

Cracow University of Economics

Faculty of Management

**Organizational Behaviour
Department**

Anna Pietruszka-Ortyl, Ph.D

Ostrava, 17-18 October 2018

AGENDA:

1. The concept of organizational culture in the light of theory.
2. Quality culture as an object of management.
3. Research methodology.
4. Signs of quality culture in companies from the IT sector in Poland - findings.
5. Conclusions and research limits.



Quality culture in the perspective of polish IT sector

Ostrava, 17-18.10.2018

Increasing role of the organizational culture in gaining competitive advantage

- E. Jacques (1951), E. Schein (1985), K. Cameron & R. Quinn (1998)
- Ch. Pietersen (2017, pp. 263-164)

shared set of values, norms, assumptions, and beliefs that exist among organizational members, which influence employee attitudes, thoughts, feelings, decisions, and behaviors
understanding organizational culture is about symbol, ideational systems, myth, and ritual or about the art of reading and understanding organizational life

cluster of common norms and values, which are formed over a long time and affect the way an organisation works (Ingelsson, Bäckström, Snyder, 2018, p. 1751)

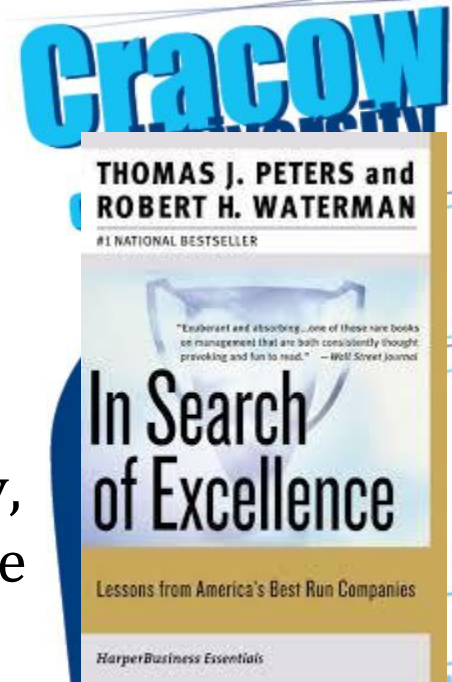
Organizational culture as one of the main issues raised in the sphere of management

early 1980s model of an organization as an atom

- the context of the four soft advantages of a company,
- the resource-based view and the focus on intangible resources.

the present organizational culture determines the success or failure and can be treated as a determinant of the organisation's future

Barney's well-known view recognizes organizational culture as a key component that has a direct impact on the innovation strategy of organizations



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The organizational culture is currently analysed in a multifaceted way:

- one of **the key intangible assets** building the intellectual capital that **determines the organisation's value** (Al Saifi, 2015, pp. 164-189),
- **the context for the development of other intangible assets and elements of intellectual capital** – social, customer and human capital (Urbański, 2015, pp. 321-337),
- **the catalyst of effectiveness of knowledge management in the organisation** (Corfield, Paton, 2016, pp. 88-106) or **the innovativeness of enterprises** (Laforet, 2016, pp. 379-407),
- the element affecting **the tendency to share knowledge and the job satisfaction** (Tong, 2014, pp. 19-28) or **the work quality** (Wyrostek, 2012, pp. 43-49).

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Organizational cultures of enterprises functioning in the knowledge-based economy

cultures promoting knowledge

- cooperative culture
- trust culture
- learning & knowledge culture

sharing knowledge is a value, joint responsibility and equal opportunities for everyone, focus on the customer, "open door" policy, learning from others, conduct mainly based on shared values, flat and flexible organizational structure, expert authority, continuous trainings and education of employees, cross-functional teams, open financial policy

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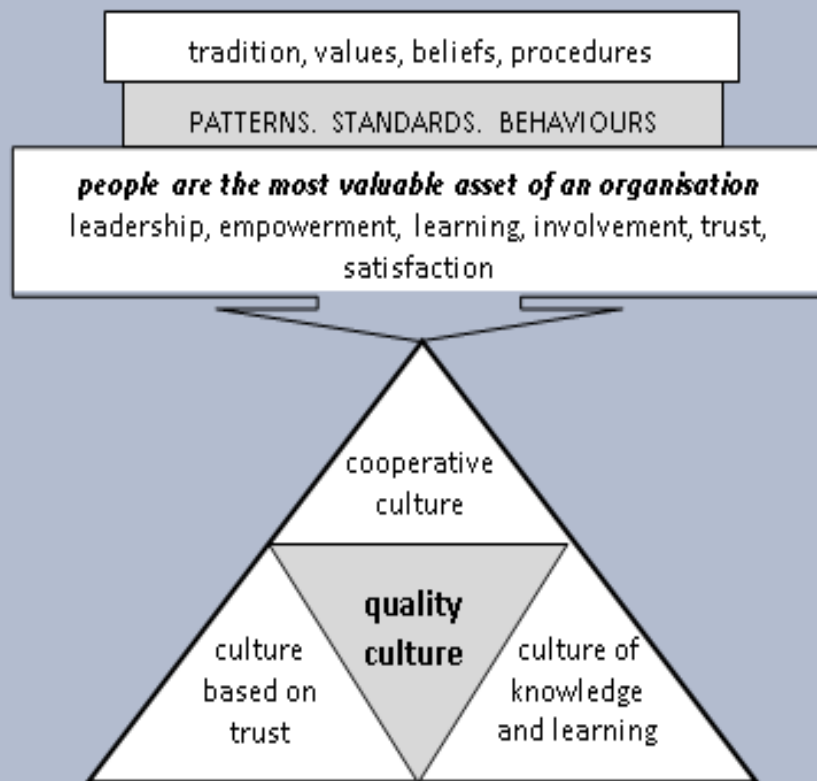


Fig. 1. Dependencies between types of organizational cultures in the knowledge-based economy

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ESSENTIALS OF THE QUALITY CULTURE THEORY:

„focusing on quality is today the source of success of an organisation and, at the same time, one of the main tasks of managers”

(Ali, Musah, 2012, p. 289)

„focus on quality is related to the different perspective towards competitiveness, relations with customers and suppliers, or relations between managers and employees”

(Troy, Schein, 1995, p. 45)

Quality culture was introduced to provide a comprehensive approach to quality sustainability (Wu, 2014, p. 800)

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Motives to do researches on organizational quality culture:

- in some sectors quality culture has not been properly developed (Lo, 2002, p. 272),
- there is a gap to be filled in the development of appropriate culture for quality (Adebanjo, Kehoe, 1998, p. 275),
- instruments are in place but there is a lack of quality culture – successful quality improvement practices seem to require both the formal side and a quality-conductive organisational culture in terms of attitudes and practices of participants (Markowitsch, 2018, p. 25),
- quality management initiatives fail to reach its potential because leaders lack an understanding about the key role of organizational culture in quality (Ingelsson, Bäckström, Snyder, 2018, pp. 1751-1752).

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TWO OBJECTIVES OF THE PAPER:

synthesis of literary sources

- ✓ capturing the essence, determinants and evolutionary stages of quality culture

the empirical research

- ✓ diagnosing the condition of quality culture in companies operating in the IT sector in Poland

the critical analysis method

**the exploration of
empirical data**

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ORGANIZATIONAL QUALITY CULTURE THEORY:

**overall attitude of an institution,
which focuses on the concept of quality
and applies it to all aspects of its activities**

- it's a learning culture in which all members of institution are involved in a self-critical assessment and improving culture in which all of the workforce of institution is fully engaged in all activities carried out by the institution (H.M. Ali, M.B. Musah 2012, p. 290),
- an environment in which employees not only follow quality guidelines but also consistently see others taking quality-focused actions, hear others talking about quality, and feel quality all around them (A. Srinivasan, B. Kurey 2014, p. 58),
- covers three main elements – system wide philosophy (doing the right thing the first time), continuous improvement (striving for that), and customer focus (fulfilling customer needs) (Wu, 2014, p. 804)

Activities focused on building quality culture :

- focus on customer satisfaction,
- focus on processes, teamwork, open communication and exchange of knowledge,
- focus on making decisions based on facts

In shaping quality culture, the greatest significance is attributed to :

- interpersonal relationships,
- treatment of employees and customers with respect,
- focus on development,
- acquisition of licenses, and co-participation in organization management.

3 categories verifying organisational quality culture condition:

**the level
of the employee**

**the level
of the manager**

**the level
of the organization**

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RESEARCH METHODOLOGY:

Hypotheses:

- ✓ the standards of behavior binding in companies contribute to evolution of their organizational cultures towards cultures promoting knowledge,
- ✓ organizations of the IT sector undertake actions focused on shaping quality culture,
- ✓ companies from the IT industry observe signs of quality culture in areas of the employee, the superior and the organization,
- ✓ organizational cultures of IT companies have features of quality culture that determine their success,
- ✓ organizational cultures of IT companies move towards the 3rd stage of the quality culture evolution, namely a condition of permanent creation of quality.



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RESEARCH METHODOLOGY:

Aims & challenges:

- ✓ distinctions of organizational culture promoting knowledge in the verified companies from the IT sector in Poland,
- ✓ activities aimed at building quality culture in the analyzed entities,
- ✓ determinants of quality culture indicated in the examined organizations at the level of the employee, the superior and the organization,
- ✓ the level of satisfaction of internal and external customers of the verified IT companies with their operations.

survey questionnaire

20 closed-ended questions

multiple choice

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WHY IT sector:

- ✓ it is one of the five main industries with the greatest impact on shaping the conditions of operations in the knowledge-based economy → it should adhere to the rules of the new economy to the largest extent ,
- ✓ its leading form of activity consists in services, which generates the need for knowledge orientation,
- ✓ the estimated development of new IT markets, in the form of cloud computing and big data, focused on specialized services, forces quality orientation.

175 completely filled in surveys

pilot & cross-organizational character

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Research sample:

- employees with average professional experience, with average number of years worked of 3.5 years, and in the organization described in their answers - 1.5 year
→ sufficient scope of knowledge

Business profile of the analyzed organizations:

- 45% services, 23% trade, 32% mixed → diverse business profile
- average period of operation amounted to 13 years → experienced companies operating in diverse market conditions
- the majority - services companies → research sample confirms the thesis that the services sector assumes the dominant role over production sector
- their functioning should be compatible with the conditions of knowledge-based economy
- their organizational cultures should promote knowledge and evolve in the direction of quality culture
- 25% microenterprises, 25% small companies, 19% medium-sized firms, 31% large organisations
- satisfactory financial standing (31% - very good financial situation, 55% good situation)

IDENTIFYING THE STAGE OF EVOLUTION TOWARDS QUALITY CULTURE:

- the examined entities transition from the phase of absence of pressure on quality to the stage of detection and prevention of quality errors, and then to the state of permanent creation of quality
 - the respondents indicate actions and attitudes that which would substantially slow down this evolution and are a proof of **the emergence of a culture promoting knowledge and quality rather than its existence in a crystallized form**
- treating knowledge as a source of power (45.33%),
 - pushing full responsibility for the organization's functioning only onto managers (46.67%),
 - keeping financial decisions in full secrecy (38.67%),
 - formal, strongly hierarchical structure (29.33%),
 - strict divisions into organizational units (34.67%),
 - risk avoidance (29.33%),
 - behavior mainly based on the set rules (32%)

share knowledge

be innovative

search form new solutions

show initiative

PREVALENT RULES and BEHAVIORS manifesting STRONG EMPHASIS on QUALITY:

- knowledge sharing is a value (62.67% of responses),
- focus "on the customer" (61.33% of responses),
- informal ways of communication (50.67% of responses),
- continuous training and additional education for employees (41.33% of responses),
- evenly distributed responsibility (36% of responses),
- culture of co-responsibility (32% of responses),
- promotion of entrepreneurship (34.67%).



trust
openness
creativity

**commitment &
determination to
search for
excellence**

AFFIRMATION OF QUALITY

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The indicated determinants of quality culture in the perspective of the employee, the superior and the organization

the employee	
is fully involved in performance of his/her duties	48,00%
has a precisely determined scope of responsibilities	40,00%
is supported by managerial staff in the performance of his/her duties	41,33%
has the opportunity to improve his/her competences	50,67%
complies with the binding procedures, instructions	38,67%
commits to improvement of his/her job	29,33%
is thoroughly familiar with his/her duties	60,00%
has sufficient competencies to perform the assigned duties	38,67%
takes care of his/her workstation	52,00%
is well-motivated to perform his/her duties	38,67%
the superior	
supports employees in performance of their tasks	40,00%
is focused on fulfilment of customer's requirements	60,00%
enables employees to participate in trainings	42,67%
encourages employees to increase their qualifications	33,33%
the organization	
priority treatment of meeting customer's requirements	46,67%
mandatory fulfilment of legal and technical requirements by the product/service	37,33%
cooperation with the best suppliers	36,00%
continuous investment in the most advanced machines and devices	22,67%
very good cooperation between employees	52,00%
elimination of products/services inconsistent with the requirements from the order execution process	18,67%
use of techniques and methods of quality improvement	38,67%

Observed factors stimulating the emergence of quality culture:

- great freedom of action (52%),
- teamwork (73.32%),
- efficient communication (58.66%)

Indicated determinants of quality culture that should be developed:

- preference of openness to change and proactive attitudes

The most often used tools stimulating the emergence of a condition of permanent quality culture:

- teamwork (80% of responses),
- fulfillment of obligations towards employees (70.6%),
- raising awareness of the company's objectives and clear rules of procedure (65.33%),
- TQM (50.63%),
- the management being an example, among others, of openness and sincerity (64.03%)

Characteristics of quality culture of the IT sector in Poland identified in the research

widely shared philosophy of comprehensive quality management	13,3%
importance of people in achieving success of the organisation	44,0%
celebrations marking events in the organisation's life	33,3%
awarding successful people and publicising their awards in the field of quality	28,0%
popularising and consolidating the quality culture	25,3%
informal rules of conduct	38,7%
strong values	33,3%
high standards of operation	45,3%
corporate character	32,0%

CONCLUSIONS:

- **Organizational culture is a complex phenomenon – changing it takes time and effort, especially from organizations' leaders .**
- Managers must have a deep internal conviction that affirmation of quality fosters the success of the contemporary organization.
- This conviction should be expressed in their actions and attitudes focused on both employees and customers.
- **The examined companies operating in the IT sector in Poland are in the process of transforming their organizational cultures towards quality culture**

- **The analyzed results should be treated only demonstratively, as they have clear restrictions due to the size of the research sample.**
- **The study should be considered only as a pilot study, confirming the pursuit of transformation of organizational cultures of companies from the IT sector in Poland into quality culture.**

FURTHER SCIENTIFIC EXPLORATION:

- to create a comprehensive model of building quality culture, taking account of the perspective of the employee, the superior, the organization, the customer, and the whole sector embedded in the context of cultural diversity or the network society



Thank you for attention

Anna Pietruszka-Ortyl, Ph.D
Organizational Behaviour Department
Faculty of Management
Cracow University of Economics



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