

FIRM CULTURE - AN INTEGRATING ELEMENT OF QMS AND EMS

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Abstract: Paper deals with the importance, role and creation of the firm or organisation culture in quality management and environmental management. This two areas are very important for good image of any organisation and for the managers must be the number one. The most significant impact on the implementation QMS and EMS has the organisation culture, which is an integrating element of the all organisation systems.

Keywords: organisation culture, QMS, EMS, motivation, communication, ethical behaviour

1 INTRODUCTION

In the present stage of the development of the quality management system and environmental management systems theory it is evident that this matter concerns, resp. can concern any activity and organisation. The main factors influencing the quality management and environmental management process are:

- **technique** (technology)
- **organisation**
- **human factor**

From point of view of the title and aim of this paper (firm culture) is most important the **human factor**, which in author's opinion has the most significant impact on the quality level in each area. The organisation culture depends on the people, who are in the organisation, mainly on the managers.

2 STARTING POINT OF THE EFFECTIVE QMS AND EMS

The starting point of the effective quality and environmental management systems constructing (not of the system, which only demonstrates the conformity with the standards requirement), must be the situation, when everybody in the firm knows:

- **What to do** (it is the question of the quality strategy, policy and objectives and form the latter arising particular activities)
- **What is his responsibility** and **what authority** he has (it is the question of the organisation)
- **How to do it** (it is the question of the training and education)
- **Why to do it** (it is the question of the motivation and communication).

QMS and EMS building must not be understood as a technical activity but as a „social“ or „human“ activity. It is task of the human resources management in the firm, relationships between managers and employees, their ethical behaviour, communication, motivation strategy etc. That all we can name by two words: **organisation culture**.

3 WHAT IS ADEQUATE ORGANISATION CULTURE FOR QMS AND EMS

The organisation must gain **top management's commitment** to supporting the QMS and EMS and management really must understand not only the benefits of an QMS and EMS, but also an overview of the resources that will be required to get the job done. Management's commitment must be visible throughout the organisation, management can demonstrate its commitment in a wide variety of ways. Everything will be realized better if in the organisation will apply adequate rules and principles, it means if will be created an **adequate organisation culture**.

3.1 Why must be created the organisation culture?

To create or to have the adequate organisation culture it means:

- better internal (but external also) communication

- introducing of the basic principles, which are the common general criterion for decision on the all management level
- feeling increasing of internal identification of the employees not only with particular tasks and activities, but with the whole firm
- higher motivation of the people
- good environment for implementation of the new methods, forms and tools, and introducing of the changes to the firm etc.

We can say, that creating of the organisation culture means the exercising of the TQM principles too. For the implementation of the organisation culture alike for implementation of the TQM principles must be evident following:

There must exist a clear imagine about the basic development of the firm, everybody in the firm must know **what and where wants the firm to be, its mission and goal.**

1. There must exist a global strategy for achievement the firm goals, what is necessary **to do better** and **other way**, what are the planned changes.
2. There must be formulated **the principles of organisation culture**, resp. the claimed manners of the work and social behaviour („quality handbook of employee“).

3.2 Elements of organisation culture

When this is fulfilled, for the successful implementation quality management system and environmental management system is suitable to fill the following activities (as the elements of the organisation culture):

- to formulate the firm mission from point of view of quality management system and environmental management system
- to elaborate and admit the ethical principles for behaviour of the people in inside and outside of the firm (the orientation to the internal and external customer)
- to know the needs of the employees
- lay stress upon the commitment of management to the quality
- to anticipate, to identify and solve the problems (it must be the basis of the quality and environmental management philosophy)
- to remove the tension in social and working relations (among single departments and among single management levels)
- to apply the motivation theory, tools and techniques of quality assurance, quality management and environmental management to the firm
- to lead all workers to the participation, responsibility etc. in the quality movement in the firm
- to assurance the information flow (from top-down and down-top) as the main communication means about QMS and EMS
- to hold on the basic principles of the quality assurance, quality management and environmental management (it must be uncompromising).

Very important is to remember, that:

1. **Quality of managers** is the most important and has the biggest influence on the good results of the firm.
2. The all rules of the quality management and environmental management must be as **easy** as possible and must be for all workers **intelligible**.
3. What is not suitable, must be **changed or destroyed** (it is not substantial, whether it is product, process or worker).
4. **Training and education** is one from the first assumptions of the environment creating, accepting the changes (TQM begins and finishes by training and education!).

4 BASIC FACTORS IN ORGANIZATION CULTURE CREATING

In author's opinion the basic factors in organisation culture creating is **communication, motivation and ethical behaviour or awareness.**

4.1 Communication

Every manager knows how important is communication for the successful building of the quality management system and environmental management system in the firm. Every worker must know, what is his working filling, what is his responsibility, what is his authority etc. in the quality and environmental management process. Somebody must say it, there must operate the communication from top to down and from down to top. The second mentioned way is not obvious in our organisations.

Organisation culture with the elements of TQM is the philosophy how to change this situation (on the basis of the change of management behaviour).

4.2 Motivation

The quality and environmental motivation is the major task for modern business management. Without quality and environmental motivation it is impossible to implement any organisation culture and TQM. There is many ways for better motivation of the people, e.g. job rotation, job enlargement, job enrichment, bonus systems, quality and environmental campaigns, economics rewards, quality circles activities etc. The quality and environmental management system serves the quality management and environmental management, which calls for involvement, competence, responsibility and understanding among the employees. Therefore the managers must be oriented to the people, uniting people and tasks in an adequate way, motivating, inspiring etc. Good working people are good motivated people.

About the motivation and communication was written already enough, in the next text I would like to orientate on the ethical awareness.

4.3 Ethical awareness

One factor, which has the influence on the quality of any firm, is ethical awareness. In author's opinion what mostly absents in our firms, it is ethical behaviour in the relationship between firm and customer, resp. society and between managers and employees.

Firm or organisation legal and **ethical behaviour** is an area that also requires top management attention by the implementation QMS and EMS. How firms go about conducting business is an extremely important issue in the 1990s. In a pluralistic society there is little agreement on exact ethical standards for behaviour. The laws provide minimum standards. Ethical issues are not always coded in law. A large grey area exists between what is considered unethical and what is illegal. In an educated society, professionals are held accountable for the ethical impact of their behaviour. Managers, afforded the status and pay of professionals, can expect no less. In thinking about strategy, they should consider the use of moral or ethical reasoning.

One reason, why unethical behaviour occurs in business settings, is that the firms are single-minded in their pursuit of short-term profits. In their pursuit of profits, firms often put excessive pressure on their employees. Unethical behaviour is one way to meet firm goals and relieve the pressure.

Another explanation for the lack of ethical behaviour in the business sector is the failure of business education. People that enter business careers are not adequately prepared for ethical reasoning. Business schools have traditionally offered their students only minimal exposure to ethical reasoning. Apparently, the shortfall is not made up in other areas of education or professional training.

When we can speak about the ethical issues? Ethical issues arise when a person's behaviour holds consequences for another person (or society), especially when that other person is an unknowing or unwilling party to those consequences. Strategy decisions often hold consequences for people other than strategy makers. Therefore, strategy issues often are ethical issues.

Normative ethics is the study of the "right thing to do" in situations where our behaviour will impact others. Often, knowledge about the right thing to do is simply a matter of moral common sense. There are actions that all reasoning people think are moral or ethical. It is right to tell the truth, it is right to avoid harm to others, it is right to help others etc. Ethical reasoning is one method used for the analysis of complex issues when moral common sense is insufficient.

4.3.1 Social and ethical responsibility

Legal rights and protection may serve as theoretical boundaries for business decision making and action. Ethical responsibilities may define roles more strictly than the minimum requirements of law and industry practice. It connects with social responsibility.

Social responsibility for the purpose of this paper can be define (Velasquez, M., 1992) as the degree to which the activities of an organisation protect and improve society beyond the extent required to serve the direct legal, economic, or technical interests of the organisation.

The contemporary view of social responsibility claims that business, as important and influential institutions in society, have a responsibility to help maintain and improve the society's overall welfare. The classical view of social responsibility argue against performing the activity, which is not profitable in the short term and is not required by law. Contemporary view argue in favour of performing this activity, if the costs were not too great.

To clarify these issues, the literature (Carroll, A., 1991) proposes a pyramid of corporate (organisation) social responsibility as follows (from down to top):

- **economic responsibilities** (be profitable)
- **legal responsibilities** (obey the law)
- **ethical responsibilities** (be ethical)
- **philanthropic responsibilities** (be a good corporate citizen)

In general, economic and legal responsibilities form the base of the pyramid. The organisation must fulfil these requirements and continue to operate.

Ethical and philanthropic responsibilities to stakeholders become critical when a firm begins to make a profit within the rules laid down by the broader society. Because in some industries an image of integrity and trust is critical to an organisation's profitability, it forces **ethical responsibilities** much closer to the base of the pyramid.

5 CONCLUSION

The personal ethical perspective of an organisation depends on the personal belief and values of its top managers, often shaped by religion and early parental influences, combined with the level of their moral development and the particular ethical framework that they favour. The closely related factors of organisation culture (rituals, ceremonies, language, slogans, history etc.) and the systems through which this culture is sustained and transmitted throughout the firm (structure, policies, rules, code of ethics, reward system training etc.) make up the other two building blocks of ethical responsibilities a decision making. Culture and systems may work either to constrain or to support the top manager's ethical perspective.

For managers is necessary to think about the costs and benefits of the socially responsible and ethical behaviour, communication and motivation. These things can help to form a good relationship between managers and employees and between firm and customer. And it is the condition for implementation of the good and effective quality QMS and EMS. Therefore is organisation culture an integrating element of quality management and environmental management.

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