ANALYTICAL APPROACH RESEARCH: THE ROLE OF ORGANIZATIONAL CULTURE IN INTRODUCTION OF TQM CONCEPT

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Abstract: *The introduction and maintenance of Total Quality Management (TQM) is faced with problems. It is believed that the established organizational culture represents the main cause of the goals which lead to excellence in business. Applying the analytical approach on research is used to identify the key factors of business leading the establishment of the organizational culture.*

Key words: *factors of the organization, organizational culture*

1. INTRODUCTION

Classic, and then the other theory became the paradigm of the research organization. Thanks to changes in business activity, concentration of capital, informatics revolution and other phenomena at the turn of the millennium, functional approach to organization of business systems planning faces numerous obstacles and slowly yields to different approaches. Applied solutions shows that practice seeks its own ways according to business demands.

Successful implementation of TQM concept has the following positive effects on business: improving financial performance, increase customer satisfaction and product quality. However, improving the performance of the organization to a common consequence of the presence of all or a larger number of components of TQM. Unfortunately, the failure of TQM programs is quite high and ranges from 33-75% [1]. It is believed that it should be pointed out the culture of the organization as a factor that significantly affects the performance of the int-roduction and implementation of TQM. Applying the analytical approach to study the possible factors of abstraction. Identifying factors that influence the establishment of the culture of the organization should enable the realization of tasks: the successful introduction of TQM, as a way to excellence in business.

2. ABSTRACTING FACTORS OF ORGANIZATION

Emphasizing „functional observing of parts of an entirety" Webber at the beginning of the XX cen-tury introduced into practice different approach to social phenomena research [2]. H. Fayol during the second decade of the last century introduces two functions: administrative and technical [3]. At the same time functions in an enterprise, business system are understood as "real relation between an organizational entirety and some of it's parts" [4, p.660], while they must represent "objective relation between activities of a part of certain entirety and it's state, needs and goals", as well as that "function does not depend just on singled out characteristics of the organ and it's activities, but on mentioned characteristics of entirety as well" [4, p.660]. Such relation is established depending on general **deterministic structure** of business system, features of its activities, role of a separate function and naturally, circumstances in the surrounding.

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CIRCUMSTANCES   FEATURES

MANAGEMENT:
Strategy

Business system culture   Communication with enviroment

Labor division with nomination   Adaption and realization of
of authority (structure)   decisions (functioning)

PROCESSES:
- Business activity,
- Sales transactions,
- Development and
  growth,
- Business
  providing.

FLOWS:
- Capital,
- Material,
- Informations,
- Social
  consciousness.

SUBJECT:
- Humen,
- Depends enterprise,
- Organizational units,
- Syndicate,
- Informal organization.

THINGS :
- Products,
- Fix assets,
- Working assets,
- Bonds,
- Intelectual capital,
- Titles,
- Other assets.

Fig.1. Analytic approach to organization research –
survey of abstract structure of organization factors in business system

Natural sciences accept that analytic approach has advantage over phenomena research based on functions. It is considered that, by applying analytic approach, by abstracting factors, solutions that will suite contemporary needs [5] can be stated precisely. Analytic approach means research on "causal effect of some factors on certain social phenomena and situation in order to determine specific weight of some factors which make necessary and sufficient conditions for these pheno-mena and situations" [5, p. 658] as accurately as possible. Follows that by applying analytic approach to business system organization or some other organization research, structure of its factors is established. With precise hierarchical structure of factors, necessary and sufficient conditions for its complete defining are provided.

M. Markovic [4, p. 690] describes factors abstrac-ting process starting with precisely defining the *conditions* concept. Then, he shows, relying on the meaning of *working condition – cause* syntagm which represent an element of the set of necessary conditions and that they with its activity produce the observed phenomenon. Then, he concludes that only the active conditions i.e. all *objects*: **things**, **processes** and **features**, which thro-ugh their activity participate in producing the given phenomenon – will be named **factors.** However, bearing in mind that man directly influences business process, it is considered, that besides mentioned, his *subjectivity* should be pointed out as a specific factor of organization [see more in 4, p. 261]. As shown in Fig.1 additional abstraction of factors of organization has been performed: subjects and processes into two separate groups: **Management**, as a subject of great importance for activity of the institution, is singled out from **the rest of the subjects** as a

unique business activity organization factor. Similar to previous, bearing in mind influence of time and organization research with distant horizon of anticipation, **flows** – as a specific set of factors have been singled out of the process [6]. It is evident that each factor of organization encompasses a number of entities, so it is understood that it is necessary to continue with the process of abstraction. Other *conditions* that influence business activity are *circumstances*. Circumstances can be described with help of some *variables*.

3. ROLE OF CULTURE IN THE COMPANY OF CHANGES OF THE ORGANIZATION

Organizational changes are long-term and comprehensive process of conscious, deliberate and controlled development and change of the organization with the aim to improve the effectiveness and efficiency of the organization, and quality of life and humanity in work conditions. It is essential that all changes (organizational, technical-technological and interpersonal) should be harmonized with each other dynamically, because individually they can not give the desired results. Changes in organizational structure are not possible (or more accurately, can not be successful) without changes in the people who make the organization, and changes in relationships between people towards changed environment and organizational structure. The change consider the active and creative changes, and never on the passive and reactive organizational adjustment of system (see [7], p. 44).

In recent years, more and more are stresses the soft elements of the organization of companies expressed through organizational culture, leadership and management of human resources. In systems where exist large fluctuations in staff, of great importance is the existence of the organization, regardless of the current framework of employees. Stability is largely achieved with organizational culture, which is a "model of the basic assumptions, values and norms that the group developed or discovered learning how to solve the problems of external adaptation and internal integration, and work well enough to be transferred to new members of the organization as the correct way of thinking and feelings in relation to these issues (according to [8], p.254, E. Schein, 1985)."

Emergence and development of organizational culture are processes that require time, and new established companies do not have developed specific organizational culture, because it develops and changes throughout its existence, following the life cycle of companies. Once the culture is established in the company, certain forces within the organization maintain culture and give employees a set of similar experiences. The greatest impacts on the maintenance of organizational culture have: selection, management and socialization of employees (see [9]).

Management defines the organizational structure of companies, its goals and strategy, policy, codex of behavior, rules and procedures, method of communication, decision-making mechanisms and thus affects the formation of the appropriate organizational culture, through assumptions, beliefs, values and desirable way of behavior of employees. Explicit goal of the process of selection and reception of new employees is the identification and employment of individuals who have knowledge, skills and abilities necessary for successful execution of jobs within the organization, and whose personal profile (basic attitudes and values) fit into the culture of the company. Socialization process of newcomers is the process of training, so that the knowledge and expertise they have acquired in school or another company becomes complement with specific details related to specific operations – Fig. 2 [10].
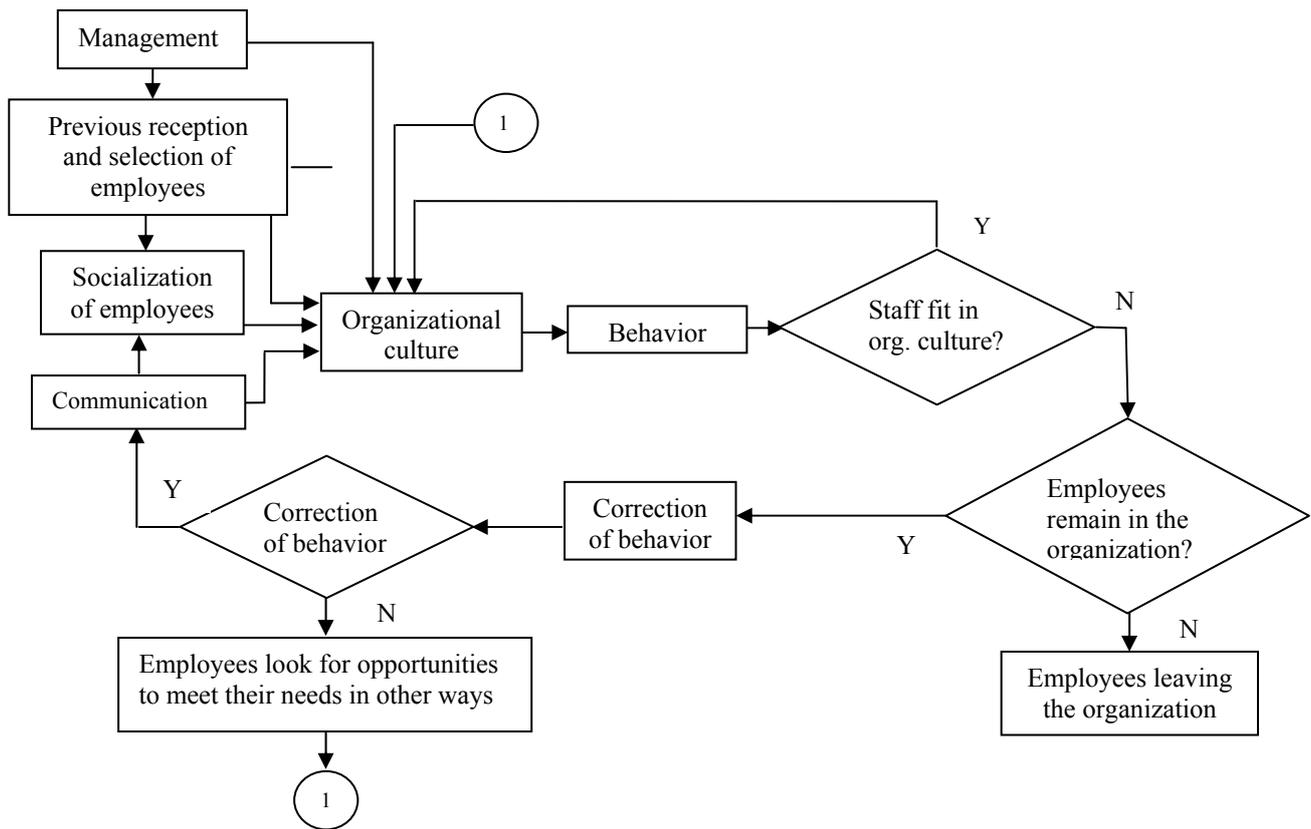
Fig. 2 The mechanism of the formation and maintenance of organizational culture [10]

Organizations generally have dominant organizational culture and subcultures, which may be in different relations with dominant culture. Formation subculture is consequence of the existence of informal organization, which has its own structure, hierarchy, code of conduct and goals. Subcultures differentiate in three direct-ions: 1) horizontal, 2) vertically and 3) diagonally. Horizontal differentiation is a differentiation according to business functions, because there are differences in: goals, technolo-gy, work, profile and level of education of employees, business perspective, problems. The mentioned differences are a source of problems in the area of coordination and control operations. By the vertical line differentiate subcultures of managers and staff. Values and beliefs are different depending on the education, social position, everyday problems in the workplace and the perspective view of the business. The diagonal differentiation is by different criteria: occupation and education, social origin and status, ethnicity, special interests or hobbies, etc.

Value system and way of doing business should not be changed until ensures the survival and development. The frequent changes in organizati-onal culture are not recommended,

because it is expected from management to form a stable organizational culture. Efficiency and effective-ness are indicators of the degree of compliance of essential values and the environment. Problems and difficulties in business operations of enterprises are a sign that began changes (internal and/or external). Changed conditions, the most common pressure of competition and/or technological innovations imply change in access to business and the system of values, and continue on changing the existing model of the organizational structure and management.

4. OBJECTIVES AND PROBLEMS IN INTRODUCTION OF TQM CONCEPT

TQM is a management approach based on the quality of the organization, which allows monitoring and adjustment of changes in the environment, conditional changes in the organization, which greatly contributes to the flexibility of the organization in relation to the external changes. In imp-lementation, TQM is based on the system (organization is regarded as a set of processes and their mutual relationship) and situational (each organization is specific case with its environment, and everything depends on

situation) approach. TQM in the general sense puts emphasis on the customer satisfaction, continuous improvement and involvement of all employees in the organization.

TQM creates a culture of quality, in which the goal of every employee is to satisfy the customer and where the organizational structure allows that. The main goal is to encourage employees at all levels to achieve maximum: allocation of authority and responsibility for independent decision-making, presenting mission, vision, goals, policies to employees (quality, relations with customers) and system of values; developing mutual trust between management and employees; assurance of resources and other prerequisites, the constant training of employees, creating a policy for stimulating expression of creativity, knowledge and skills.

The ultimate goal of quality management based on the concept of TQM is the achievement of busi-ness excellence (which is the business achievement of organizations in terms of financial and regar-ding the satisfaction of demands of all interested parties), which is reflected in the constant increase of profit and market share, with reduction of the cost. Achieving business excellence (occupation of the market position) and the creation of world-class products and/or service are the basic prerequi-sites for survival, growth and development organization. Business excellence is not located in a business function. It is the result of the synchronized action, according to precisely defined goals, and should be the aim of every employee. To achieve excellence is necessary that the buyer "voice" agent of all the activities from defining goals and strategies, through product development and process, until the internal standards for measuring the performance of all parts of the organization. Thanks analytical approach to research that resulted in the abstraction of factors can be made clear a number of directions in establishing a culture of business system (Fig. 1). The range consists of:

1. **Circumstances** (which demonstrate the influence of the environment and culture in the local community),
2. **Management** (as a separate entity that has the task to create and introduce the culture of the organization),
3. **Human** and **informal organizations** (as entities directly involved in the process of creation, implementation and change of culture) and
4. **Flows of social consciousness** – as a statement of change and success to achieve the desired culture of the organization.

Essential task is to establish a culture of such organizations, whose effects will be map the processes and products, and enable the achieve-ment of the goals accepted in the business system.

5. CONCLUSION

The role of management is to change the factors that created and held the existing culture. Chang-es in culture, structure and management are refle-cted in the internal relations within the company, and includes the adoption of new documents, decisions and solutions, and change the habits of particular employees. Efficient culture of a special organization, its specific image, which it is recognized in the environment (global market), motivated employees, results in formation of efficient and flexible organization. Building adequate organizational culture is a long-term process, which must be well designed, emphasis on mission and vision, and acknowledges the real situation and the availability of resources.

Practice has shown that successful implementation of TQM in the organization depends on its compatibility with the existing organizational culture. If there is compatibility, the concept of TQM is integrated in the organizational culture, as a number of common values, principles and norms of quality. The basis of this culture is commitment and awareness of quality and commitment to quality in the organization. Effective culture building with the principle that the quality of work and responsibility of everyone. Creation, development and maintenance of culture is a process which in various ways includes all employees. This process can not be established by itself, but by management, launching initiatives and building all the elements of quality management. Culture is based on the efficient management system and quality assurance and total quality management loyalty. Efficient culture ensures a low level of quality variations of final product or service, and has permanent improvement, in order to improve satisfaction of customers.

Analytical approach allows research of organizations to identify those factors that allow the establishment of organizational culture organizations, and than allows the introduction and maintenance of TQM, and business that pursues excellence in business.

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