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Improving Quality Management - the Way Toward Economic Prosperity and Quality of Life

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Abstract

The National Quality Programme of the Slovak Republic for 2017-2021 strongly emphasises the primary objectives and priorities of the Quality Improvement Strategy. This should be one of the main priorities of the Slovak Government in the upcoming period. The Quality Improvement Strategy should, in general, lead to an improvement in the quality of life. The aim of the paper is to point out the opportunities for improvement by applying indicators aimed at defining the excellence of organisations within the national economy of the Slovak Republic.

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1. Introduction

The National Quality Program of the Slovak Republic, which is updated every three years, is one of the strategic documents applied by the Government of Slovakia. The essential vision is to co-create in Slovakia an environment where quality will be a permanent part of life in all aspects of society and individual citizens. It promotes the development of quality of work, quality of production, services and promotion of a sustainable quality of life and competitiveness in all areas of society in Slovakia. Before addressing specific areas of monitoring quality indicators, the basic concepts related to the quality management and quality of life need to be defined.

The term quality is as old as humanity itself. Many authors have tried to find the first mention of the perception of quality. In literary sources, references to ancient Mesopotamia, Egypt, Rome, or Greece can be found. Quality with all its attributes is for humanity an essential indicator for assessment of a certain level of satisfaction, happiness, joy and well-being. Eudaimonia is a classical Greek word commonly translated as happiness. Etymologically, it consists of two parts "eu" ("good, well-being") and daimon ("spirit, smaller deity"). It means, then, to have a good protective spirit (Bianchi 2005).

If the notion of quality is to be combined with the economic environment, emphasis must be put on the development of quality definitions as they evolved in the separate stages of economic growth in specific countries. In this context, transcendent, product-oriented, production oriented, user-oriented,

value-oriented, environmentally-oriented, and socially responsible quality management can be recognized. Currently, the trend is creative quality management, which includes a high accent on innovation potential (Jemala, 2016; Drljača, 2017; Paulíková et al., 2017). None of those mentioned above orientations do not contradict the previous one. They emerge and influence each other, reflecting the level of current needs for the development of science, technology and requirements of society.

2. Indicators of quality of life

The very concept of quality of life is ambiguous. In literature, there are different views on the content of concept and manifestation of quality of life (Frankovský, 2004; Jemala, 2014). This concept could be analysed from economic and quality point of view. According to Mizla, there are three basic views of quality (Mizla, 1999).

- psychologically oriented view
- process-oriented view
- product-oriented view

Garvin presents the following classification (Garvin, 1988):

- a view of quality through perception (individual perception of quality, the priority of experience)
- a view of quality through the product (based on the comparison of measurable product parameters, the priority of a technical proposal)

- a view of quality through customer (based on an evaluation of utility for a specific product by the market segment with given external parameters, marketing orientation priority)
- a view of quality through production (product usability, meeting the requirements of all parties involved)
- a view of quality through value (based on cost-orientation, with the need to define costs related to quality at the level of the internal and external environment while respecting the standard of living, value priorities and philosophy of an organisation. If in this way it was evaluated the quality, often unique views overlap).

To complete this information, the concept quality of life with no claim to completeness must be defined.

“Quality of life – in general, quality of life is the perceived quality of an individual’s daily life, that is, an assessment of their well-being or lack thereof. This includes all emotional, social and physical aspects of the individual’s life” (<https://courses.lumenlearning.com/boundless-psychology/chapter/behaviors-that-impact-physical-and-mental-health/>).

“Quality of life is an individual perception of an individual’s position in life in the context of culture and the value system with regard to goals, expectations, standards and interests.” (Health statistics and information systems, WHOQOL: Measuring Quality of Life)

In the literary sources, there could be found even more similar definitions. If deeper contexts are searched for, they will be certainly linked to distinctions of objective and subjective information assessment of individual attributes of quality of life. However, whether the quality of life can be measured is open to question.

If quality indicators are to be split, they must be divided into those that have measurable characteristics, and which do not have measurable characteristics. They are the so-called attributes. In this case, it is rather difficult to specify a same metric for all areas of investigation. If one only focuses on objective indicators, it would be mostly economic and monetary indicators. However, their informative value can be distorted to a great extent. These are mediated indicators that are examined at the aggregate level, for example, national, regional, community, etc. They are then extrapolated to the individual level. It is, therefore, the average of information and as noted their informative value previously is debatable. An example can be, e.g. Quality of Life Index for the year 2019. This index is based on global statistics with indicators such as the purchasing power index, the safety index, the health care index, the traffic commute time index, the pollution index, the climate index, the climate index, the property price to income ratio, the cost of living index. In the analysis participated by 232 cities from around the world.

In the database of Quality of Life Index for 2019, the following order can be found (only the first five places from the chart and V4 countries-the internet source are presented) (Table1).

Table 1. Quality of Life Index for 2019

Rank	City/Country	Quality of Live Index
1	Canberra, Australia	223.61
2	Raleigh, NC, United States	221.38
3	Adelaide, Australia	206.14
4	Eindhoven, Netherlands	205.13
5	Zurich, Switzerland	204.58
74 – V4	Prague, Czech Republic	164.39
117- V4	Bratislava, Slovakia	150.43
131- V4	Warsaw, Poland	144.40
167- V4	Budapest, Hungary	124.75

However, if focus is on any of the above-mentioned partial indicators, information can change. It must be emphasized that, although, for instance, Canberra in Australia is ranked first in the overall ranking of cities, it does not mean that it is also the first considering the other indicators. For comparison, the Cost of Living Index is presented in Table 2.

Table 2. Cost of Living Index

Rank	City/Country	Cost of Living Index	Rank of Quality of Life Index
1	Zurich, Switzerland	124.55	5
2	Geneva, Switzerland	116.99	27
3	Oslo, Norway	103.02	90
4	Reykjavik, Iceland	101.63	23
5	New York, NY, United States	100.00	139

The result of Quality of Life in Bratislava, Slovakia- February 2019, is also quite interesting. As we indicated in “fig. 1”, this index is 150,43 which is considered very high.

However, if the individual partial indices from which the final index is formed are analyzed, considerable disproportions can be observed:

- Purchasing Power Index 70.28 moderate
- Safety Index 70.06 high
- Health Care Index 58.31 moderate
- Climate Index 80.72 very high
- Cost of Living Index 48.41 low
- Property Price to Income Ratio 12.19 high
- Traffic Commute Time Index 30.20 low
- Pollution Index 46.22 moderate

While, the results of the above indices in other cities, specifically further from the capital Bratislava, were monitored, the Quality of Life Index decreased significantly, and the value of specific partial indices changed as well. If to look at this survey impartially, it is a natural development. There is concentrated industrial production around the capital city and in the Western Slovak region. This creates a sufficient amount of job opportunities, so the Purchasing Power Index, the Safety Index or the Climate Index are relatively high. The regions located further from the industrial zone can acquire higher values for instance Traffic Commute Time Index, or Pollution Index.

While the analysis was based on objectively calculated indicators, one cannot explicitly state that their informative value is generally valid for all residents of the country. These are, therefore, rather objectivizing indicators.

Therefore, it is also vital to address subjective indicators. Primarily, the assessment of the quality of life was focused solely on the context of health and disease. At evaluation of subjective indicators of quality of life, the situation is more complicated. Again, it is claimed claim that opinions about this topic found in the scientific literature differ.

The study is based on the hierarchical classification of specific indicators and the intensity with which they affect the employee's working life and its quality, which makes it possible to limit the surveyed indicators and specify three areas:

- **Primary** - Represents the workplace and its immediate surroundings (workload, financial remuneration, content or nature of work, job position, possibilities of career growth, working conditions, social relations, etc.)
- **Secondary** - Consists of the internal environment of the company, outside the influences of the primary area. These impact factors are mostly common to all job positions (corporate benefits - employee benefits, moral awards, corporate culture relationships and communication, etc.)
- **Tertiary** - It is the organisation's position within the broader economic and social space (image of the company - its social significance for the region, geographic integration within the territorial division, etc.)

Additionally, the classification of subjective indicators of quality of life according to the World Health Organization WHO is presented:

- **Physical capacity** (pain, discomfort, energy and fatigue, sleep and rest)
- **Psychological state** (positive feelings, thinking, learning, memory and concentration, self-esteem, self-image and appearance)
- **The degree of independence** (mobility, day-to-day activities, addiction to medicines and treatment, working capacity)
- **Social Relations** (personal relationships, social support, sexual activity)
- **Environment** (physical security and certitude, home environment, financial resources, health and social care - access and quality, the opportunity to learn new information and skills, opportunities and leisure activities, physical environment - pollution, transport, climate)
- **Spirituality/religion**, personal conviction - the meaning of life, sense of belonging, the source of well-being and satisfaction.

As it can be observed, all these subjective quality indicators can significantly affect objective indicators and vice versa. Only by their juxtaposing, it is possible to provide a comprehensive picture of the quality of life.

3. Improving quality management the way toward economic prosperity and improving the quality of life

In 2017, existed 2458 businesses; with more than 20 employees; in industrial production. According to the available statements, revenues for own outputs and goods reached value EUR 70043396964 at current prices with a growth of 4.14% compared to 2016. There needs to be said that there was registered different development of the indices of revenues for own outputs and goods and index of the average registered number of employees. This has contributed to the uneven development of labour productivity from revenues to employees. Slowing growth and falling labour productivity create a risk for further development of industrial production in the Slovak Republic. Even though the labour productivity of revenues for the hour worked rose by 1.4% in 2017, wage growth is insufficient in correlation with the growth of revenue. The decline in labour productivity was reflected primarily in highly productive sectors, such as the production of motor vehicles, trailers and semi-trailers, manufacture of electronic and optical devices.

There was also observed a decline in the cost-effectiveness indicator, which reached a value of 4.54% in 2017 and did not create a good outlook for future developments. Nevertheless, it can be considered the production of cellulose, paper and paper products as the most profitable industries. On the other hand, this sector is one of the biggest environmental polluters (Nováková et al., 2016; Nováková et al., 2017).

Most organisations operating in the Slovak Republic have implemented a quality management system according to one of the management systems, respectively possess certificates and certificates from various areas of quality assurance and improvement (Hitka et al., 2015; Stacho et al., 2016; Aye, et al., 2017).

If the importance of implementing the Quality Improvement Strategy in the SR is returned to, it is necessary to appeal to the fulfilment of the strategic vision of a well-managed and well-functioning welfare state through constant improvement. This should manifest in the form of more satisfied citizens, consumers, customers, entrepreneurs and other parties involved, better motivated and professionally more prepared people and effectively managed organisations (Stachova et al., 2018). The primary objective is to support quality of work, quality of production, services and promotion for a sustainable quality of life and competitiveness in all areas of society in Slovakia. The main indicators to record if these targets are met are economic indicators. It should be build on one of the latest stages in quality management, and it is a social responsibility. One of the fundamental prerequisites for social responsibility is the even development of all three pillars, called the Triple-bottom line, respectively Strategy 3 P - profit, people, planet. Sustainable development in the area of economic requirements may the organisation report only if it can guarantee sufficient cash flow to ensure liquidity and achieve revenue that exceeds costs. This includes the improvement of products and services, supplier-consumer relations, corruption solutions.

Corporate social responsibility can be defined as a continuous commitment of businesses to behave ethically, to contribute to sustainable economic development and at the same time to commit to improving the quality of life of employees, their families, as well as local communities and society as a whole (World Business Council for Sustainable Development).

4. Conclusion

The aim of the paper is to point out to individual intersections in perceived quality, to an objective and subjective evaluation of the quality of life, and to relationships and contexts that directly affect the quality of life. Only satisfied employees can create values that lead to better qualitative but also quantitative performance. These results will be reflected at the level of the firm's position within the competitive environment and consequently within the national economy's situation in a specific region. Indicators that express the objective characteristics should be taken with a precaution. They do not always represent an objective reality. It is necessary to think of them in the context of subjective indicators. It is only up to the management's decision to introduce a higher culture of quality, to create a better professional and organisational precondition for using quality as a tool for increasing performance and achieving excellence in the organisation, which can bring an increase in the competitiveness of the country and the quality of people life. The results of analysis are based on expert methods and are comparable internationally.

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改善质量管理 – 走向生态繁荣和生活质量的途径

關鍵詞

国家质量计划, 战略, 经济, 指标, 生活质量

摘要

斯洛伐克共和国2017 – 2021年国家质量计划强调了质量改进战略的主要目标和优先事项。这应该是斯洛伐克政府在即将到来的时期的主要优先事项之一。总的来说, 质量改进战略应该会改善生活质量。该文件的目的是通过应用旨在确定斯洛伐克共和国国民经济中组织卓越性的指标来指出改进的机会