

Culture change

In this edition of *Management Services*, Cliff Moyce talks about the risks and rewards of attempting culture change in an organisation.



Culture change is arguably the most powerful tool for transforming businesses, but it is also one of the least well understood. Without it, many well documented company turnarounds would not have happened (eg the transformation of Marks & Spencer under Stuart Rose). Of all the varieties of business change, it is culture change that delivers the most important outcomes. However, it can be the riskiest and most demanding type of change, and if done badly it can make things worse.

Despite the fluffy name, culture change has been described as a 'brutal' process (Burnes, 2009). Brutal, because if you accept that culture is embodied in the values, beliefs and behaviours of the individuals in an organisation, then you also accept that not everyone will fit into the new culture. Culture change almost always results in some members of staff leaving and being replaced by people who are believed to better embody the new culture. Of course, it would be better if all the current personnel were to adopt the new culture, but it happens rarely. And this is for a good reason – culture is people.

There are many definitions of organisational culture. Some are more useful than others. Simple and accurate is 'how things are done around here' (Drennan, 1992). Another is '... a pattern of beliefs and expectations shared by the organisation's members. These beliefs and expectations produce norms and powerfully shape the behaviour of individuals and groups in the organisation.' (Schwartz and Davis, 1981). It is the way culture shapes behaviours that is the most important factor for those of us trying to improve performance in organisations. Productivity improvement isn't just about method improvement and work design, it's about people as well.

Some writers argue that many companies lack a cohesive culture that binds them together, and it is this lack of cohesion that causes them problems. Similarly, the success of Japanese companies in the 1970s and 1980s was attributed in large part to them having strong and cohesive cultures. Even though the production management and productivity improvement techniques being used in Japan were imported from the USA, it was the ability of Japanese companies to embed those approaches into the culture, that separated them from western competitors.

So what types of culture exist? Charles Handy (1986; as cited in Burnes, 2009) suggested power culture (one or more powerful figures at the top wielding control); role culture (bureaucratic, mechanistic and rigid with people sticking to their job descriptions); task culture (a focus on getting the job done in which individual contributions are valued more than job titles); and, a person culture (minimal structure with everyone focused on keeping one senior person happy). These archetypes do a good job of suggesting how it might feel to work in those cultures, but they don't give as good a feel for customer experience (with the exception of role culture – we all know what it is like dealing with a bureaucracy). But before deciding what culture best describes your organisation, bear in mind that differences often exist between claimed and actual cultures; and, between different parts of the same

organisation (eg the famous head office v local office divide). Unless you live in a country where industries are owned by the state, employee behaviours towards customers will be a major factor in the success your organisation. There is no point claiming in your advertising that you put customers first when you are not answering phone calls; not consulting on planned changes to services and products; and not offering eye contact in face-to-face dealings. Such an organisation will not score highly on customer satisfaction. Talking of which, customer satisfaction surveys are a great way of determining your true culture.

Identifying a problem

So how do you know if you have a cultural problem in the workplace? Most of us can spot behaviours that are unhelpful or counter-productive and with a little thought, discussion, and analysis, can figure out the faulty or outdated assumptions driving the behaviours. If you are still in doubt as to whether you have culture problem, there are various cultural-risk tools available that guide you on the areas to examine. However, many of them are rather inward facing. A problem with culture usually means the elephant in the room, not a needle in a haystack, so should be easy to spot.

Before considering how to go about changing culture for the better, some health warnings need to be considered:

Ensure that culture change is really needed. If culture (ie values, beliefs and behaviours) is not a causal factor in your current problems, or is not an obvious barrier to achieving your business goals, then why are you trying to fix it?

Do not overstep the mark. Explaining to people what sorts of behaviours will be important from now on (and why) is one thing, but telling them what to think is another. People should always be free to voice their opinions on 'how things are done around here' as doing so will keep the culture alive.

Don't take success for granted. Culture is difficult to change because it is based on deeply held beliefs and values; is well-practised through previously-successful behaviours; and is shaped by powerful organisational norms. There are examples of desired culture change taking ten years to achieve. And don't think that because you are the boss, you are the culture!

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So how to do the changing? My preferred approach is to share how I perceive the problems in the organisation (being careful to distinguish between symptoms and underlying causal factors) and explain how I think it links to culture. For example, what false or outdated assumptions, beliefs or values may be underpinning the way people are behaving, and how by changing those assumptions, there will be an improvement in behaviours. The ensuing discussions and deliberations always add to the analysis and provide further ideas on how to achieve the required change. If new, improved behaviours can be enshrined in formal processes and procedures, then they should be. However, documented processes are often 'shelfware' and cultures are sometimes tricky to document. Much better to start demonstrating the new behaviour yourself and encourage others to do the same. When anyone lapses back into the old behaviour, point it out to each other. Once new behaviours have been shown to work, it is time to enshrine them in the professional development, appraisal and selection processes (but I recommend not before).

By comparison, textbook approaches can seem rather managerialist and top-down in their approach, and also rather cynical in their manipulation of the composition of the workforce to achieve the desired result. But sometimes desperate situations require desperate measures, so these approaches should be regarded as valid in the right circumstances. One of the best known approaches (Dobson, 1988) recommends:

Change recruitment, selection and redundancy policies to alter the composition of the workforce, so that promotion and employment prospects are dependent on those concerned possessing or displaying the beliefs and values the organisation wishes to promote.

Reorganise the workforce to ensure that those employees and managers displaying the required traits occupy positions of influence.

Communicate the new values.

Change systems, procedures and personnel policies, especially those concerned with rewards and appraisals.

Dobson's approach is stark. It starts after any analysis of causal factors such as beliefs, values and behaviours has taken place (assuming that said analysis has taken place at all); and, it takes the bull by the horns in terms of changing the composition of the 'workforce'. But use of the word 'workforce' belies its managerialist bent. In Dobson's world, the workers are the

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problem, not the managers. That is a common, often erroneous and dangerous assumption to make in any organisational situation. Worker v manager distinctions are outmoded and have long since outlived their usefulness. Everyone is managing work to one degree or another in most organisations these days. But Dobson's approach was developed in the 1980s when managerialist thinking was still the norm (in fact, the culture!).

To summarise, culture change is important but risky, and needs to be done well. Its strength comes from its recognition that fundamental values and beliefs drive peoples behaviours at work and it is these behaviours that are the public face of your organisation. For these reasons, organisational leaders and change practitioners should regard culture change as an essential skill.

About the Author

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