

Company culture – secrecy and the possible drawbacks



**ASSIGN
BUSTER**

1. What are the disadvantages of a secretive company culture?

There are several disadvantages for a company to work with a secretive culture. Culture revolves around the beliefs and values that form behavior and focuses on how business is conducted. Operating as a secretive company culture can send a negative message to potential buyers and consumers. A secretive company culture will make stakeholders very suspicious about the type of behavior that is being enforced by the company leaders. The main disadvantage of a secretive company culture would have to be the way communication is handled throughout the company. If something is not accurate with a product or service will the company inform the proper associates or individuals? With a secretive company culture it is safe to assume that the organization will delay or completely deny any negative information for as long as possible.

2. Why was secrecy so disadvantageous in the Toyota case?

In the Toyota case, secrecy contributed to people losing their lives because of a defect in the vehicle. Toyota continued to produce and sell vehicles knowing that there was a serious defect with the gas pedal sensor. However, the company did not inform anyone of the complaints. Toyota even argued that no defect or trend could be found regarding the accelerator of the vehicle. Company secrecy also kept Toyota from providing technical data to the NHTSA while the government was conducting their own tests.

3. What are some of the other potential disadvantages of such secrecy?

The potential disadvantages of a company using methods of secrecy revolve around the stakeholder. If a person wants to buy stock in an organization or simply purchase a product offered by a company practicing secretive methods, the individual will not be made aware of critical information. Not only can this be dangerous to an individual's safety, but it can also deter others from working with the company in the future. The company will be affected financially because of their desire to keep important information from the public. Many individuals would choose to avoid a company that does not provide "need to know" information to the public.

4. On the other hand, what are actually some strategic advantages of secrecy?

There are several strategic advantages tied to using company secrecy. To some extent every company must practice secrecy in order to be successful. Banks must keep their computer software and security devices secretive, automotive companies must keep their designs secretive, and the military must keep their strategies secretive. Looking at the business side of things, it would be foolish for a company to design a new product and release the information before producing the item.

Just as it would be foolish for a CEO to release information about a potential acquisition before any formal communication occurred. In 2006 information was leaked by a U. S. Senator that Osama Bin Laden had been using a satellite-phone that we have the location of. However, Bin Laden cut the phone after this information was released to the public. In any business it is

important to keep information secretive from potential competition in order to sustain a competitive advantage.

5. To take Apple, for example, how does this firm benefit from its famous secrecy?

Apple has benefited from their famous secrecy for several reasons. Not only does apple want to keep their future products and plans a secret from their competitors. Apple also uses this secrecy to allow outside sources to create a media buzz around the potentially new products and software. When Apple does release their information about new products, thousands of people are ready to pre-order the item before the announcement has ended. Apple is also able to benefit from secrecy by observing what their competitors are doing and adjusting their own strategy throughout the process.

6. Is this the same kind of secrecy that plagued Toyota, or is it a different type of secrecy?

Yes, the secrecy that Apple has benefited from for year is identical to the secrecy that plagued Toyota. When the Apple iphone 4 was released consumers were complaining about the number of dropped calls with the iphone. Originally Apple denied all reports that stated the antenna was causing the dropped calls. However, facts were presented that proved Apple was wrong and that the phone was causing the issue. Apple was able to fix the problem quickly and provided a solution for customers who were currently using the phone.

I feel that Apple would have continued to deny that they were at fault for the defect as long as possible. This is very similar to Toyota because their initial response to the gas pedal defect was that it was the drivers fault. Toyota also continued to deny allegations about the sensory problems for as long as possible. The difficult question to answer would be if Apple was producing cars that were responsible for people dying, would they inform the drivers or would they deny the allegations and respond by saying it is the drivers fault like Toyota?

7. Is Toyota's system of management truly flawed or is this just part of the pros and cons that any firm's culture naturally brings with it?

Toyota's system of management truly is flawed. I can understand that the business side of Toyota suggested not saying a word that is negative about the company or the gas pedal. However, when there is a defect that is causing serious injury it would be admirable for a company to acknowledge the possible danger. It is interesting that a company would be considered admirable these days just for doing the right thing. Toyota management should have considered the potential risk of putting their loved ones into a Lexus ES350 similar to the one that killed an entire family because of the pedal sensor defect. The pros and cons that any firm's culture naturally brings with it does not work when a defect in a product is responsible for killing the consumer.

8. To take Toyota's side for a moment, what might be some of the strategic advantages deriving from the very Toyota company culture that is now getting such bad press?

The strategic advantages for Toyota with the bad press might be beneficial. Some say that any media coverage about a company can be a positive for that organization. Some individuals may believe Toyota is not at fault for the defect. Others may feel that Toyota knowingly put dangerous vehicles on the road. However, if Toyota management is able to make the situation look like a genuine mistake, the company may profit from the publicity. Toyota is one of the largest car manufactures in the world, known for their high quality Lexus brand name and reliable Toyota products. The company may not have repeat buyers from individuals who had the pedal defect, but the majority of the customers who have not experienced the pedal defect will most likely be very satisfied with their product and look to buy another in the future.

B. Give a brief synopsis of the content of this article.

C. Tell me how this article relates to what we have been studying. Please be specific here.

D. What is your opinion of this Article?

Are Your HiPos Happy?

Your organization's ability to thrive depends largely on its ability to keep its best talent. In fact, research has shown that if you lose someone performing in the top ten percent of your organization, the impact will be five to ten times more devastating than losing an associate who performs at an average level. But how do you identify your high potential employees ("HiPos") - and perhaps more importantly - how do you make sure they're around for the long haul?

<https://assignbuster.com/company-culture-secrecy-and-the-possible-drawbacks/>

Who is high potential?

In some cases, a high potential employee is easy to identify. They are employees who stand out among their peers, often in both ability and attitude. While current job performance can be one good indicator of an employee's potential, you can also base your assessment of an employee on whether or not he or she possesses certain ideal characteristics that have been identified by the company. For example, depending on the nature of your business, you might seek to identify individuals who:

- * Consistently command the respect of their peers, supervisors, or subordinates;
- * Have proven over time to have the willingness and ability to master new skills;
- * Excel in team and individual settings and are natural leaders among peers;
- * Regularly look for ways to improve products and work more efficiently;
- * Are open to constructive criticism;
- * Have a firm understanding of customers' needs.

Remember, high potential individuals in your organization might not be the same individuals that another company would identify. If you're unsure where to start, your organization's mission statement or annual goals might hint at the qualities that are most valued by the company.

Should HiPos be informed?

<https://assignbuster.com/company-culture-secrecy-and-the-possible-drawbacks/>

Whether or not you decide to alert high potential employees that they've been identified can be a tough decision. Letting HiPos know that they've been identified could encourage them to stay with your company. On the other hand, alerting HiPos could also have the effect of dividing your workforce into those employees who feel valued by the organization and those who don't. If you publicly identify HiPos, you could lose some of your middle-of-the-road performers who feel they aren't being properly recognized. You may even lose some high potential individuals if you failed to recognize them.

What keeps employees happy?

According to a 2009 survey by Spherion, employers believe that employee retention is driven by management climate, supervisor relationship, and the organization's culture. However, employees themselves indicate that their top three retention drivers are benefits, financial compensation, and growth and earnings potential.

Of course, if this kind of disconnect exists in your organization, you may be devoting resources to the wrong areas in an effort to retain employees. Don't be afraid to ask your employees what is most valuable to them. Once you know this, be sure to clearly communicate to your HiPos what kinds of opportunities and benefits you are willing to offer them now and down the road.