

## 5. COMMUNICATING CORPORATE CULTURE, CHANGE & INNOVATIVE SPIRITS

The real source of wealth and capital in this new era is not material things. it is the human mind, the human spirit, the human imagination, and our faith in the future.

- Steve Forbes

**Q.No.1. Define Corporate Culture. State its main elements? (OR) Elements which can be used to influence the organisation culture. (A) (PM, N12 - 4M, M 13 - 4M, M 14 - 4M)**

### CORPORATE CULTURE:

- Corporate Culture is described as the personality of an organization, or simply as "how things are done around here." i.e., an organizations values and beliefs etc.,
- It guides how employees think, act, and feel.
- Corporate culture is unique to every organization.
- Strong / Weak Cultures:
  - A strong culture is said to exist where the staff's response to change and innovation is high because of their association to organizational values.
  - A weak culture is said to exist where there is little association with organizational values by the staff, and lot of control measures are required to make them work properly.

### THE MAIN ELEMENTS OF CORPORATE CULTURE ARE AS FOLLOWS:

- 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.
- 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:** They build up about people and events, and convey a message about what is valued within the organization.



### SIMILAR QUESTIONS:

- What is corporate culture? State the elements of it.
- A. Write introduction and the main elements of above question.

**Q.No.2. Explain the concept of Organisational change. (B)**

**(PM)**

### MEANING:

- The organizations do change, in both large and small levels.
- The larger changes means a fundamental and radical reorientation is the way the organization operates.



3. They are like - a change in mission, restructuring operations, new technologies, mergers, major collaborations, new programs such as Total Quality Management, re-engineering, etc.
4. The smaller changes are like adding a new person, modifying a program, etc
5. The concept of organizational change is in regard to organization-wide change, and not smaller changes.

#### **ORGANISATIONAL CHANGE IS CHARACTERISED BY THE FOLLOWING FEATURES:**

1. Organisational change is a conscious and deliberate attempt, to alter the status quo.
2. It results from stimuli from both inside and outside the organisation.
3. It is designed to improve the functioning and performance of the organisation.
4. It is proactive in nature as it is initiated by the management of the organisation.

**Q.No.3. Why is an Organisation wide change difficult to accomplish? (C)**

**(PM)**

It is a common human tendency to resist change.

#### **TYPICALLY, THERE ARE STRONG RESISTANCES TO CHANGE AS FOLLOWS:**

1. People are afraid of the unknown.
2. Many people think things are fine and don't understand the need for change.
3. Many are inherently cynical about change.
4. Many doubt there are effective means to accomplish major organizational change.
5. Often, there are conflicting goals in the organization, e.g., to increase resources to accomplish the change yet concurrently cut costs to remain viable.
6. 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.

#### **SIMILAR QUESTIONS:**

1. What are the characteristics of change? Why does the human tendency resist change?
- A. Write second and third questions.

**Q.No.4. What are the reasons for resisting the change? And Define resistance to change. State the reasons for 'resistance to change' in an organization. (B)**

**(PM, M 15 – 4M)**

#### **RESISTANCE TO CHANGE:**

- a) A change manager has to find the reasons for resisting the change either for small or big changes.
- b) It is a basic tenet <sup>(=principle)</sup> of human behavior to resist any change in their well settled beliefs or values.

#### **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 that is a big one.

**Some of the things people feel are at risk during change processes are:**

- i) Security
- ii) Friends and contacts

- iii) Money
  - iv) Freedom
  - v) Pride and satisfaction
  - vi) Responsibility
  - vii) Authority
  - viii) Good working conditions
  - ix) 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:**

- i) Change not needed – status quo is working fine.
  - ii) Proposed change does more harm than good.
  - iii) Lack of respect for person responsible for the change.
  - iv) Objectionable way of implementing the change.
  - v) Negative attitude towards the organization before change.
  - vi) No opportunity to have input into change.
  - vii) Change perceived as implying personal criticism.
  - viii) Change simply adds more work and confusion.
  - ix) Change requires more effort to keep status quo.
  - x) Bad timing of the change.
  - xi) A desire to challenge authority.
  - xii) 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.

**SIMILAR QUESTIONS:**

1. "Fear of personal loss and uncertainty lead to resistance to change" Comment

A. Write first and second point of above question.

**Q.No.5. What are the reasons for acceptance of change? State the reasons for accepting the change in the present management set - up of the corporate culture in a business organisation. (A) (PM, RTP M16,N 10, N 13 - 4M)**

After understanding that why people resist change, it becomes easier to design strategies, that can help to reduce such resistance. People are likely to accept and welcome change, when they believe that the change will yield a personal gain to them and offer other benefits.

1. **PERSONAL GAIN:** People may gain from change in the following ways:
- a) Increase in income
  - b) Better security of job
  - c) Greater authority
  - d) Higher Status/prestige
  - e) Improvement in working conditions
  - f) Reduction in time and efforts
  - g) Better interpersonal relations
  - h) Self - satisfaction

**2. OTHER BENEFITS:**

- |                                     |  |
|-------------------------------------|--|
| a) Respect for the source of change | b) Involvement in the change process       |
| c) Offers a new challenge           | d) Less boredom                            |
| e) Opportunity for input            | f) Feeling the need for change             |
| g) Better future                    | h) Perception that the change is necessary |

**Q.No.6. What are the role of communication in organsational change? (B)**  
(PM, N 10, N 13 - 4M)

**ROLE OF COMMUNICATION IN ORGANISATIONAL CHANGE:**

1. Communication is probably the most important skill that people need to have in order to be effective managers.
2. It is probably the most taken for granted, and the area least addressed by developing managers.
3. In situations of instability, or change, or ambiguity, communication becomes even more important.
4. Communication can be simply described as 'Creating Understanding'. In periods of change the manager must not only pass information to employees, but also ensure that it is understood correctly.
5. Communication must be two-way in manner, where the manager may be communicating to employees, but is also soliciting <sup>(=ask for)</sup> comments from employees about their level of understanding, and comfort.

**POOR COMMUNICATION AROUND CHANGE ISSUES CAN:**

1. Destroy commitment to an organization
2. Irrevocably damage employee morale
3. Generate huge resistance to change
4. Result in hostility.
5. Lead to performance problems

**THERE ARE FOUR DECISIONS THAT MANAGERS MUST MAKE AROUND COMMUNICATION IN CHANGE SITUATIONS:**

1. TO WHOM
2. WHAT
3. WHEN
4. HOW

**To whom:** Except for situations that involve confidential information, even those people who are indirectly affected also would like to know what is going on, and how it may affect them. i.e, message should be communicated to all the related parties.

**What:** In changed situations, it is good to communicate as much information about the change as is available.

**When:** In general, communicate as early as possible about change, Do it early, do it often!

**How:** Decision regarding the mode of communication i.e whether to use oral or written Should be carefully chosen by the change manager to communicate effectively.

Thus, the main role of the change manager is to work towards reducing the resistance towards change, and increasing the enthusiasm and level of commitment for the change.

Q.No.7. Explain the concept of Innovation and its types. (C)

(SM)

**MEANING:** Innovation implies to 'doing new things' or 'doing the existing things in new ways'. It may occur in several forms, such as:

1. Introduction of a new product/service or new quality of an existing product/ service.
2. Introduction of a new method of production or distribution.
3. Opening up of a new market.
4. Locating a new source of raw materials.
5. Procuring finance from a new source or in a new form.
6. New form of organisation of industry.



### **TYPES OF INNOVATION**

1. **Product innovation:** it consists of changes in product attributes with a change in how the product is noticed by consumers.
2. **Process innovation:** It consists of changes regarding the product or the service production process. It does not necessary have an impact on the final product but produces benefits in the production.

Q.No.8. What qualities should a sustainable innovation organization possess? (C) (PM)

### **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.

Q.No.9. How to build an innovative organization? Explain the key elements involved in the innovation frame work of an organisation. (B) (PM, N14 – 4M)

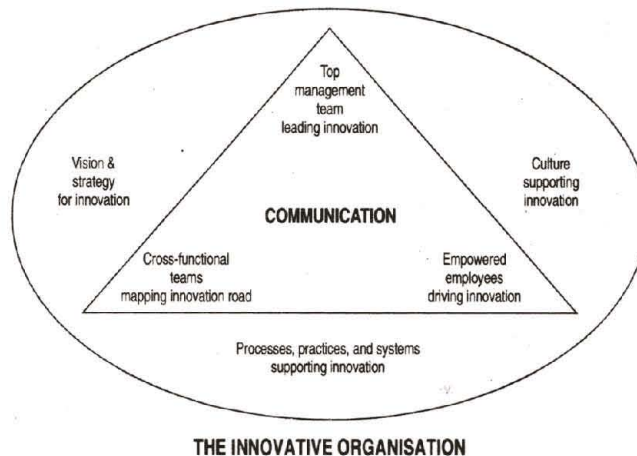
1. The concept of innovation is quite diverse, depending mainly on its application.
2. Innovation is the successful exploitation of new ideas.
3. Among the different possibilities to innovate, those related to product or process innovations are known as technological innovations.
4. Other types of innovations can relate to new markets and new business models.

### **THE KEY ELEMENTS IN THE INNOVATION FRAMEWORK ARE:**

- a) **Accessibility:** The innovative enterprise ensures everyone is accessible to each other at all levels within the organization.
- b) **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.
- c) **Develop company programs that encourage innovation:** By placing employees in different environments, they can meet new people, come across new ideas and hopefully generate their own novel approaches.



- d) **Foster informal communication:** Employees often feel problems when asked to fully justify ideas formally; they may be working on a wild guess. So, informal communication helps them to project their ideas effectively.
- e) **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.
- f) **Framework:** The innovative enterprise must constantly adapt, create and innovate. The difficulty lies in balancing the flow of information between providing too much or too little information.



#### SIMILAR QUESTIONS:

1. What are the pre-requisites for fostering innovative spirits? Explain the key elements in the Innovation Framework.  
A. Refer the above answer.

### APPLICATION ORIENTED QUESTIONS

**Q.No.10. What is strong / weak culture? (C)**

Refer to "strong and weak culture" side headings in "define corporate culture" question.

### TEST YOUR KNOWLEDGE

1. Which is termed as the "Unique Personality" of an Organization?
2. Some people are likely to resist change, when they perceive that change will cause a personal loss to them. Did you face this kind of experience? Explain.
3. "Some times ineffective communication creates a lot of damage to employee morale". Can you give any 5 guidelines to have effective communication to boost moral of employees?
4. You want to make modification in your department. how can you get acceptance from your subordinates?
5. In your organization, top level management requested you to act as change agent. Do you agree? If yes, what steps do you take as a change agent for implanting change?

**THE END**