

## Automakers | Communication

### **What is the message?**

#### **“The management style needs to be changed.”**

Functional Theory of Communication (Who says what, to whom, in which channel and why)

(It answers the questions of “What makes the communication function?”)

What is the function of the Australian Management’s message?

- Primarily about change
  - ❖ Plans have been imposed on Australian managers who are expected to change their management style in view of increasing both quality and productivity.

What networks is the Australian Management using?

- A rather formal network
  - ❖ Appointment of five consultants to help implement a Quality of Working Life (QWL) program
  - ❖ QWL is applied organization wide at T-Plant, the manufacturing plant in Australia
  - ❖ Consultants designed a multilevel committee structure that includes everyone in T-Plant to orchestrate the change in management style

What channels is the Australian Management using?

- Hired five consultants to implement the change process at the Australian manufacturing plant, T-Plant
- Consultants had face-to-face meetings with 90 employees working at the plant to get a background on the current situation
- Consultants also had face-to-face meetings with the Multilevel Committee that they set up over the two year period to resolve some specific organizational problems
- Advantages:
  - ❖ The consultants would have specialized skills in consulting for change
  - ❖ The managers and employees at T-Plant would be more willing to adhere to the advice by professionals in the industry i.e. the consultants
  - ❖ The Australian Management is seen as taking responsibility
  - ❖ Objective was to encourage and increase participation at all levels of management by bringing committee members together in regular, frequent meetings.
- Disadvantages:
  - ❖ The overall group structure of the Multilevel Committee with 30 members is too large for interaction and communication to be meaningful. There is no opportunity to explain the complexity of the message to individuals. And end up most of the managers are not sure what the consultants really want.
  - ❖ There is no opportunity for the consultants to meet the level 3 participants leading to their lack of awareness on the program
  - ❖ Managers tend to resort back to the “2x4 management” every now and then when they were frustrated with the new implemented system

What is the direction of the Australian Management’s message?

- The message for a change in management style in clearly downward from the Australian Management to the managers in T-Plant who were to delegate authority down the line

- ❖ Each level of the multilevel committee then tries to reinforce the change in the subordinates below them
- **Horizontal?**

Is the information load appropriate?

- The communication received by the Level 1 managers seemed appropriate as they were aware of the need to change their management style and that their behaviors was out of sync with the larger society **they do not know what to do (underload)**
- However the information load received by the Level 2 managers did not seem to be sufficient to convey a complex message of assuming more authority
  - ❖ They felt frightened and lost and saw the supposed delegation as abandonment
  - ❖ They were ill prepared for their new role and were left with an information gap
  - ❖ There was poor communication on the overall objective of the change and the new emphasis on quality as Level 2 managers were still afraid of fixing a problem as they fear it would lead to reduced productivity which was under the previous circumstances would be directly reflected in bonuses and pay.
- Worst of all, the Level 3 participants were barely aware of the change effort
  - ❖ Clearly communication load was lacking here
  - ❖ They lack the exposure to the consultants and were often unable to attend meetings due to the lack of personnel.
- Overall, the communication of effort to change the management style was not sufficiently 'tailored' for the different level of participant's scope of job, skill, resources and ability and in general there seem to be lack of a proper channel to communicate feedback.

## Enron

### What is culture?

Organizational culture refers to a system of shared meaning within an organization. In Enron, its corporate culture best exemplified values of risk taking, aggressive growth and entrepreneurial creativity which is not balanced by a genuine attention to corporate integrity and the creation of customer rather just shareholder value. We will be able to examine Enron's culture into greater depth via the three theories of culture covered in the course of this subject.

### How to identify culture?

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Visible	Less visible
Artefacts, practices <ul style="list-style-type: none"> <li>○ Observable symbols: X</li> <li>○ Communication patterns: Usage of special languages such as "metrics" and "come to shore"</li> <li>○ Stories: X</li> <li>○ Physical Layout: Wear the same blue t-shirt</li> </ul>	Values <ul style="list-style-type: none"> <li>○ Instrumental:               <ul style="list-style-type: none"> <li>○ Cut-throat (so they don't get to be the lowest 15%)</li> <li>○ Willing to work a very large workload (employees sacrifice today and hope for a better tomorrow).</li> </ul> </li> </ul>

<ul style="list-style-type: none"> <li>○ Practise and behaviours: Intensive, Competitive (cut throat to be the best or not to be the bottom 15%)</li> </ul>	<ul style="list-style-type: none"> <li>○ Not questioning upwards, because those who do, gets “yanked”</li> <li>○ Terminal: <ul style="list-style-type: none"> <li>○ to survive in the company, they need to be cut throat and prevent to be the lowest 15%.</li> <li>○ Make money (the employees challenge is just simply make money from your specialty and territory)</li> <li>○ to get promoted, performance appraisal is done twice a year.</li> </ul> </li> </ul> <p>Assumptions</p> <ul style="list-style-type: none"> <li>○ The view that Enron is a hip, dynamic, new-age, blue chip company that you could join and have a good time.</li> <li>○ If an employee is smart enough and tough enough to work in Enron, he/she deserved to live like last year’s Oscar winner.</li> </ul>
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**How do we manage culture assuming culture should be managed at all? There are three different theories or approaches in order for us to answer this question, the Integrationist, differentiationist and critical approach.**

#### Integrationist approach

Among many of the theoretical perspective of culture, Integrationist approach to culture advocates it is possible that an organization has a single unitary culture and members of that organization are socializing under that culture.

Furthermore, this approach states that not only it is possible to have one unitary culture, but it is better for a company to have one unitary culture as its performance and effectiveness is likely to be better. The reason for that is because the members in an organization which has a strong unitary culture are likely to share or believe a common set of values which assist the members to work together. This reduces the need for formal and stringent rules to guide people to behave in a certain way while working together.

Integrationist managers also see a single culture works like a glue which stabilize the organization and sets the organization apart from the external environment (often described as having a wall around the organization). The stability is maintained and reinforced when the culture is reproduced (eg. Educated to the new employees). From this perspective, it is believed that the culture will help the firm to achieve a greater degree of external adaptation and internal integration.

Therefore, the culture is seen to make a firm more effective or even profitable. In other words, culture is seen to fulfill a certain purpose and function.

Under this approach, it is also assumed that culture is engineered by the top management.

**As a result of all the above, managers who takes integrationist approach assumes that a strong organizational culture enables the company to survive and perform in the environment if operates.**