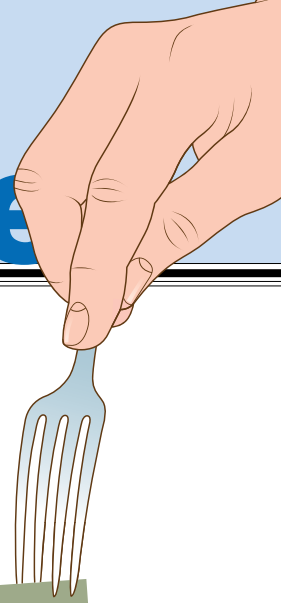


# Standard Issue



## CULTURE

# An Essential INGREDIENT

**To ensure an effective quality management system, organizations must have a strong culture**

by L.L. “Buddy” Cressionnie

**Quality management system (QMS) effectiveness is directly tied to an organization’s culture.** Some readers will vigorously disagree and search for the word “culture” in ISO 9001. To save you time, it appears in clause 4.1, note 3, which describes understanding internal context.

I would challenge, however, that culture is present throughout the QMS requirements presented in ISO 9001. Organizations that struggle with their QMS do so because their organizational culture does not promote the ISO 9000 quality management principles that are foundational to ISO 9001’s purpose and strategic direction.

### What is organizational culture?

Organizational culture refers to the collective beliefs, values, attitudes, manners, customs, behaviors and artifacts that are unique to an organization. Well-known consultant, educator and author Peter Drucker is quoted as saying, “Culture eats strategy for breakfast.”<sup>1</sup> Thriving, vibrant

cultures turn strategy into stellar results. Dysfunctional or misaligned organizational cultures destroy strategies before they have a chance to materialize, frustrating people, disappointing customers and hindering business success.

Organizational culture includes the expectations, experiences, philosophy, integrity and values that hold an organization together. It is expressed in the organization’s self-image, inner workings, interactions with the outside world and future expectations. The culture is based on common goals, shared attitudes, beliefs, customs, and written and unwritten rules that have been developed over time and are considered valid. Also called corporate culture, it’s shown in:

- + The ways the organization conducts its business and treats its employees and customers, and the wider community.
- + The extent to which freedom is allowed in decision making, developing new ideas and personal expression.
- + How power and information flow through its hierarchy.

- + How committed employees are to collective objectives.

Culture affects the organization’s productivity and performance, and provides guidelines on customer care and service, product quality and safety, attendance and punctuality, and concern for the environment.<sup>2</sup> When an organization has a positive and strong culture, customers notice readily, which is a key element of customer loyalty.

The first of W. Edwards Deming’s 14 points for total quality management is to create constancy of purpose for improving products and services. That entails having everyone in the organization embrace the organizational culture regarding improvement and customer focus for continued success.

### Quality management principles

Quality management principles were first developed and published in connection with ISO 9001:2000. These principles have been documented in ISO 9000 and 9004 since the 2000 revision, and the quality management principles that are fundamental to understanding and using QMS standards are included in ISO 9001:2015. There are organizational culture aspects that can be tied to these seven principles:

### 1. Customer focus.

Having a customer-focused culture is critical to the organization's viability and sustained success. Organizational decision-making by all levels in the organization should be consistent with increasing customer value, satisfaction and, ultimately, retention.

Customer focus is the primary driver of the QMS because, without customers, the organization fails to exist. Customer focus is stressed throughout the standard, as defined in this principle, and specifically in clauses 5.1.2 (customer focus), 8.2 (understanding requirements for product and services) and 9.1.2 (customer satisfaction).



**2. Leadership.** Leadership establishes the organizational identity and unity of purpose through the culture it develops and promotes. The concept of leading by example is applicable for this principle. Often, leadership's actions and values speak louder than what leadership says or promotes.

Leadership sets the policy, direction, strategy, processes and resources for organization engagement to achieve the aligned objectives. It also establishes reporting structures, which are affected by culture, to clearly articulate accountability and authority to engender trust and confidence in all working relationships. The importance of leadership was elevated in ISO 9001:2015 as the management responsibility section was relabeled leadership.



**3. Engagement of people.** Competent, engaged and empowered people in the organization

perform to the strategy and objectives outlined by leadership to provide value. The education, training, recruitment and hiring of people are affected by culture regarding what is valued, including people resources for effective QMS implementation and operation.

Creating value occurs when people in the organization feel engaged and understand how they contribute to creating and delivering value. An empowering culture promotes fair and just treatment for everyone, including compensation based on equitable pay differentials for the level of work and merit recognition related to personal effectiveness appraisal.



### 4. Process approach.

A process-based culture ensures consistent and predictable outcomes are achieved as part of an overall system. It plays a vital role in sustaining the organization's identity. The organization ensures an understanding of processes, sequence and interaction, resources needed, responsibilities and authorities, and measures of effectiveness to deliver value and performance through the cultural aspects it conveys and displays. Understanding and maintaining consistent processes establishes a common point of reference and is key to identifying opportunities for improvement.



**5. Improvement.** Organizational culture must focus on improvement. Organizations that are not improving tend to decline and lack strategic direction.

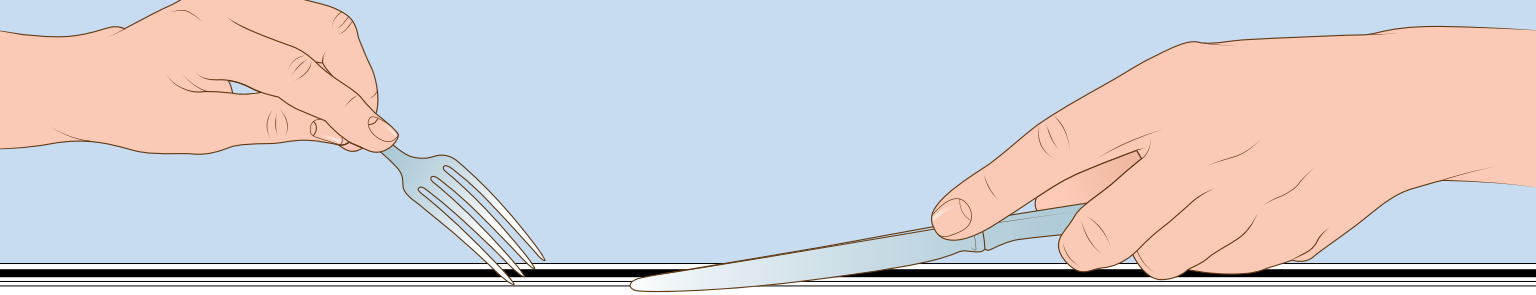
There is no status quo when it comes to customer focus, reacting to external and internal issues, and remaining relevant in the industry. Improvements can be characterized as innovation, breakthrough or incremental. Like leadership, improvement is a principle that goes across the entire standard and is the focus of clauses 10 (improvement) and 10.3 (continual improvement).



### 6. Evidence-based decision making.

Measures of effectiveness mentioned in the process approach are critical to understanding performance so appropriate actions can be taken if targets and goals are not or will not be achieved. An effective organizational culture centered on sustaining organizational knowledge uses and understands the cause and effect in these defined measures of effectiveness. These accurate measures should proactively alert process owners and relevant users when actions must be taken so consistent and predictable outcomes can be achieved. The requirement is not to engage in data paralysis—where the organization keeps asking for additional data so the data will make leadership decisions. Instead, leadership uses the data to make evidence-based decisions along with its experience, expertise and intuition.





### 7. Relationship management.

In keeping with the new concept of interested parties, this principle was expanded from mutually beneficial supplier relationships to relationship management in ISO 9001:2015. The relationships with interested parties that affect or potentially affect the organization's ability to consistently provide products and services are critical. These key relationships include customers and partnering with a network of external providers. This network is only as strong as its weakest link. Some sector standards, such as aviation, space and defense, include sub-tier external controls as part of the last revision. Communication and decision making are affected by organizational culture regarding how the organization and interested parties coordinate and collaborate.



FIGURE 1

## Quality management principles



### Culture is everything

Organizational culture permeates the entire QMS and is an essential ingredient of its effectiveness. Technical Committee 176, the group that writes the ISO 9000 series of standards, currently is writing *ISO 10010—Quality management—Guidance to evaluate and improve quality culture to drive sustained success*. Many other models already cover organizational culture extensively, including ISO 9004:2018, the Malcolm Baldrige Excellence Framework and the European Foundation for Quality Management.

Organizations that struggle to comply with requirements, implement and maintain corrective actions, and ensure consistent results and positive customer satisfaction may want to examine their organizational culture. If the culture rewards firefighting or has

a short-sighted view of profits, then the full benefit of the QMS likely won't be realized. While leadership can do several things to feed the brain of the operation with automation, culture touches and affects the heart of the organization. Culture sets the organizational values and keeps people in the organization aligned to work effectively

to achieve the organization's vision, mission and goals. [QP](#)

#### REFERENCES

1. Bertrand Ross, "Culture Eats Strategy for Breakfast," Management Centre, [www.managementcentre.co.uk/culture-eats-strategy-for-breakfast](http://www.managementcentre.co.uk/culture-eats-strategy-for-breakfast).
2. "Organizational culture," Business Dictionary, [www.businessdictionary.com/definition/organizational-culture.html](http://www.businessdictionary.com/definition/organizational-culture.html).



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