New products development  “Quality” of demand

Source:

Above shows a link between the context of business and the characteristics of groups, individual influenced by social and cultural norms of a region. The face to face explains in a meeting level the language and behaviour of different workers vary and how their mutual understanding about each other's culture will influence efficiency of communication.

After conducting a research on why Walmart failed in Germany, it is important for a company going international to modify its organizational own identity to suit with the cultural difference. Employing the Hofstede cultural dimension helps organization to understand the cultural differences that exist between countries; example is the communitarianism over individualism. In Germany the degree of communitarianism is high because they prefer to participate on a team, they see business as a group while the Americans see their company as a set of functions. To propose a solution on how an organisation can change the culture of the organisation seem to be a difficult task because it involves the external forces that surrounds the operations of the company. The forces for change needed to be considered are:

**Environmental Forces:** The environmental forces will always put pressure on how business are conducted and relationships with employees, suppliers and customers; these forces are market, social and technology forces.

**Internal forces:** This are likely to come from within the company, decision made from the top management to bottom or may originate from line employees.

The force of change that Walmart needed to consider mostly is the change internally, though the environmental forces is necessary to achieve change in organization, according to March 1991 states that the environmental forces is not as important force reason that it is socially constructed. Achieving this cultural change will involving what management style a manager will posses, management by walking around style or democratic style of working. The internal forces in an organization can speed up change.

“Recipe” of culture change, Cummings and Huse (1989) reviews the implementation and management of the following stages.

**Stage 1:** Having a clear strategic vision, the purpose of change should be expresses in the mission statement of the organisation.
Stage 2: Management commitment: the strategy to stimulate change must come from the top management, by possessing the power to bring change into existing and shaping the values and structures of the organisation.

Stage 3: Symbolic leader: The behaviour of the top management must be consistent with the new culture example is the management by walking around style of working.

Stage 4: By supporting the organisational change such as changes made on the structure, reporting procedures, organisational processes and management style.

Using the Lewins model to analyse how change can be effective and managed in organizations.

3.2. Models of organisational change: Lewin’s three step model

According to Lewins model, changing an organizational culture will involve stages, the first stage is to **unfreeze** any existing force within the organization, in doing this manager should make it clear to the employees that the traditional way of doing things is no longer acceptable, possibly by showing inadequacy on the current companies beliefs. The second stage is to introduce **change**, introduce new ideas about how things ought to be done, also at this stage it is necessary to systematically apply the new idea and implementing the new culture. According to Allan et., (1993) states that at the second stage a manager should “aim at re-establishing equilibrium of forces at the new level by weakening existing”. The third stage is **refreeze**, this is the stage where the new culture become a normal way of working in the organization, and to ensure it is stable is ensuring that the forces that are changed will continue to operate in normal way. (Figure 3) The three stage of model change.

Source: Allan et., 1993
Appendices

Appendix 1: Lewins process of change (sub-stages)

1. Freeze
   - Cultural audit
   - Report
   - Action plan
   - Unfreeze the organisation
   - Commence change
   - Reinforce the change and refreeze the organisation
   - Evaluation
   - Close down