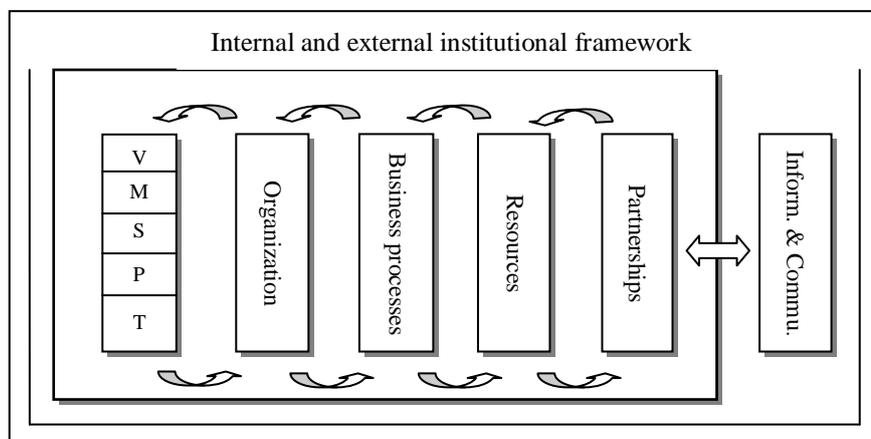


Fig. 1 Structural elements of management system

Source: own study

Beside some similarities with other terms, the term “human potential” also has some particularities. „ This expression replaces the previous term *cadre* or *personnel function* in order to emphasize the importance of people and their development as a significant resource, and points out a new approach to the human capital in capital relationships. A human with his knowledge and ability, acting in processes of production and other activities is a resource and a potential. However, human potentials are abilities of a human being who carries them inside as inborn properties that other resources lack“ (VUJIĆ V., 2004).

All structural elements of an organization’s management system, more or less, deal with human potentials. This applies particularly to: 1) business processes and 2) resources, as management system structural elements.

Human resource potential management as a business process

In the framework of the management system theory and within it the quality management system, four types of business processes are recognized: 1) core business processes; 2) managerial business processes; 3) support processes or logistics business processes, also called resource business processes and 4) processes of measurements, analyses and improvements.

Human potentials management is categorized as a support process or a logistics business process or a so called resource business process. The reason for this is that human resource potential, i.e. people, is considered a resource that support, meaning it represents a logistic support to the core business processes and through them, that is to say indirectly, creates and transfers added value to the end user by means of products or services having their materialization in the market (OULD A. M., 1995).

Human resource potential management process as a management function, (BUBLE M., 2006) may be decomposed, i.e. divided to structural elements or components, called process steps. Figure 2 shows decomposition, the structure of this process from which it may be concluded that this business process is modelled from the following process steps: 1) planning; 2) employment; 3) monitoring; 4) education and professional training; 5) career management and 8) final activities. The process step 5) *career management* is a process step that makes the

forget to perform control on control points that aim at determining if the activities are carried out in compliance with the written procedure. The responsibility for execution of the activity and the control of the execution would be clearly defined.

The career management procedure is particularly significant for each organization since it depends on this procedure if and in which extent, human resource potential will turn into human capital. „Certain potentials are improved by education and innovating knowledge that should be further developed, improved and promoted in order to turn the potential to the capital, to really aware and relevant activity in the process of production or other activities“ (VUJIĆ V., 2004).

Career management procedure gives to the human potential management process manager and other levels of management, access to the type and the sequence of activities that should be conducted in order to always know the level of competence of each candidate for individual working posts, the necessary activities for raising competence of the employees and managing the career of each employee. Thus the optimal management of the human potential in an organization is ensured, and control points and responsibility for execution and control of execution provide for transparency of behaviour at each moment. This way enables the organization to engage each employee on the work post where she/he will give optimal contribution, the fact of special relevance from the viewpoint of the organization's cost management.

Table 1. Process steps activities in the human resource management process

Planning A-01	Employment A-02	Monitoring A-03
1. Receipt of a development plan 2. Data levy 3. Data control 4. HR plan proposal making 5. HR plan proposal control 6. HR plan proposal improvement	1. Request analysis 2. Request check 3. Control of the request with plan 4. Check of the internal solution 5. Advertising needs for the employees 6. Offers collecting 7. Offers control	1. Worker monitoring 2. Determination of the expert monitoring team 3. Check of the decision making 4. Training programme preparing 5. Training programme adopting 6. Program acceptance

<ul style="list-style-type: none"> 7. Decision making about improvement 8. HR final plan making 9. Final control 10. Final decision to accept the HR plan 11. Distribution to the users 	<ul style="list-style-type: none"> 8. Evaluation 9. Interviews 10. Testing 11. Final mark 12. Ranking 13. Informing 14. Check of other formalities 15. Contracting 16. Contract check 17. Evidence 18. Registration 19. Data base 20. Work place initiation 	<ul style="list-style-type: none"> 7. Working initiation 8. Work monitoring 9. Workers allocating 10. Work monitoring 11. Continuous evaluation 12. Tenure control 13. Redundancy
Education & training A-04	Career management A-05	Final activities A-06
<ul style="list-style-type: none"> 1. Needs planning 2. Conformity checks with the education programme 3. Out of plan cases check 4. Check if it is possible in side of organization 5. Outsourcing 6. Decision about outsourcing 7. Contracting 8. Providing the education programme 9. Control of program providing and diploma issuing 10. Evidence 11. Reporting 12. Analysis of realised education programme 13. Conformity check 14. Non conformity reporting 15. Correctives 	<ul style="list-style-type: none"> 1. Situation analysis 2. Need planning 3. Medium term plan verification 4. Candidate list preparing 5. Team formation for competence 6. Competence score 7. Ranking list preparing 8. Decision about in addition of education 9. Decision check 10. Additionally education 11. Check of the conditions 12. Ranking correction 13. Plan implementing control 14. Promotion 15. Check the decision about promotion 16. New contract 17. Candidate work monitoring 18. Periodical evaluation 19. Redistribution 	<ul style="list-style-type: none"> 1. Reporting 2. Update 3. Process analysis 4. Process quality measurement 5. Improving measures planning 6. Improving measures plan implementation 7. Preparing inputs for the new process cycle

Source: own study

A developed and documented process of human resource potential management and a procedure for career management prevent behaviour such as nepotism at employment, incompetence of selected candidates, cheating at employment competition, all typical for numerous organizations in Croatia, especially those owned by the state, the fact that has also had a significant effect on the economic situation in Croatia. Modelling human potential management process and making a written procedure for career management, as well as lower level documentation (work instructions, criteria, forms and the like), are not a responsibility of one individual in the organization. Business process is a complex structure that requires interdisciplinary holistic approach. The process team responsible for modelling, and later also for managing the process in its application, should be composed of various profile professionals. It is estimated that the optimal result would be achieved by a process team consisting of: a lawyer, economist, social worker, work safety professional, human resource potential manager, quality manager. Consultations may also be made with experts of other professions such as physicians, psychologists and others, although most organizations do not have them in its composition.

Such approach is in the function of changing the dominant value system in an organization, which means that in a situation when they have to cut business costs, they first decrease investments in education, training of employees, salaries and number of employees. This primitive way should be replaced by affirmation of the idea that managing human potential is significant for success of the organization. In this way it comes to the understanding that people are the most valuable assets of the organization (BARNEY J. B., WRIGHT P. M., 1997).

The career management process step as a structural element of the human potential management process should be documented in a written procedure. This facilitates the conduct of this process step activities, without which it is not possible to prove and document that the organization manages the human resource potential process. The shown procedure is one of possible solutions. It represents an original solution, but not the only one possible. The process team in charge of human resources management in the organization, depending on the level of its competences, may elaborate a different procedure. The only condition is

that the procedure enables career management of employees and that it is possible to document it, and in this way also prove it.

Human potentials as a resource

„The phrase human resources indicates people of certain knowledge and attributes, that is abilities, which enable a person to use production means, in order to satisfy his personal and production consumption“ (VINSKI, I., 1972). Human resources present a group of individuals making the workforce of an organization, business sector or economy. In the organization vision, the employees are seen as its asset, the value of which is increased by development (ELWOOD F. H., JAMES W. T., 1996).

Characteristic for the dominating concept of neoliberal capitalism is the so called „...hard management that tries to maximize productivity and profit and sees a worker as a resource, and the managers are primarily responsible to the shareholders, while soft management of human resources is open to development of employees, is not inclined to firing people (except in extreme cases) and also takes the interests of employees into consideration“ (COOK, M., CRIPPS, B., 2009).

A resource, according to its original meaning (stock, reserve, source) (ANIĆ, V., 1994), may be used or not. In this sense the human potential management process, and within its scope the career management process step, present a prerequisite for optimal use of the so called human resources and their putting into function of sustainable successfulness of an organization. Thereby it is necessary to avoid a possible conflict: 1) focusing only on organization's objectives or 2) individualization of objectives and giving unnatural favours exclusively to employees. This conflict may be avoided if the employees' career development is a result of interaction and integration of the individual and the general, i.e. individual goals of people and objectives of the organization.

Discussion

Great majority of organizations in Croatia, including those having a certified quality management system under ISO 9001:2008, does not have a documented process of human resource potential management,

and consequently no career management procedure. The mentioned standard requires identification of business processes and process management, but it does not suggest a methodology for documenting these processes. It is therefore logical to ask in which extent the human potential in these organizations are managed and if the career management may be proved, and how successfulness is measured. An organization may have a significant human resource potential, but it is important what value is made by this potential in relation to spent resources. In this sense an organization should monitor the efficiency of its intellectual capital (KNEGO N., HULENIĆ, D., 2007).

Table 2. Croatian position in the global competitiveness rankings

Year	Position
2002.	-
2003.	-
2004.	79
2005.	64
2006.	51
2007.	57
2008.	61
2009.	72
2010.	77
2011.	76
2012.	81

Source: own study

The efficiency of spending resources, including human potentials, i.e. intellectual capital, is materialized at the organization's micro level in its business results and at the macro level in the degree of competitiveness of Croatian economy. At the micro level there are examples of successful organizations. Their successfulness may be measured in two directions: 1) in relation to the objectively possible or optimal that is hard to determine and 2) in relation to the origin of control (plan, previous period, industry average, standards dimension). As for the competitiveness of Croatian economy as a possible measure of efficiency

of human resource potential management, the facts are devastating. In the period from 2006 to 2012, on the global competitiveness scale of the World Economic Forum, Croatia dropped down for 30 places, from 51st to 81st place out of 139 world countries (Table 2) (DRLJAČA, M., 2011). That possible means two things:

- other countries are developing faster,
- Croatian economy is not managed well.

As the main problem of the competitiveness growth of Croatian economy, cited (DRLJAČA, M., 2010):

- inefficient state bureaucracy – 18,8% cause;
- tax rates – 13,8% cause;
- tax regulation – 13,5% cause;
- corruption – 13,2% cause;
- availability of capital – 10,9% cause;
- labour law restrictions – 8,8% cause, etc.

This very bad position of the competitiveness of Croatian economy is caused by several big crisis, as follows:

- crisis of the system of values which characteristics are: incompetence, nepotism, lack of business ethics, corruption, money laundering, pillage of national assets, etc.;
- moral crisis caused by the travesty system of values which exists in Croatian society for almost twenty years;
- crisis of management on all levels, from the government to the country football team around the country, and
- depression and economic crisis that lasts too long, much more than in other countries.

For this problem solving Croatia need to provide many structural reforms such as:

- fiscal reform;
- social care reform;
- pension system reform;
- tax rates reform;
- health care system reform;
- agriculture system reform;
- production sector reform, etc.

All of these reforms will have a chance for success only if the system of values will be change and support values such as: competence,

knowledge, business ethics, social responsibility and democracy. For this very important and most important reform a new quality level of management is necessary.

The quality of management at the national level is inter alia a reflection of the human potential management. The way of employing people in public administration and companies in the majority ownership of the state and the local administration and self-governing units, criteria applied for nominating managing and supervising boards, have an impact on the level of the economy competitiveness. Out of this it may be concluded that a part of the solution, meaning possible improvements, may be found in modelling the business process of human resource potential management and within this process modelling of career management, clearly defined criteria and their practical application at all management levels.

Conclusion

The structure of the human resource potential management process shows a logical sequence of process steps, from input requirements of the user for competent workers to the career management and final activities in the process. It also shows that career management is a significant process step, without which there is actually no human resource potential management. The presented decomposition of the human potential management business process, further decomposition of process steps to the level of activity and presentation of the career management procedure enable the organization's management to have a constant insight into the structure and complexity of the human potential management issue. In this sense the aim of this research is achieved because it enables the interested parties to have an insight into shortcomings of the existing system and offers a possible good quality applicable solution. The applied decomposition method of the human resource potential management business process to the level of process steps and further to the level of activity, made it possible to review the complex structure of the process and a logical sequence of activity conduct in the process, with the focus on control points where various types of controls are made: checking, supervision, comparison, decision making and the like, since

the process is actually being managed at the control points. Following this structure from the entry into the business process to the exit in the form of various reports and results of process cycle analyses, the management responsible for human potential management may significantly increase the efficiency of human potentials and through activities in the career management procedure actually influence the transformation of the human potential into the human capital.

Certain prerequisites have to be ensured for transformation of the human potential to the human capital. The most important is affirmation of a value system and organizational culture based on: honesty, work, competence, business ethics, social responsibility, sustainability, communication and democracy. It has to be a strategic decision of the organization that includes strategic restructuring of its management system. Within the scope of this, the modelling of the human resource potential management process as an integral part of the process structure is understood, as one of structural elements of the organization's management system. This confirms the basic hypothesis of this paper, namely that the modelled business process of human potential management and within it a process step career management documented by a written procedure, enables easier career planning, better organization of career management, fact-based career decision making, coming to the level of human potential management and control of the process quality.

Further research on significance of career management from the viewpoint of the management system quality should be carried out in several directions: 1) existing manner of career management, 2) level of implementation and documentedness of the human resource potential management process, 3) manner of human resource potential management and 4) contribution of career management to the management system quality. In this way it would be possible to undoubtedly verify the gap between the wished and the existing, this being an essential prerequisite for decision making about how to manage the human potential based on facts, as one of quality management principles. Very important point of view is that an expense for human potential improvement and development doesn't have to be treated as a classic cost, because it has the nature of investment. This point of view needs to be accepted as a philosophical approach and as a daily practical action.

Bibliography

1. ANIĆ V. 1994. *Rječnik hrvatskoga jezika*.- Zagreb: Novi Liber.
2. BARNEY J. B., WRIGHT P. M. 1997. *On Becoming a Strategic Partner: The Role of Human Resources in Gaining Competitive Advantage*.- Ithaca, NY, USA: Center for Advanced Human Resource Studies Working Paper Series.
3. BUBLE M. 2006. *Osnove menadžmenta*. - Zagreb: Sinergija.
4. COOK, M., CRIPPS, B. 2009. *Psihološko procjenjivanje na radnome mjestu*.- Zagreb: Školska knjiga.
5. DRLJAČA, M. 2010. *Modeli upravljanja potpunom kvalitetom u funkciji povećanja poslovne izvrsnosti*. – doktorska disertacija. Fakultet za menadžment u turizmu i ugostiteljstvu Sveučilišta u Rijeci. Opatija.
6. DRLJAČA, M. 2011. *Sustav upravljanja kvalitetom u Hrvatskoj i europski kontekst*, Zbornik radova I. naučno-stručnog skupa POLITEHNIKA-2011, *U susret evropskim integracijama u oblasti kvaliteta, bezbednosti, zdravlja na radu i zaštite životne sredine*, Visoka škola strukovnih studija Beogradska Politehnika, Beograd.
7. ELWOOD, F. H. II., JAMES, W. T. Jr. 1996. *Trends Toward a Closer Integration of Vocational Education and Human Resources Development*.- Journal of Vocational and Technical Education, 12.
8. KNEGO, N., HULENIĆ, D. 2007. *Poslovna izvrsnost i efikasnost intelektualnog kapitala*.- Poslovna izvrsnost, 1, Institut za kvalitetu, Zagreb.
9. OULD, A. M. 1995. *Business Processes*.- Chichester, England, UK: John Wiley & Sons Ltd.
10. VINSKI, I. 1972. *Ljudski kapital i neto produkt suvremene jugoslavenske emigracije*.- Ekonomski pregled.
11. VUJIĆ, V. 2004. *Menadžment ljudskog kapitala*.- Rijeka: Sveučilište u Rijeci, Fakultet za turistički i hotelski menadžment Opatija.
12. World Economic Forum. 2010. *The Global Competitiveness Report 2010-2011*.- Geneva.