

Question 1

Write short notes on:

- (a) *Corporate Culture*
- (b) *Elements of Culture*
- (c) *Resistance to change*

Answer

- (a) **Corporate Culture:** Corporate Culture is described as the personality of an organization, or simply as "how things are done around here." It guides how employees think, act, and feel. Corporate culture is a broad term used to define the unique personality or character of an organization, and includes such elements as core values and beliefs, corporate ethics, and rules of behavioral norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

Organizational values are beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate principles of behaviour, organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behaviour by employees in particular towards one another.

- (b) **Elements of Culture:** A number of elements that can be used to describe or influence Organizational Culture:
- ◆ **The Paradigm:** What the organization is about; what it does; its mission and values.
 - ◆ **Control Systems:** The processes in place to monitor what is going on.
 - ◆ **Organizational Structures:** Reporting lines, hierarchies, and the way that work flows through the business.
 - ◆ **Power Structures:** Who makes the decisions and how power is distributed across the organization.

- ◆ **Symbols:** These include the logos and designs, but would extend to symbols of power, such as car parking spaces and executive washrooms.
 - ◆ **Rituals and Routines:** Management meetings, board reports and so on may become more habitual than necessary.
 - ◆ **Stories and Myths:** build up about people and events, and convey a message about what is valued within the organization.
- (c) **Resistance to change:** No matter whether a change is of major proportions or is objectively rather small, the change manager must anticipate that people in the organization are going to find reasons to resist changes. It is a basic tenet of human behaviour that any belief or value that has been previously successful in meeting needs will resist change.

Question 2

Explain those elements which can be used to influence an "Organizational Culture".

Answer

A number of elements that can be used to describe or influence Organizational Culture and they are :-

- ◆ **The Paradigm:** What the organization is about; what it does; its mission; its values.
- ◆ **Control Systems:** The processes in place to monitor what is going on
- ◆ **Organizational Structures:** Reporting lines, hierarchies, and the way that work flows through the business.
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Communicating the corporate culture effectively is paramount. For example, at General Electric (GE), corporate values are so important to the company that Jack Welch, the former legendary CEO of the company, had them inscribed and distributed to all GE employees at every level of the Company.

Question 3

State the reasons for acceptance of change in an organization.

Or

State the reasons for accepting the change in the present management set-up of the corporate culture in a business organisation.

Answer

Generally, people resist change in an organization. Even after there are some people who accept or welcome change due to the following reasons:

1. **Personal Gain:** People will be more likely to accept change when they see the possibility that they will gain in some of the following areas:-
 - Increased security
 - Money
 - More authority
 - Status/Prestige
 - Better Working Conditions
 - Self-Satisfaction
 - Better Personal Contracts
 - Less time and efforts
2. **Other factors:**
 - Provide a new challenge
 - Respects/like the source
 - Likes the way change is being communicated
 - Reduces boredom
 - Provides opportunity for input
 - Improve futurePerception, that the change is necessary.

Question 4

What qualities should a sustainable innovation organization possess?

Answer

A sustainable innovation organisation should have:

- (a) Vision and strategy for innovation
- (b) Culture supporting innovation
- (c) Processes, practices and systems supporting innovation

- (d) Top management team leading to innovation.
- (e) Effective cross-financial teams.
- (f) Empowered employees driving innovation.
- (g) Finding the right balance between bureaucracy and chaos.

Question 5

Explain the key elements involved in the innovation frame work of an organisation.

Answer

The key elements in the innovation framework are:

- (i) Accessibility: The major organizational challenge is to make everyone, particularly the workers as active participants in the work process. The innovative enterprise ensures everyone is accessible to each other at all levels within the organization.
- (ii) Recognize and reward innovation: One of the more radical steps an organization or manager can take is to make innovation a requirement of the job.
- (iii) Develop company programs that encourage innovation: Some companies allow their employees to take sabbaticals to work in a new environment or teach in a college. By placing employees in different environments, they can meet new people, come across new ideas and hopefully generate their own novel approaches.
- (iv) Foster informal communication: The paperwork involved in proposing or even pursuing a project can be a major roadblock to innovation. Employees often feel stifled when asked to fully justify ideas; they may be working on a hunch.
- (v) Information: The right kind of information is called innoinformation. This type of information is critical to the vitality of the enterprises. Innoinformation consists of the plans, vision, goals and all the new ideas affecting the enterprises. The innovative enterprise is looking forward continuously changing and adapting to the needs of the customer.
- (vi) Framework: The innovative enterprise must constantly adapt, create and innovate. Information and communication are the wind that sails the innovative enterprise towards its destination. Information and communication pose difficult challenges for most businesses. The difficulty lies in balancing the flow of information between providing too much or too little information.

Question 6

State the reasons for 'resistance to change' in an organization.

Answer

Resistance to Change: No matter whether a change is of major proportions or is objectively rather small, the change manager must anticipate that people in the

organization are going to find reasons to resist changes. It is a basic tenet of human behavior that any belief or value that has been previously successful in meeting needs will resist change.

Reasons why people resent or resist change:

1. *One major reason why people resist change is the potential for loss on a personal level. Objectively, there may be little threat, but people may act as if there is one. Some of the things people feel are at risk during change processes are:*

- *Security*
- *Friends and contacts*
- *Money*
- *Freedom*
- *Pride and satisfaction*
- *Responsibility*
- *Authority*
- *Good working conditions*
- *Status*

2. *While a feeling of threat is a primary reason why people resist change, there are other factors that can mobilize people into resisting any change from a status quo. These include:*

- *Change not needed – status quo is working fine*
- *Proposed change does more harm than good*
- *Lack of respect for person responsible for the change*
- *Objectionable way of implementing the change*
- *Negative attitude towards the organization before change*
- *No opportunity to have input into change*
- *Change perceived as implying personal criticism*
- *Change simply adds more work and confusion*
- *Change requires more effort to keep status quo*
- *Bad timing of the change*
- *A desire to challenge authority*
- *Hearing about the change secondhand*

3. *The uncertainty principle: This states that when people are faced with ambiguous or uncertain situations, where they feel they do not know what to expect, they will resist moving into those situations.*

Exercise

1. *What is strong/weak culture?*

Hints: A strong culture is said to exist where the staff's response to change and innovation is high because of their alignment to organizational values- people do things because they believe it is the right thing to do. Conversely, there is Weak Culture where there is little alignment with organizational values, and control must be exercised through extensive procedures and bureaucracy.

2. *Why is organization-wide change difficult to accomplish?*

Hints: Typically, there are strong resistances to change. People are afraid of the unknown. Many people think things are fine and don't understand the need for change. Many are inherently cynical about change. Many doubt there are effective means to accomplish major organizational change. Often, there are conflicting goals in the organization, e.g., to increase resources to accomplish the change yet concurrently cut costs to remain viable. Organization-wide change often goes against the very values held dear by members in the organization, that is, the change may go against how members believe things should be done.