

Culture Change in Your Organisation

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'We need to change the culture round here' is a cry that is often heard, particularly when an organisation has a new leadership team or when mergers and acquisitions take place. Yet, how ready and able is an organisation to change its culture? What are the factors that influence an organisation's culture and how can culture be best changed? In this article the authors discuss how to ensure that culture change is right for your organisation.

To consider aspects of culture change we will explore the following questions:

- Why change culture?
- What do you change?
- How do you change?
- Who changes?

Why change culture?

Culture is a powerful influence on how an organisation works and how successful it is, and it is small wonder that decision makers seek to change culture. It affects dealings with customers, the degree of receptivity to change and innovation, profit-awareness, flexibility and cooperation. Tesco has consciously developed a very effective culture in delivering to the customer profitably. It knows how to reinforce and sustain its service culture as the envy of the industry through well-honed processes and disciplines which extend right down to the shop floor.

Attempts to change culture can create problems as well solutions, since culture can affect the whole fabric of the organisation. Just like the glue which some people describe as culture, it may not be visible or even considered by people in an organisation. However, its invisibility belies its importance. For all its deep rootedness, culture is not uniform or static. So changing culture is certainly not straightforward, but can be the right response to the need for change.

What to Change?

Most organisations have a yearning at some time to change or 'improve' their corporate culture. Common emphases include the development of a customer focused culture, a team-based culture, an empowered culture, an entrepreneurial culture, a learning culture, a cost conscious culture, or a green culture. Gerry Johnson has developed a model of culture called the 'cultural web'. He talks of the manifestations of culture as being:

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- The organisation's structure
- Symbols
- Power structures
- Rituals and routines
- Stories and myths
- Control systems

Such apparently unrelated things as reward systems and an office reception area contain messages about key assumptions, what is significant and how the organisation works. To change a culture, many argue that you need gain insight into the underlying assumptions, then work to change these outward manifestations in an integrated and coherent way, not piecemeal, as you go deeper to change behaviours and values.

How to Change Culture

One accepted way of changing the culture of an organisation is to define what the culture is at the moment, create a vision for the desired culture and then develop and implement a compelling and motivating plan to move towards the new desired state. Defining organisational values and desired behaviours help demonstrate how people in the organisation can support the achievement of the vision. Business and cultural change need to go hand-in hand, aligning culture with organisational strategy, goals and vision. Ultimately, however, it is the link to behaviour and underpinning values which is the most enduring. The diagram summarises this staged approach to change:

VISION

(Where we want to be)

ORGANISATIONAL GOALS

(What we need to achieve)

STRATEGY

(How we will achieve this)

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VALUES

(Our guiding principles to achieve the vision and goals)

BEHAVIOURS

(How we need to behave to support the vision)

Studies point to the need for people to be able to recognise their own current culture in order to identify how they need to change. The idea is to hold a mirror up to the organisation so that employees see the culture as others do. The means to do this include the use of questionnaires or surveys as a basis for discussion and action. Active participation can also be attained through working in small facilitated employee groups.

A top-down approach sets the right tone and appears quick, a bottom-up approach slower, but long-term to secure commitment throughout the organisation, widespread support and involvement is necessary. A charity saw that the only way to become a changed organisation, more empowered and flexible, was to nurture and grow its managers to work with their teams to tackle the cultural issues. It is working with teams and middle managers to achieve this.

Moving from one culture towards another often means organisational change. Kurt Lewin developed a model of change that talked about 'unfreeze—change—freeze'. Whilst the model is useful in thinking of the need to break down the rigidities of old ways, and later reinforce new ways, it wrongly implies that leaders can make people change and that it is a once-and-for-all process.

Be aware of possible negative consequences of culture change. In the 1990s, attempts to introduce a strong commercial element to the UK rail industry culture led to serious consequences. A series of major rail crashes led to a complete rethink of the kind of culture that had been created, one where critics said profits had been placed before safety.

Once diagnosis and involvement is underway, culture change can be accelerated by such means as:

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- Role modelling, where key influencers walk the new talk.
- Symbolic changes, such as new dress codes and rituals.
- Reward for appropriate behaviour, e.g. through suggestions, prizes, ceremonies.
- Key appointments. At a former building society intent on change, in 12 months it replaced eight out of 11 directors as it moved towards to becoming a bank.

How long does such change take? It is hard to predict accurately: the process can run out of steam, there may be dips in energy and morale and also there are likely to be diversions from plan.

Who Changes?

Some will respond readily to change and are stimulated by it, others view change in a threatening way. Roger's 'Innovation Adoption Curve' shows five typical reactions to innovations. Within a common umbrella strategy, each group needs to be treated in somewhat different ways. It is particularly valuable to target and get on board the early adopters and those more ready to change:

- Innovators (2.5% of the population) – people leading the change
- Early adopters (13.5%) – people willing to try out new ideas but in a cautious way
- Early majority (34%) – people who accept change more quickly than the average
- Late majority (34%) – sceptics who resist change as long as possible
- Laggards (16%) – people who are set in 'the old ways' and hold out against change as long as possible.

Leaders during culture change

Whether in an existing or a merged organisation, leaders have a critical role to play in making cultural change successful. Leaders need to epitomise the culture they wish the organisation to espouse. The hidden and vital leaders of change are people in non-traditional leadership roles, such as team leaders and specialists, implementing small-scale incremental changes.

Employee Reactions

Particularly in takeovers, initial employee reactions are often hostile, displaying negative comparisons and resistance. Cranfield School of Management's Graham Clark says acknowledgement of emotions is a must: "During change, there must be enough air time for expression of negative emotions, which sometimes provide the kind of challenge that allows recognition when an organisation is off course." A merger of cultures can bring an organisation down. When Northern supermarket chain Morrisons took over South-based Safeway it encountered huge cultural clashes for which it was not prepared. It has now resolved these and is operating successfully and profitably, but its troublesome cultural and business integration nearly sank the whole business. Managers need to acknowledge and respond to employee concerns.

So is culture change right for you?

Embarking on deliberate culture change is a rocky journey: it is often quoted that over 60% of change programmes do not achieve their desired goals. Yet however difficult, it is vital to be proactive and adapt to a changing world; with no intervention a culture will drift over time, but not necessarily in a desirable direction. Better take the lead on cultural issues than leave it to chance.

10 Pointers for Successful Culture Change

1. Diagnose the current cultures in different parts of your organisation
2. Involve employees in this diagnosis and the findings
3. Create and get buy-in for a strong and compelling vision for the future
4. Communicate regularly: first, the need for change and its benefits for employees, then progress in implementation. Also remember communication is a two-way process, so listen out for concerns and comments.
5. Define and agree the values and behaviours that will support the cultural change

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6. Foster leadership development throughout the organisation to encourage role modelling of the desired behaviours

7. Identify and encourage early adopters to help spearhead cultural change

8. Prepare and allow for varying degrees of acceptance, including resistance to change

9. Lay out the route map for cultural change and continually update and communicate this.

10. Celebrate and reinforce success at all stages.

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