

# Nummi

Business, Management



One of the most surprising things that I have learnt about why General Motors moved so slowly to integrate the lessons that were learnt at NUMMI is that organizational culture play a significant role in hindering change. Employees hold dear the internal organizational culture. However, with the dynamic market, changes keep on arising which necessitates the introduction of new policies to improve on efficiency. In this case, the joint venture provided General Motors with an opportunity to learn how Toyota is able to make high quality cars at very low costs. However, even after sending 16 top managers to learn on the best ways to induce change in the organization in order to produce high quality cars, the managers were unable to bring changes. Majority of them opted to quit. This is because General Motors had a change resistant culture. For instance, workers liked things the way they were. This is because they were highly paid despite having not to work very hard for their compensation. Therefore, they did not see any need for change.

The managers who were sent to NUMMI wanted to maintain a status quo. The compensation in General Motors was linked to hierarchy. As a result, the subordinates had to wait for years before they are promoted to management levels. Therefore, the managers did not want any change that would reduce their powers. This is because more people were reporting to them, an aspect that meant that they had more power. The Toyota approach would highly affect the hierarchical structure in General Motors. This would mean that power would be distributed to many managers in order to improve the levels of supervision. This created resistance from the above.

There was an internal culture that branded teamwork as telling on each

other rather than working with each other. This culture acted as a major barrier because the employees could not work as a single unit. The conflicts that remained unsolved made it hard for them to relate with each other. Therefore, even after the attempts to introduce Toyota's culture in the organization, the level of resistance was very high because the subordinates could not put their differences aside and work together towards a common objective.

General Motors was departmentalized. Therefore, there was lack of internal connection between the departments. This culture created an interdepartmental competition, an aspect that made it hard for the organization to work as a unit. When plants tried to implement the methods that were used by Toyota, they ended up failing because there was no coordination of activities in the organization. Furthermore, internally, General Motors had an aggressive culture of competing with the suppliers in order to get better terms. On the other hand, Toyota had a culture of working collaboratively with the suppliers. This enabled both parties to maximize their returns from the relationship.

In conclusion, the General Motors' culture which was internally focused made it hard for the organization to make the necessary changes which would have benefitted the organization at large. Therefore, organizational culture has a major role towards the overall success of the business in the market.