In every university organizational culture makes ground for quality management and is directly connected to development. Quality management is an important part of continuous improvement of any organization. It is focused on increasing the organizations’ effectiveness by setting quality objectives. Quality Management has been one of the most applied organizational change methods in the last two decades. Organizational culture is directly connected with effectiveness and performance of the organization – the stronger the organizational culture, the more effective is the organization. The aim of the paper is to evaluate theoretical aspects of organizational culture and quality management, their interrelation and impact on continuous improvement and development of university. In the result of the research interrelation mechanism of organizational culture and quality management is determined thus facilitating the identification and understanding of underlying factors for organizational excellency.

Keywords: Organizational Culture, Quality Management, Continuous Improvement.

2. THE CONCEPT OF ORGANIZATIONAL CULTURE AND ITS NATURE

The concept of organizational culture has many definitions; scientists are not unanimous on this matter. However, all recognize the profound impact of organizational culture on the organization and the processes that take place there. A review of the literature on concept “organizational culture” reveals that a majority of writers have come to an agreement that culture refers to the taken-for-granted values, underlying assumptions, expectations, and definitions present which characterize organizations and their members. Most discussions of organizational culture [5], [23], [27] agree with the idea that culture is a socially constructed attribute of organizations which serves as the “social glue” binding an organization together. A simplified definition of organizational culture is “the way we do things around here”. In this way people in the organization define consistent approach in which they perform tasks, solve problems, resolve conflicts, treat customers, and treat employees or the prevailing ideology that people carry inside their heads, thus, culture affects the way organization members think, feel, and behave. One of the first who studied the concept of organizational culture was business consultant C. Handy [10] in his work “Understanding Organizations” published in 1976. In that time book “Understanding Organizations” offered an extended ‘dictionary’ of the key concepts – culture, motivations, leadership, role-playing, co-ordinating and consultation. According to Handy’s model, there are four types of culture which an organization follows – Power Culture, Task Culture, Person Culture and Role Culture. For example E. Schein [26] have suggested that culture is best thought of as a set of psychological predispositions that
members of an organization possess, and which leads them to think and act in certain ways. Schein defines organizational culture as: “The pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems [26].”

A. Brown [2] stated the definition of organizational culture as follows: “Organizational culture refers to the pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization’s history, and which tend to be manifested in its material arrangements and in the behaviours of its members.”

According to G. Hofstede [12], culture is the “collective programming of the mind, which distinguishes the members of one category of people from another.” He relates culture to ethnic and regional groups, but also organizations, profession, family, to society and subcultural groups, national political systems and legislation, etc. Hofstede also divided culture into four layers (or four main elements): symbols, heroes, rituals and values.

As to the definitions in the Latvian language, we can mention R. Garleja’s [9] definition of culture “Culture in the broadest sense is the characteristics of the era, in the narrowest sense – the sphere of the person’s spiritual world, knowledge, skills and abilities, level of development, global vision and collection of knowledge”. Authors agree that culture can be defined as a system of norms, laws, abilities, value orientation, beliefs and approaches, which conveys information to the society through symbols and also performs the representative, directive and affective functions. Also this definition can be applied to different levels – the state, the individual and the organization.

Organizational culture is a complex pattern of assumptions about the group’s place and function in the world. The values and expectations that direct behaviour are learned, based on what has worked for and against its welfare in the past. There are two complimentary survival functions that drive the development of organizational culture [28]. The first survival function is adaptation to external change. Experience in defending the group and advancing its cause in context creates a worldview. The second survival function is the development and maintenance of an integrated, stable, internal identity [15]. It may be more costly to ignore culture than to deal with it [22]. A common mistake in organizations desiring to improve is that they do not create a common viewpoint regarding where the organization is starting and how that differs from an ideal future state. Unsuccessful organizations often launch a change initiative without considering the need to develop a consensual view of the current culture; to reach consensus on what change means and does not mean; the specific changes that will be started, stopped, and enhanced; the small wins and celebrations that are required; the measures, metrics, and milestones required for accountability; the requisite communication system needed; and the on-going leadership demands faced by organizations in the midst of culture change [6].

Each scientist sees something different in the concept of organizational culture – the morale in the organization, special ceremonies, feeling of togetherness, etc., but all the authors recognize that culture is a necessary potential of organizational life. Culture refers to the taken-for-granted values, underlying assumptions, expectations, and definitions present which characterize organizations and their members.

To conclude the analysis of the concept of organizational culture, the authors deduce that the result of the functioning of any organization is a product or service and any organization wants to be effective and sustainable. The key resources that provide the results are people, finance, raw materials, technology, information, etc. However, the organization’s operational efficiency, development and existence are determined by a number of interrelated internal and external environmental factors, including organizational culture, internal integration, processes and quality system. Therefore, the authors consider it necessary to examine the aspects of quality in the process of the organization’s continuous improvement.

3. ASPECTS OF QUALITY AND CONTINUOUS IMPROVEMENT

In order to reach and maintain a certain level of quality, the organization must be able to organize itself, but the organization’s ability to self-organize is based on the aspects of organizational culture, such as the existing beliefs, behavioural norms, values, etc.

Total Quality Management (TQM) focuses on a continuous improvement process with an emphasis on people and their involvement and receptivity to continuous change [1]. Thus, TQM is an integrated effort for gaining competitive advantage by continuously improving every facet of an organization’s activities [19], [20]. ISO [14] defines TQM as a way of managing an organization which aims at continuous participation and co-operation of all its members in the improvement of quality in order to achieve customers’ satisfaction, long-term profitability of the organization and benefit of its members, in accordance with the requirements of society.

Some researchers have begun to explore quality management as a cultural phenomenon rather than a set of tools and techniques [7], [3], [24]. The outcomes of some research works have reported evidence that successful implementation of total quality management depends on the organization’s quality culture [6]. This means that unless this was congruent with the TQM initiatives, positive outcomes were less likely.

To survive in a rapidly evolving global market, customers and their needs should govern all the activities within the organization. For most organizations this will require a change in their internal culture. The core concept of TQM that is the customer focus linked with a continuous improvement plan that is supported by innovation can build a strong culture, which can positively improve the organization’s competitiveness and performance [13].

The implementation of quality management principles and programmes seems to require very radical reforms, sometimes insurmountable, in basic organizational areas such as culture and leadership styles. Some empirical research carried out from the point of view of “Organizational Ecology” shows that innovations – for TQM this means innovation in organization management – affect key organizational aspects such as strategy, structure and culture, these being specifically the aspects which offer the main risks to survival. There can also be some opposition to adopting these innovations, even if their expected values are positive for the organization. Other authors point out that many organizations will show some resistance to trying out basic reforms – even if improvement in organizational performance or fulfilment is expected from them – either due to their reticence to taking risks, their expectations that the strategies followed at present will bear fruit a little later or their fear of facing the mess brought about by such change [25].

To ensure the organization’s effectiveness and viability, it is necessary to change the view of what is organization and how it is managed. The organization is not just a set of different
functions whose activities should be coordinated. The organization is a system—a set of interconnected and interacting elements. Organizations like any other systems face a constant need to solve the dilemma—how to change or develop and maintain their internal stability [8], [29]. I. Lapina et al. [17] explain that the company’s economic success is based on the overall development of society, and the solution of its problems actually creates significant opportunities for the organization to enhance its competitiveness.

The organization is a specially designed social system in which human activities are consciously coordinated in order to reach common goals. As already mentioned, the organization is a complex open system, which consists of many variables which closely interact with each other (internally) at the same time interacting with the external environmental factors. The internal environment elements are mainly related to the results of management decisions and can be influenced, but in the case of the external environmental factors, the organization must be able to adapt to them. The organization’s performance and the achievement of the objectives depend on the organization’s ability to continuously improve and adapt to a particular situation.

Total Quality Management is the company’s philosophy, a way of thinking about business objectives, organization, processes and people. Successful interaction between “organizational culture” and “quality management” is the key factor in the achievement of the company’s operational efficiency and excellence. TQM implementation leads to changes in organizational culture. Therefore, understanding the dominant culture of an organization is very important for the successful implementation of quality management.

4. RESEARCH METHODOLOGY

The research was conducted on the basis of scientific publications review, using logical and comparative analysis methods. Organizational culture and quality system in the University was analysed using self-assessment tools from EFQM (the European Foundation for Quality Management) Excellence Model.

In order to evaluate the organizational culture of the University the framework of the research was built using a modified version of the Organizational Culture Assessment Instrument (OCAI). The OCAI is a validated tool for assessing current and preferred organizational culture, based on the Competing Values Framework, developed by professors Robert E. Quinn and Kim S. Cameron of the University of Michigan [6].

The Competing Values Framework or organizational culture types are shown in Figure 1. Cameron and Quinn made four quadrants corresponding with the four organizational cultures that differ deeply on these two dimensions:
- Internal focus and integration vs External focus and differentiation;
- Stability and control vs Flexibility and discretion.

Every organization has its own mix of these four types of organizational cultures. This mix is determined by completing a concise survey. This assessment is a valid method to examine organizational culture and the desire for change.

In 2014, Riga Technical University conducted an organizational culture study using a slightly modified OCAI questionnaire. Limitations of the study design and of the data analyses caution against making definite conclusions. Limitations also exist with regard to external validity.

Research was conducted at university level at Riga Technical University with particular attention to development strategy and quality management. The study of organizational cultural assessed both the organizational culture of RTU as a whole and the organizational culture of FEEM in depth. During the research the organizational culture was evaluated and characterized by the management and administration representatives, who mostly focused on characteristics of management and support processes. During the study the academic staff was not interviewed. Representative number of respondents is calculated on bases of common methodology [21]. The general sample is 79 respondents. The calculated representative number of respondents is 65 staff members.

There is no final “best” organizational culture. Only in a particular circumstance will one class of culture serve better than another. The aim of the research was to characterize the existing and define the desired organizational culture type, and use the research results to develop a quality management and development strategy that would be most appropriate for the University. Research was conducted to create suggestions for development of the organizational culture, in order to promote creation and implementation of the quality management system within the framework of the development strategy of the University.

An important aspect was also the opinion of the University employees as internal customers about how to effectively build the University’s internal communication process, which is an important factor for the success of any changes. Parameters of the organizational quality management should be defined within the framework of the development strategy of the University and based on the research related to organizational culture.

5. RESEARCH RESULTS

Organizations have different working environments, work attitudes and leadership styles, which influence the implementation of the quality management approach. Therefore it is important that companies understand their organizational culture profiles in order to integrate the quality management principles and choose the most appropriate approach for strategy development and continuous improvement.

The authors believe that diagnosing organizational culture with the help of the organizational culture diagnostic tools developed by Cameron and Quinn—Competing Values Framework and a questionnaire for evaluation of the organizational culture typologies OCAI—allows identifying the overall image of the organizational culture consisting of the key organizational culture factors: dominating qualities, leadership in the organization, human resources management, organizational unity, strategic goals, and criteria of success. The main

Figure 1. The Competing Values Framework [4]
objectives in outlining this assessment process are to help ensure that the organization is clear from the outset regarding what its current culture is and why it needs to change.

Organizational culture can influence how people set personal and professional goals, perform tasks and administer resources to achieve them. Organizational culture affects the way in which people consciously and subconsciously think and make decisions and ultimately the way in which they perceive, feel and act [11]. Scholars of organizational culture are of the opinion that basic values are formed, internalized and consolidated during the company development process or in any of the stages of its life cycle. Cameron and Quinn tackle the changes of the organizational culture in close connection with its growth [7], [4]. In the earliest stages of development, organizations tend to be dominated by the Adhocracy Culture, while during the development stage it is supplemented by the Clan Culture. Increasing the number of workforce and extending the scope of activities creates the need to form substructures and increase formal control to create unified performance standards, thus intensifying the significance of the Hierarchy Culture. Later the culture is gradually supplemented by elements of the Market Culture, enabling the company to increase its competitiveness.

The framework of the organizational culture diagnostics introduced by the above mentioned scholars “photographs the situation”, but does not show how the model identified has been formed and what role management has played in the formation of the organizational culture model. During the stability and ageing stages the organizational structure frequently becomes dysfunctional. To avoid this, managers should manage organizational culture changes paying particular attention to the development of the most important employee competencies for a given stage of company life cycle [16].

The overall image of the organization is formed on the basis of the determinants of organizational culture: the main characteristics, leadership (management), human resource management, organizational unity, strategic objectives and success criteria. Each alternative shows how the department managers and employees of RTU and FEEM have described the current situation in the University and the Faculty, and how they want to see it in order to ensure that the activities of the organization are successful. The profile of the assessment of the current and desired organizational culture in RTU and FEEM is shown in Figure 2.

![Figure 2. Assessment of the organizational culture in RTU and FEEM [created by authors]](image)

Current organizational culture of the University according to the respondents’ opinions is more like the Hierarchy Culture. Hierarchy oriented cultures are structured and controlled, with a focus on efficiency, stability and therefore a significant role in achieving efficiency belongs to the leaders of the organization, whose personal qualities and skills determine the organizational strategy, goals and results to be achieved. The Hierarchy Culture is oriented to accurate distribution of power and roles, therefore the organization should now focus on the promotion of flexibility so that in the case of rapid changes the organization could adapt to the developments.

The desirable organizational culture, according to the respondents’ opinions, is a mix of the Clan Culture, which is internally focused, characterized as family culture and is directed towards mutual relationship between employees, and Adhocracy Culture, which is a creative and innovative culture, the most significant efficiency criteria are innovation and development, risk and creative freedom.

The most significant efficiency criteria in the Clan Culture are unity, human resources development, loyalty, mutual trust. The authors believe that the Clan Culture is oriented to support and solidarity that enables organizations to achieve operational efficiency, based on a strict division of functional roles, so the focus should be on coordination of the staff’s activities on various managerial levels.

It can be concluded that employees would like reduction of the current Market Culture share – they would prefer more orientation to that area of higher education institution’s activities which is more focused on innovation and development, rather than the performance criteria characteristic to the Market Culture (competitiveness, orientation to results and profits).

The next Figure shows the assessment of RTU strategic goals.

![Figure 3. Assessment of RTU strategic goals [created by authors]](image)

Upon examining Figure 3, it is concluded that the staff of RTU and FEEM believe that the existing RTU strategic goals and consequently the strategic goals of FEEM correspond to the Hierarchy Culture, which states that the organization emphasizes stability, and efficiency, control and precision activities are of great importance to it.

In-depth study revealed that the department managers of FEEM believe that the existing RTU strategic goals correspond both to the Hierarchy and Market Cultures, the latter states that the organization is goal-oriented and focused on success, on winning and on increasing competitiveness. The authors believe that the department managers of FEEM have assessed the strategic goals of RTU according to the RTU goals set for main processes.
According to the respondents, the desired strategic goals of RTU and FEEM correspond to the Clan Culture, which states that employees are loyal to the organization, and the organization, through its activities, promotes staff development, openness and participation.

In the assessment given by the staff of RTU and FEEM where they characterize the strategic goals, the culture that is most desired is the Clan Culture, next come the Adhocracy and Market Culture in the same proportions. As to the Market Culture, the desired in comparison with the current situation suggests that the RTU strategic goals should focus on increasing the competitiveness, success, goal-orientation and winning.

The assessment of the current and preferred success criteria for FEEM is shown in Figure 4.

![Figure 4. Assessment of the success criteria for FEEM [created by authors]](image)

Upon examining Figure 4, it can be concluded that in the assessment the current success criteria for FEEM correspond to the Hierarchy Culture, which states that the organization makes progress thanks to its operational effectiveness. It is important to meet deadlines, do precise planning, have low operating costs. According to the department managers and employees of FEEM, the desired success criteria for RTU and FEEM correspond to the Clan Culture, which states that employees are loyal to the organization, and the organization with its activities promotes staff development, openness, participation.

If teamwork is effective and the planned goals are achieved, then, in order to ensure efficiency in the future, it is necessary to pay even greater attention to success factors, including cooperation between people. However, if the team cannot handle their tasks, if the planned objectives are not met, it is definitely worth researching and looking for the factors that interfere.

I. Lapina et al. [18] believe that, when talking about the people employed by the organization, what is primarily highlighted is their knowledge, skills, experience and desire to invest their potential in the work process in order to meet the organization’s objectives. Thus, the people, regardless of how they are referred to within the organization (personnel, staff or human resources), are part of the organization, i.e. one of the company’s stakeholders. The willingness and ability of the organization’s administration to manage these people responsibly and orient them to joint value creation describe and determine the company’s development strategy and attitude towards the other stakeholders.

The authors note that employee loyalty, understanding of the organization’s goals can be achieved by promoting employee involvement in various processes and decision-making, thus creating employee awareness of how their work relates to the organization’s development and achievements.

People working in such an organization as university have shared values and emphasize teamwork. They develop an environment focussing on human relationships where managers empower their staff and facilitate them to participate and commit. In the long term, such a culture will lead to an organization focussing on individual development with high cohesion and morale.

The authors believe that higher education is not a market product; therefore, in order to improve the organization’s performance and competitiveness, to achieve a breakthrough in competitiveness, the management and employees of RTU are focused on innovation and development, are willing to be creative, thus the existing RTU organizational culture characteristics change along with the RTU quality policy approved in 2011 and development strategy of RTU approved in 2014.

Quality aspects, process approach and continuous improvement are now the everyday actuality of the university management. The research of the organizational culture revealed that the desired changes in the organizational culture are directly linked to the direction of the strategic development chosen by the University and are in line with the University quality policy. For the organization to improve, a greater focus is put on the definition of the organization’s goals, stimulation of employees’ growth and motivation of the employee performance and work culture.

The University management and employees are ready for cultural change that would be focused on innovations and development, which is clearly in tune with the RTU strategic goals to be achieved. The basic focus of the RTU strategy is to provide the implementation of the leitmotif of the National Development Plan for 2014 to 2020 – to realize “economic breakthrough” in Latvia. Riga Technical University positions itself as one of the cornerstones for the development of the Latvian economy by providing the training of necessary specialists, as well as by developing new products and services that serve as the basis for a sustainable growth of Latvia. The RTU strategy includes the framework for RTU development in the period up to 2020, as well as determines activities to be undertaken and sharing responsibilities for the tasks to be fulfilled.

The strategy is based on the three main objectives of the University and permeates the five top priorities of the University – internationalization, interdisciplinarity, organizational, financial and infrastructure efficiency. These five horizontal priorities are used by RTU as a prism to view the implementation of the objectives and ensure internationally competitive high-quality scientific research, higher education, technology transfer, commercialization and innovation for the Latvian economy and society.

### 6. CONCLUSIONS

The method of diagnosing organizational culture allows organizations to identify the strengths and weaknesses of their organizational culture. The authors believe that the organizational culture study has made it possible to clarify the strengths and weaknesses of the organization’s corporate culture, as well as the level of employee satisfaction with the current organizational culture, and often also the satisfaction or dissatisfaction with the existing internal communication culture. There are several reasons for the development of organizational culture; the first reason is to improve quality and increase flexibility, the second one is the awareness that the main driving force behind the organization is the staff. The authors conclude that in order to promote the quality management and good
organizational governance, more attention should be given to the organization’s operating principles and conditions by encouraging employees to focus on the organization’s long-term interests and common values.

Interrelation mechanism of organizational culture and quality management is determined thus facilitating the identification and understanding of underlying factors for Organizational Excellency. Excellent organizations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders. The authors conclude that the concept of organizational culture cannot be unambiguously defined, but all explanations of the concept emphasize that organizational culture is a set of beliefs and behavioral norms, a way of thinking, a value system based on understanding of various scientific disciplines – philosophy, sociology, psychology and management science. Whereas, total quality management is the organization’s philosophy, a way of thinking about the organization’s objectives, organization, processes and people. Successful interaction between the “organizational culture” and “quality management” is a key factor in the achievement of the organization’s performance excellence.

In order to promote the quality management and good organizational governance, more attention should be given to the organization’s operating principles and conditions by encouraging employees to focus on the organization’s long-term interests and common values. According to the authors, the organizational culture viewed in the context of quality management approach means talking about good governance aspects. The authors agree that at the organizational level the management forms a system within which the organization’s activities are managed, i.e., it is a set of principles and conditions under which the organizational goals are set and achieved. Within good governance systems the organization is stimulated to create added value by acting within a framework of clear responsibility and control principles that allow its operation to be ethical, predictable, strategic and consistent with the long-term interests of the organization’s management and all stakeholders – internal and external.

The organizational culture and the behaviour of the higher education institutions in the country are influenced, among other factors, by the national culture and the government policy on education. Organizational culture is directly connected with effectiveness and performance of the organization – the stronger the organizational culture, the more effective is the organization.

7. REFERENCES