

Overcomming cultural challenges tyco case study

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CHANGE AND TRANSFORMATION Student : Odirile Macha Date : 15 October 2012 | 1. Tyco Employees' Frustration turnaround 3 2. Tyco's Strategy to Overcome Cultural Change barriers 5 3. Tyco's CEO: Rebuild corporate reputation: Message package to Employees 8 4. Issues emerging in communicating change externally: Tyco Case 10 5. Bibliography 12 * Tyco Employees' Frustration turnaround (Gerard & Teurfs 1995; Palmer et al. 009) urges that practice dialogue is commonly used combat issue of culture in an organization or community, the practice consist of four components defined: a) First rule, the participants must suspend the attachment to their own position and judgements regarding each other. This allows participants to be more accepting to others perspective. b) Second rule, participant must identify their underlying assumptions on the matter at hand.) Third rule, participant must listen actively to each other; remain actively present during the sessions. d) Final rule, participants must reflect in order to uncover deeper issues and create a profound level of understanding. Transformation of culture can be measured or realised, as urged by Gerard & Teurfs (1995), by a transformed participant behavior, by the morale or feeling with the organization and by the attitude of collaborations instead of individualism.

The purpose of response to question seeks to establish: the similarities in between the approach taken by the Turnaround team and the practice of dialogue; and also evaluate the outcome inline with the perceived results of a transformed culture. These similarities between the Turnaround team's approach and practice dialogue, categorized into three stages of using dialogue in problem solving , a view supported by Gerard & Teurfs (1995). Stage 1. Problem Identification (Gerard & Teurfs 1995; Palmer et al. 009)

urges that the first stage seeks to identify problems early and assist the team in setting their priorities. a) The general assumption made is that Breen was part of the Turnaround team, and the fact that he never commented about Kozlowski's past behaviour, is in line with the first step of practice in dialogue, where the participant suspend the attachment to their own position and judgements regarding each other. b) The turnaround team (Breen), communicated in a letter to the employees and shareholders, Tyco's commitment to reinvent its credibility and integrity.

This message was all inclusive not directed to any particular individuals, and that qualifies to the second rule about assumptions about each other's commitment. The problem was identified to be lack of credibility and integrity leading to frustration of employees at Tyco, which were centred on the ethical behaviour that existed during the last CEO's tenure, which brought uncertainty to the future of the company. Stage 2. Problem Solving (Gerard & Teurfs, 1995; Palmer et al. 2009) urges that the second stage seeks to understand the problem, generate solutions, and make decisions. a) The approach to communication, by the turnaround team, in defining Guide to ethical conduct of employees. Instead of defining just Code of ethics rules. The team built guides with illustrative which were meant to make the code easier to read and understand, this is in line with the third rule in dialogue, where the participant should remain active during the sessions, and absorb the messages consistently.) The message was package in local languages across different cultures and delivered through meeting (" if you want to change the hearts people about their ethical behaviour, you must bring live to this document"), instead of sending the documents to all operations

around the globe, the Turnaround team choose to deliver the message in meeting (face to face), to gain active participation and also get feedback on the assumptions the team made in line with the first and second rule. The turnaround team did make decision to changing the executive team and infrastructure related changes.

The team also made a decision on the implementation approach. Stage 3. Implementation (Gerard & Teurfs, 1995; Palmer et al. , 2009) urges that the final stage seeks confirm that the group behind the change will support the final decision and be committed to it. a) The implementation was done in meetings, with the message packed in videos and corporate management making visits to Tyco sites, which is in line with the third rule for developing a profound understanding is achieved. b) Management site visits also build a profound understanding of issues in line with rule three.

The fact that corporate manager visit site and dialogue issues with management brings a degree of trust, releasing a lot of frustration that the employees had. c) The implementation involved further training of 20, 000 personnel, localising trainers who went further provide input further refinement of the massage blue print for targeted destination, these refinement were published, this is in line with rule two and three, on understanding problem and getting commitment. d) The organisation gained an improved Governance metrics of international rating from 1. in 2002 to 9. 0 in 2005, and was consider being the most dramatically improved. This improvement is in line with the third rulewhere the result demonstrates the team fully understood the problem and prescribed a fit solution. The Turnaround team were fully committed to the change and the results were

observed to have a positive impact on the organisation as a whole. The outcome can be measured though positive energy on the employee as the managed to produce positive result in profits and improved ratings. Tyco's Strategy to Overcome Cultural Change barriers

Ghemawat (2001) urges that distance from an area of comfort of doing business (base country) always has in impact on the overall strategy, and that the impact of distance on industry and product is based on the country specific characteristic defined: a) Culture (C) covers different ethnicities, lack of connective ethnic or social networks; different religions and different social norms. b) Administrative (A) covers aabsence of colonial ties; absence of shared monetary or political association; Political hostility; government policies; institutional weakness.) Geography (G) covers physical remoteness; lack of a common border; lack of sea or river access; size of country; weak transportation or communication links, differences in climates d) Economic (E) covers differences in consumer incomes differences in costs and quality of: natural resources, financial resources, human resources, infrastructure, intermediate inputs, and information or knowledge. Tyco's global strategy will have to address these international issues, if they are compete internationally because challenges differ from one country to the next, a view shared by (Grant, 2010).

The other part to this question, is to develop a strategy that will assist in overcoming cultural barrier that faced Tyco, Hill & Hernadez-Requejo (2011) urge the best way for a Tyco to deal with cultural barriers is to develop a Cross culture litetracy, use country specific input and use local content. Cross Culture literacy Hill & Hernadez-Requejo (2011) urges that for

international company to succeed in doing what they do, they must adapt to conform with the value system and norm of that culture.

The adaptation must cover the following: ways of dealing with negotiation, incentive pay system, organisation structure, products naming, labor and management relations and product promotion concepts to avoid cultural conflicts associated with cultural differences (Hill & Hernadez-Requejo 2011). International companies in other countries, must learn more about the countries and cultural values (Hofstede, 1980; House et al. , 2004), and how these will affect their business.

Tyco's strategy to overcome culture barriers hinges on understanding the cultural values and differences that exist in each country, and (discovered that these values are deeply embedded in people who work in these organisation. (Hofstede, 1980) confirms that values are held the moral behaviour of people and how they ultimately perform in their organisations. The strategy seeks understand the values identified by (Hofstede, 1980): Power Distance, Uncertainty Avoidance; Masculinity vs. Femininity; Individualism vs. Collectivism; Long vs.

Short Term Orientation; and then identify the mis-alignments and adapt to the new cultural values without compromising the organization value system, a view by Hill & Hernadez-Requejo (2011). a) Power Distance Local Manager should be equipped to with the relevant skills to handle prevent, guard against and deal with issues influence by socioeconomic status and power that may exist in the community within which Tyco operates, a view supported by Hill & Hernadez-Requejo (2011), to ensure that organisation key objectives are met. b) Masculinity vs. Femininity

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Local manager should be empowered to align that the organization observes community or individual values governing the gender based differentiation in masculine based country and the contrary, a view confirmed by Hill & Hernadez-Requejo (2011), to ensure that organisation key objectives are not compromised. c) Individualism vs. Collectivism Local Manager should be empower to align that the organization observes community or individual values governing collectiveness society wherefamilyties are strong to an extent where employee cannot be separated with their families and conform where possible and the contrary should be observed.) Uncertainty Avoidance Local Manager should be empower to align that the organization observes community or individual values associated how they view uncertainty and ensure proactive communication to avoid instance of uncertainty that may affect corporate objectives. e) Long vs. Short Term Orientation Local Manager should be empower to align that the organization observes community or individual values to stay in the same job for short or long term, and make sure the build contingencies that are cost efficient for the organization.

The strategies must be broken down into initiatives that can be easily followed and delivered, with proper measures and timeline, a view by Palmer et al. (2009). Tyco's CEO: Rebuild corporate reputation: Message package to Employees Corporate reputation defines, how the organisations perceived by all its internal and external stakeholders and it is always linked with trust and credibility, a view shared by Grates (2005), who further confirms that a loss in the company (Tyco) trust and credibility destroys its reputation and is difficult to restore.

The current situation at Tyco, with the former CEO on trial, has lowered the reputation of company. According to (Collin 2001; Hughes et al 2012), it take a long time for a company to build its reputation, through delivery of sustainable proof before the stake holders can endorse it as a positive reputation. The crisis situation that Tyco is in, have been identified and there reputational issues that needs to be managed to avoid further damage.

There is an immediate need to communicate with, internal and external stakeholder, and the message content should contain the following as guided by [Reputation-Risk of risks: Economist Intelligent Unit]:

- * Concerns – As the CEO, I have to communicate and acknowledge the challenges that Tyco is faced with; own up to what has gone wrong; and express regret and concern, a view supported by Palmer et al (2009).
- * Commitment – As the CEO, I have to communicate a plan to fix this problem and share in detail an action plan with clear timelines, a view supported by Palmer et al (2009).
- Control – As the CEO, I must demonstrate that we are in control of the situation and that we are liaising with the relevant authorities involved to bring the situation under control a view supported by Palmer et al (2009).

It is imperative, as the CEO, to break news earlier to employees and keys stakeholder [Reputation-Risk of risks: Economist Intelligent Unit], before the other sources share information that is ambiguous and could shake up the stakeholder and affect the companies operation.

It is however important to also acknowledge indeed some business operation and resource will be affected and also provide a medium that could be used by also sources to provide feedback. Any questions that are asked must be responded to consistently with the message shared by the CEO. As the CEO,

it is important to step back and reflect on my personal reputation and professional conduct, are tightly tied to the reputation of the company. The decision made should be consistent, as confirmed by [Reputation-Risk of risks: Economist Intelligent Unit], with the messages that are being put across as the turnaround strategy.

There should be transparency on actions taken, as confirmed by [Reputation-Risk of risks: Economist Intelligent Unit] that affect people, and information about plans should be share promptly. Palmer et al (2009) urge that it is within and through communication that changes occurs and as the CEO, it is ideal to explore the change methodologies that are effective for internal communication with staff. There are four types of change approaches, which can be used draw up the speech acts as defined by Palmer et al. (2009): Initiative conversation – this focuses on the need for change depending on the situation, in the event that something has happened already or before it occurs. In the case of Tyco, the initiative would be based on what the organisation seeks to undertake to address the problems that have been identified. The message will contain assertions (what need to be in aligned with governance issues), request (to establish reforms to achieve objective) and declaration message (about new targets) going forward: * Conversation for understanding – meant to provide employees with greater appreciation of change issues and problem areas.

The conversation would seek to establish on clarity solution proposed to target the challenges and beyond. * Conversation for performance – focuses on producing the actual change required, at Tyco, this would be the time to implement all the promises Tyco committed to deliver on aligned to the plan

shared with stake holders. * Conversation for closure- is an indication of the completion of the actual change, this is where acknowledgements are made to deserving participants, and rewards are disclosed ad celebration ensued.

The CEO cannot carry out all these activities on his own but requires to have people with the right skills in the right jobs, people with the attitude to lead the change and these people have to be carefully selected a view by (Collin 2001; Hughes et al 2012). The CEO still remain accountable but provide guidance in direction to ensure that what is delivered is consistent with the commitments made. Issues emerging in communicating change externally: Tyco Case Palmer et al. 2009) urges that external oriented communication can be categorised into two parts: communication with external stakeholder that relates to internal organisation changes; and where there is need to handle a crisis situation. In Tyco case is more associated with the crisis situation and the communication was done with a letter to internal and external stakeholders, and the message promoted credibility; integrity; and promoted a culture of accountability, the question seek to find out how effective communication was to external stakeholders.

Palmer et al. (2009) urge external communication is different from internal communication is a number of respects, it address issues relating to: justification decision made; assurance over an allegation made; downplaying statements made (concealment) , or reassurance that matter are under control. Issue emerging from the case: a) Hiring a new CEO, is a also consider a major event in rebuilding the reputation of Tyco, that required external communication. [The road to reputation recovery: Burson-Marsteller]) The Tyco letter Breen spoke to reassurance and commitment to

change. The message was carefully crafted because at the time there was not much to give out, as the trial was still on-going. The message seek to reassure the employees and shareholders that; Breen and his team were committed to addressing issues relating to credibility of the corporation internal and external stakeholder but is does not layout the intervention and the time it will take to restore the integrity.

There was no apology from the CEO about recent bad publicity; it is as if nothing major has happened at least resentment would have been enough.

[The road to reputation recovery: Burson-Marsteller] c) The changes done at board and executive level were fitting of external communication especially the appointments new executive members and board, because reputation issues affecting Tyco, were more to deal with the CEO's leadership and board and between the two they are both responsible for the wellbeing of the organisations reputation. The road to reputation recovery: Burson-Marsteller]

d) Guideline developed for internal employees relating to interaction with suppliers and partners would have been something that worth external communication, this was a good initiative as it commits Tyco to a good corporate principle. [The road to reputation recovery: Burson-Marsteller] e)

The fact that Tyco, consider best practice models Sigma, was the right move as it demonstrated Tyco's desire to improve the corporate performance, this move was worth sharing externally if it does not compromise their competitiveness.) The fact that Tyco, consider engage in an audit and the performance rating was improved dramatically, it was worth going public on the results, this surely is some reputation builder according to [The road to reputation recovery: Burson-Marsteller], and this was worth acknowledging

and celebrating. g) The fact that the turnaround of Tyco, was well completed within five years and that the corporation managed to payout dividends worth 2.09 billion, was not communicated externally well enough, but it some positive development for the shareholder.

The corporate media for public communication and information sharing were not well explored [The road to reputation recovery: Burson-Marsteller] Bibliography Busson-Marsteller (2009). The road to reputation recovery. [Online] Available from :< http://www.CEOgo.com/documents/RR_01_10_05.pdf >[Accessed 13 October 2012]. Economist Intelligent Unit, the (2005). Reputation: Risk of risks [Online] Available from :< http://www.eiu.com/report_dl.asp?mode=fi&fi=1552294140.PDF&rf=0 >[Accessed 13 October 2012]. Gerard G. & Teurfs L. (1995). Dialogue and Organizational transformations”, in community spirit: Renewing Spirit and Learning in Business, Kazimerz Gozdz. San Francisco: New Leader Press. pp. 143-53. Ghemawat, P. (2001) Distance Still Matters: The Hard reality of Global Expansions. HarvardBusiness Review, 79 (8), pp. 137 -147. Grant R. M. (2010). Contemporary Strategy Analysis. 7 ed. United Kingdom. Wiley and Sons. Grates F. G. (2005). Hold on tight: The Reputational Pull of the Automotive Industry. [Online]. Available from: < www.instituteforpr.org/downloads/330 > [Accessed 13 October 2012].

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